

VISION PAPER

Executive summary

Regional Economy



| Analysis of issue structures: Regional Economy

The definition of “Region”

SIIF defines the term “**region**” as a **municipality with a population of 500,000 or less (outside a metropolitan area)** that falls into any of the groups shown in the right box. Although the severity of each issue also significantly varies according to the sizes of regions, SIIF’s issue design map intends to illustrate the common issues.

Precondition of analysis

To start the analysis, SIIF considered **the common regional phenomena** (i.e., population decline that has caused a decrease in the workforce populations, greater demand for nursing care due to an aging population, and continuation of services at the same levels using aged infrastructure) as **preconditions**. Therefore, the analysis is conducted the local specific issues based on such preconditions.

Classification of “Region”

1

Small satoyama community-based region
(population of up to 10,000)
[e.g., Nishiawakura Village (1,500), Ama Town (2,300)]

2

Small regional city (10,000 - 200,000)
[e.g., Eiheiiji Town (19,000), Nanao City (54,000),
Toyooka City (79,000), Yamaguchi City (190,000)]

3

Regional central city (200,000 - 500,000)
[e.g., Gifu City (410,000), Toyama City (420,000),
Takamatsu City (420,000)]

4

Regional metropolis (500,000 - 1 million)
[e.g., Shizuoka City (700,000), Niigata City (810,000)]

SIIF’s scope of analysis: the segment 1, 2 and 3.

※Data collection methods: desk research and semi-structured interviews with 15 experts.

| Issue summaries: Regional Economy

In the regional revitalization theme, SIIF identified the four critical challenges of regions in Japan: work, life, value and environment.

Work

There are **three major critical challenges in work category**: the first is **the stagnant financial flows** due to the declining local industries and shrinking regional economies, and the second is **the lack of attractive employment opportunities** due to the absence of high value-added industries and low productivities of local industries. Finally, **the startups and entrepreneurial businesses are not likely to emerge** in the local economies.

Life

Regarding the life, the following elements are the key challenges: deteriorating **educational and healthcare** environments, **lower levels of convenience**, declining **safety and security**, **population declining** of young people.

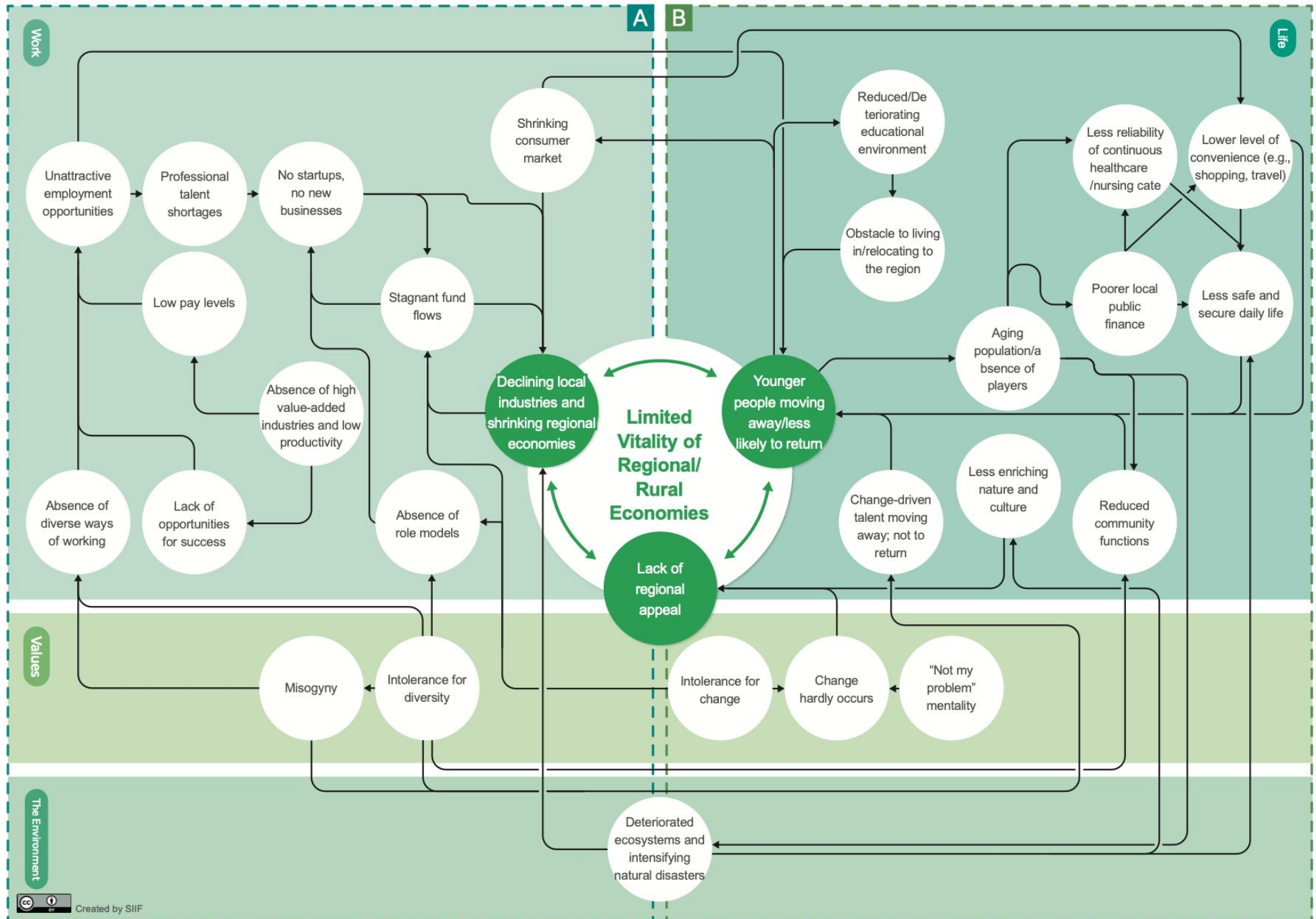
Value

As the negative contributing factor, **intolerance for diversity and resistance for change** in the local culture are discussed.

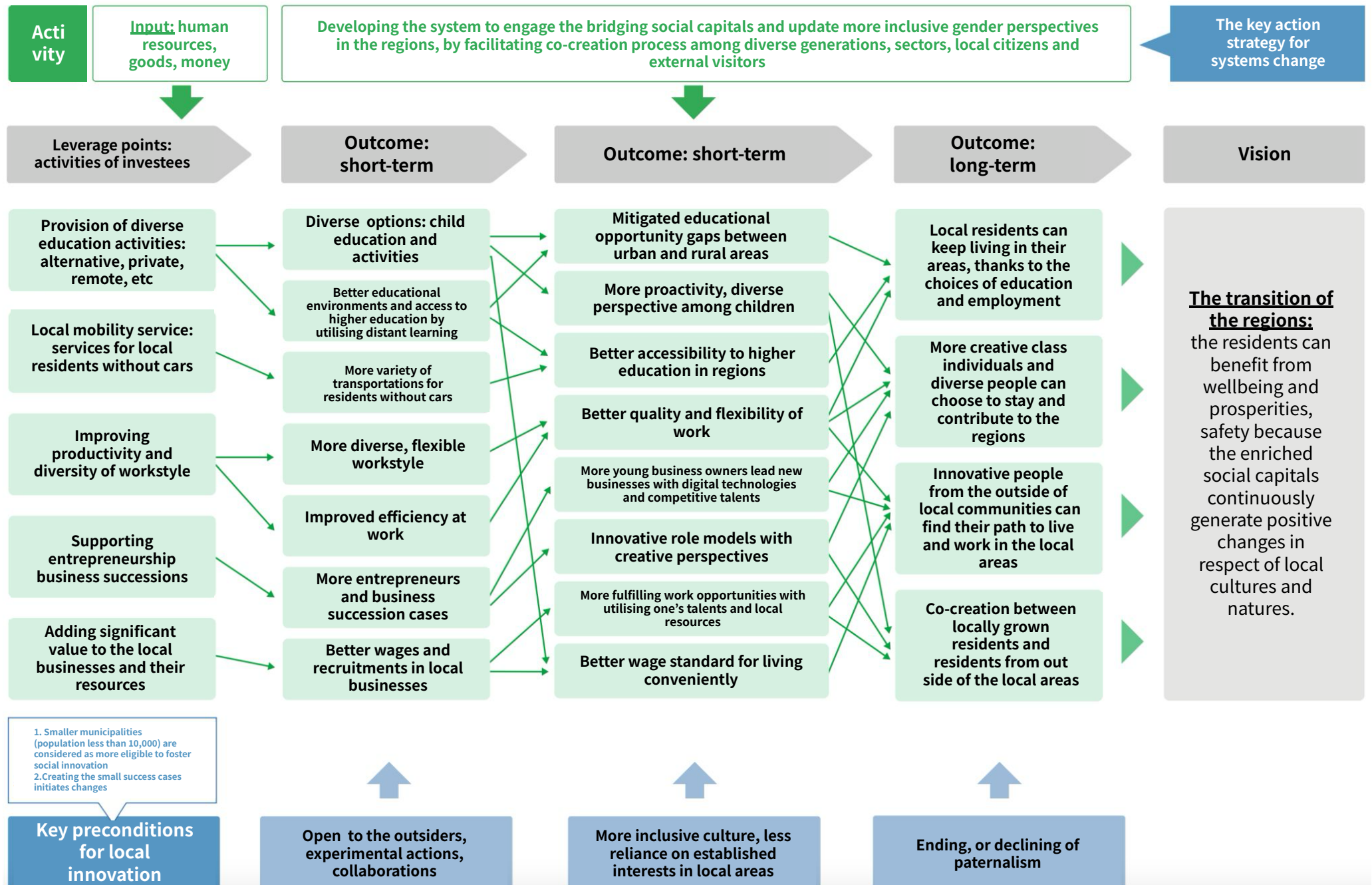
Environment

Deteriorated natural ecosystems and intensifying natural disasters in rural areas are considered as the downsides of environment category.

Issue Design Map: Regional Economy



Theory of Change: Regional Economy



| SIIF's key actions: Regional Economy

Applying the key concept of **placed-based investment**, SIIF will identify **the key themes relevant to the local contexts** with the key stakeholders in regions.

The examples of potential investment themes are below.

- 1. Education**
- 2. Mobility**
- 3. Employment**
- 4. Entrepreneurship**
- 5. Industry facilitation and branding**
- 6. Nurturing social capital**
- 7. Diversity**