

# Depopulation, Abandoned Houses and Entrepreneurship: How Rural Communities in Hyogo Prefecture Try to Revitalise Their Locality

SCHRADE Anna

On November 22, 2018, Tokyo, once again, received international attention. However, not in regard to the upcoming Olympic Games, but due to a proposal by the metropolis to pay its residents the impressive sum of \$27,000 (three million yen) to move and start a business outside the capital. Whilst exact details were not released, this new system could be implemented as soon as in fiscal year 2019 (Prime Minister of Japan, 2018).

This initiative poses only one of 8,496 support schemes by municipalities hoping to attract newcomers to rural Japan, listed by the Japan Organization for Internal Migration (JOIN, 2018). Incentives given to those who migrate to regions with dwindling population are manifold, with the most common ones providing financial help to cover moving expenses, settling-in allowances, and generous subsidies to renovate old, vacant houses (*akiya*). Some municipalities like Okutama even go as far as to provide new houses to migrating families, with the legal ownership handed over to the tenants after 22 years of residence. Further benefits in cash and kind are often available if the new arrivals have children, and a multitude of small- and medium-sized towns provide generous support for raising children, such as free childcare and free healthcare for children. As children have become a major asset for the countryside, where the population has been rapidly declining over the past years, villages like Mishima, a small island with a population of less than 400 in Kagoshima Prefecture, have displayed new heights of creativity and offer to pay the restaurant bill

when new residents go on dates, as part of their ‘bridge-searching scheme’.

These immense efforts to encourage people to migrate from urban areas, among all Tokyo, to the countryside can be best understood in the light of the latest population statistics. In 2018, nearly one out of three Japanese citizens lived in the Greater Tokyo Area, home to over 38 million people. Vast numbers of the capital’s residents had migrated from rural areas in order to pursue education or for career reasons — a trend continuing since the 1950s (Masuda, 2014). Between 2010 and 2015, 39 out of Japan’s 47 prefectures experienced a population decline — some, like Fukushima, even by 115,000 people. The persistent rush to Tokyo, the centre of finance, commerce, and government, coupled with a shrinking population, poses serious problems to the country’s fading small- and mid-sized regional communities, which are starting to shrink at an unprecedented pace (Japan Policy Council, 2014). As a declining population translates into decreasing human capital, tax revenues, and aggregate demand, depopulation could eventually shake the fiscal stability of small communities to an extent that they are forced to stop public service, having to close schools, hospitals, and cultural institutions.

In addition to the aforementioned long-term fiscal pressures a declining rural population puts on local governments, the immediate effects are already visible in almost every small- and medium-sized Japanese town: vast amounts of abandoned properties,

often dubbed ‘ghost houses’ due to their dilapidated condition. For 2018, the Nomura Research Institute (NRI) estimated the number of vacant properties to be close to 11 million (or 17 percent of all housing units), many of them uninhabited for years or decades (NRI, 2016). Whilst they are a sore to the eyes of other residents, making villages look shabby and decreasing the value of nearby property, they also pose a severe health and safety risk. Abandoned properties, especially old freestanding houses, attract vermin and could spread infectious diseases. Empty houses provide dry, warm shelter to wild animals such as tanuki, raccoon dogs, macaque monkeys, or wild boars, which increasingly spread in residential areas (Makino, 2014; Matanle & Rausch, 2011). However, not only abandoned houses receive the animal population’s attention: also fields and orchards are increasingly visited by animals when fruits in abandoned gardens are ripe, such as in Sasayama (Hyogo Prefecture), where monkeys get after ripe persimmons, much to the anger of the local population. In addition, ‘ghost houses’ also pose a serious fire hazard. Unwatched, flames can spread easily, increasing the risk of large-scale fires.

Whilst the ‘abandoned house problem’ (*akiya mondai*) is already a serious issue, it is about to explode. Within the next 15 years, the number of abandoned dwellings is expected to double, reaching over 22 million properties by 2033 (NRI, 2016). This means that in less than two decades, one in three properties in Japan will be left empty. As the majority of such run-down dwellings are outside urban areas, local communities all along the Japanese archipelago have started to act.

This article analyses diverse initiatives by small- and medium-sized municipalities in Hyogo Prefecture in central Japan. Whilst the major focus is on the abandoned houses issue, it also includes other initiatives such as providing ‘internships’ in rural companies, job search banks, financial and administrative support for moving families, seminars and guidance, and free weekend stays, among others.

It argues that nurturing and supporting entrepreneurs in the countryside, as well as attracting young families, is key to securing small local communities’ survival.

### Urbanisation and population imbalance in Japan

Since the 1950s, vast numbers of Japanese citizens have moved from small villages and towns to urban conglomerations. Whilst in 1950, nearly half (47 percent) of Japan’s population lived in rural areas, this ratio has declined to under one in ten. By 2014, a staggering 93 percent of all Japanese people was living in cities, making the share of rural population nearly three times smaller than for example in the United States, where 19 percent of the population lived outside of urban regions. In particular during Japan’s high economic growth period (1955-1970), up to the oil shock of 1973, an unprecedented number of residents moved away from their birthplace in search for better employment and higher wages. The main magnets were the country’s major cities, such as Tokyo, Osaka, and Nagoya, as well as their growing suburbs (Masuda, 2014b). Internal migration levels surpassed eight percent in the late-1960s and early 1970s, and between 1963 and 1970, Tokyo alone experienced an average net migration of over 300,000 people per year. The major reason for the rise in urbanisation rates and migration to the metropolises were spiraling income gaps during the 1960s: in the early 1960s, average per capita income in the three major metropolitan areas was nearly three times higher than the national average (MLIT, 2015).

With the oil shock in 1973 and the resulting recession, followed by modest economic growth until the 1980s, internal migration declined; nevertheless, especially the Tokyo region and Aichi remained a magnet, and even today, net migration to the larger Tokyo area surpasses 100,000 people every year. Due to both internal migration and population growth, the metropolitan hubs around Tokyo, Nagoya, and Osaka have grown by 35 million people between 1950 and 2005, absorbing a full 80 percent of Japan’s population increase (+43 million) during that time (Dzienis, 2011).

Today, over half of Japan's population lives in these three regions.

Whilst it was pointed out that the intensive internal migration to the major cities before 1973 constituted a main pillar for Japan's high economic growth and rapid modernisation in the 1960s, it has also posed a multitude of challenges that impact Japan's social and economic conditions today (Ishikawa, 1995). The main problem is an imbalanced population distribution, which could threaten the survival of hundreds, or even thousands, of small villages and municipalities whilst at the same time putting a strain on service provision in metropolises like Tokyo. Data by the Japan Policy Council (2014) suggests that 30 percent of currently existing local municipalities could disappear by 2040 if current trends, especially in regard to youth out-migration, continue. The central government (Ministry of Land, Infrastructure, Transport and Tourism & Ministry of Internal Affairs and Communications, 2016) puts the number of vanishing small towns and villages at 3,000. According to three major surveys conducted by the aforementioned ministries in 2015, 300 are predicted to disappear by 2025, with thousands more following by 2040.

In *Local Extinctions* (2014a), former prefectural governor of Iwate, Hiroya Masuda, highlights the reason for the rapid "extinction" of Japanese communities: following decades of out-migration, in thousands of villages, the majority of residents are already over 65. This renders them a *genkai shūroku*, or 'community on the edge', unable to reproduce themselves. At the same time, the ratio of women in childbearing age (20-40 year) is plummeting. According to Masuda (2014a), who based his research on 2013 data from the National Institute of Population and Social Security Research, 896 municipalities will become extinct by 2040 due to the loss of young female residents. For five Japanese prefectures (Aomori, Iwate, Akita, Yamagata and Shimane), the share of women in their 20s and 30s will decline by over 80 percent. In some villages, especially in Hokkaido, the loss of women could amount to 87 percent of the entire female population aged 20 to 40

between 2014 and 2040. Even in middle-sized cities, such as Kushiro (Hokkaido) with a population of 181,000, the number of women in childbearing age is predicted to fall below 10,000 by 2040.

Such a shortage of women, coupled with a rapidly aging population, is a ticking time bomb and poses severe problems to the communities' ability to survive. If Masuda's interpretation is correct, in seven prefectures (Hokkaido, Aomori, Yamagata, Wakayama, Tottori, Shimane, and Kochi), over 50 percent of municipalities will cease to exist over the next decades, leaving those residents who cannot move to larger communities without sufficient social infrastructure (Ibid.). However, it is not only the rural regions of Japan that are burdened by the unequal distribution of population. Whilst the countryside has to face problems associated with population aging earlier than urban areas —most of the 15,000 communities where, already today, over half of the population is elderly (over 65 years old) are in rural areas—, also the big metropolises are concerned (Matanle, 2017). Tokyo will be experiencing a 53 percent increase of its elderly population between 2010 and 2040, and has to cope with spiraling demand for hospitals and long-term care (Masuda, 2014b). However, Tokyo's medical and nursing care foundations are relatively weak, and due to high population density that is furthermore aggravated by the continuous influx people from other regions, per capita availability of nursing care facilities, as well as the ratio of doctors to population, are low. Cities like Tokyo and Osaka will be unable to provide sufficient services for their elderly population if hospitals and care facilities are not able to secure more personnel. Osaka, for example, will have to cope with an additional 200,000 people over 75 certified as in need of long-term care between 2013 and 2025 alone — a challenge Kansai's metropolis can hardly stem (Kato, 2016).

The aforementioned issues pose only some examples of the repercussions that Japan's rapid population decline, coupled with an extremely uneven distribution of citizens and their accumulation in the Tokyo region, have triggered. Both the central

government and the rural communities are aware that such population imbalances are a ticking time bomb that has to be defused. As a result, initiatives to encourage people to move from urban areas to small- and medium-sized communities are thriving. A plethora of such programmes and services, run by diverse local communities, NPOs, and government institutions, will be introduced in the following, highlighting the high level of attempts to reverse the rural depopulation trend in Japan.

### Initiatives to relocate citizens from urban areas to rural regions: I-turn, U-turn

Aware of the dangers of a rapidly declining and aging population in the countryside, the Japanese government (Ministry of Internal Affairs) initiated research on the future of municipalities in rural regions already in 2006. In autumn that year, an organisation was formed within the existing Japan Centre for Regional Development (*Chiiki Kasseika Centre*) that should prepare for a new organization promoting internal migration. In 2007, a new Organisation for the Promotion of Migration and Exchange (*Ijū Kōryū Suishin Kikō*) was founded as non-statutory body, becoming an incorporated association in 2014. This new government-related organisation, JOIN, has been offering a plethora of services to reach their aim of supporting people's "migration from cities to regions", as well as the "exchange between cities and rural areas" by promoting a "collaboration between business and municipalities". JOIN's overall aim thereby is to "contribute to the revitalisation of the countryside", despite the shrinking population, thereby "revitalising Japan" (*nihon wo genki ni suru*) (JOIN, 2018).

The organization hopes to encourage people to move from urban areas to the depopulated countryside, providing support through their Migration Exchange Navi, a database that supports people willing to relocate with finding work and housing. The *akiya* (vacant houses) database lists tens of thousands of available homes that are offered predominantly by

private owners through municipalities, many of which operate their own extensive housing databases. As employment opportunities are not as readily available as the over 10 million vacant housing units, a large part of JOIN's efforts consist of connecting people who are interested in moving to rural areas with employers looking to increase their workforce. Jobs are varied, with agriculture and tourism posing the largest part, but also employment in the local town administration, care facilities and local SMEs are advertised. On top, JOIN offers information for entrepreneurs, listing not only rental office space and financial support by municipalities, but also advertising different business opportunities and business contests for people interested in start-ups outside of urban areas.

Demand for JOIN's services that help match people looking for a more fulfilling life in rural areas with house owners, employers, and the Rural Revitalisation Corps (*Chiiki Okoshi Kyōryokutai*) is continuously rising, and both traffic at their website and direct inquiries are rapidly rising. Also the annual Internal Migration Fairs with its over 400 booth run by rural communities all over Japan, organised by JOIN at fairs at the prestigious Tokyo Big Sight convention centre, are increasingly well-attended. Hoping to attract especially young workers and growing families, participating municipalities from Hokkaido to Okinawa highlight the cheap housing costs, the availability of jobs and services like daycare, a work-life balance that surpasses that of urban areas, on top of untouched nature and delicious produce from the region.

Such trends are also noticeable among other institutions promoting U-turn (migration back to the countryside hometown) and I-turn (migration of city dwellers to rural areas — the I is an abbreviation for *inaka*, countryside). At the *Furusato Kaiki Centre* (Return To Your Hometown Centre) in Tokyo, the number of people participating in seminars and advice sessions on internal migration reached over 12,000 in 2014, over five times more than in 2008 (Prime Minister of Japan, 2014). Rising interest in a life in the countryside is also displayed in the Cabinet Office's

survey from June 2014, which reveals that nearly one in three Tokyoites (31.6 percent) have seriously considered relocating to Japan's small- and medium-sized rural communities (Ibid.). This represents a sharp increase in interest, with over 50 percent more people contemplating internal migration as compared to 2005, when only one in five people could imagine starting a new life in the countryside. Whilst interest among all ages is considerable, especially the younger generation expressed a great desire to move to rural areas: nearly 40 percent (38.7 percent) of all respondents in their 20s considered moving away from the capital in the future (Cabinet Office, 2014). The main motivation is to thereby experience a "slow life" (*surō raifu*) — as expressed by nearly half (47.9 percent) of all men in their 30s (Prime Minister of Japan, 2014). This new trend among people in their 30s and 40s to consider internal migration to the countryside is also visible at the *Furusato Kaiki Centre*, where over half of all participants of its migration-related services were under 50 — up from 30 percent in 2008 (MLIT, 2014).

Whilst exact figures on internal migrants who moved from cities to rural areas in search for new opportunities are not available — most government statistics only look at the general trend of internal migrants in Japan —, the popularity of a life in the countryside is rising. Over the past years, an increasing number of urbanites who have always lived in cities have considered relocating to the countryside (I-turn). Remote municipalities like Ama (population: 2,400) on the Oki Islands off Shimane Prefecture, located in the Japan Sea between Japan and Korea, have made the news for attracting over 234 young, mostly well-educated urbanites in just five years (2004-2009) (Hoffman, 2014). Ama, which had run a major campaign to attract newcomers, functions as a best practice example of how increased internal migration can revitalise the countryside whilst improving people's satisfaction with life.

Over the past decades, thousands of municipalities, prefectural governments and national ministries, as well as uncountable NGOs and civic

groups have been encouraging Japanese citizens to move to the countryside, catering to the rising interest in a life away from long commutes in crowded trains, small living space, and an unsatisfactory work-life-balance. The Ministry of Internal Affairs and Communications (MIC, 2018) supports much of this activism financially, and the 4,830 paid promoters of regional revitalisation (*chiiki okoshi kyōryokutai*) from the 997 participating municipalities (2017), can each receive up to 4.5 million yen for their time and expenses associated with promoting internal migration.

Their support is often motivated by the realisation that if local communities fail to attract (young) urban dwellers, their long-term survival is at stake. As population ageing and depopulation is happening in the countryside at higher speed than in urban centres, small- and medium-sized municipalities, as well as the central government, are putting enormous efforts into facilitating internal migration in order to manage de-growth and to prevent the collapse of hundreds of small communities. In the following, the efforts of individual regions, will be analysed at the example of Hyogo Prefecture.

## Coping with population decrease in Hyogo Prefecture

Hyogo Prefecture, with Kobe as its capital, is the seventh most populous prefecture in Japan, home to approximately 5.5 million residents. Whilst population in Kobe's city centre, similar to neighboring Osaka, has been growing —the number of residents in Kobe's Chuo Ward increased by seven percent between 2010 and 2015—, the majority of municipalities in Hyogo Prefecture are experiencing a considerable population decline (MRI, 2016).

This trend is not only limited to rural communities, but also affects the majority of the prefecture's largest cities, such as Kobe, Himeji, Amagasaki, and Kakogawa, among others (Himeji City, 2016). Whilst Japan's second largest urban conglomeration, with Osaka, Kobe, and Kyoto at its

centre, posed a major magnet for internal migration in the 1960s and 1970s, the Kansai region is expected to lose one quarter of its population between 2010 and 2050. Even the more urban prefectures of Osaka, Hyogo, Kyoto, and Nara will have two million fewer residents in 2040 than today (-16 percent) (MLIT, 2015). Despite its advantageous location in the centre of Japan, with quick access to Japan's largest airport outside the Tokyo metropolitan area, Hyogo Prefecture is experiencing an unprecedented decline in population, and its net loss between October 2015 and October 2018 was only surpassed by Hokkaido and Niigata prefectures. In particular municipalities located in the mountainous regions of central Hyogo, around Tamba, Asago and Toyooka, as well along the Japan Sea side, have to cope with a rapidly ageing, shrinking population. As a result, the vast majority of villages, towns and cities all over Hyogo Prefecture have started to offer diverse services and financial support to encourage city dwellers to move to their municipality. The initiatives both by Hyogo Prefecture and its municipalities, at the example of Sasayama City, will be investigated in the following.

Looking at the different budgets, it become evident that Hyogo prefectural government provides the most extensive and most generous financial support to encourage internal migration. Most of the municipalities offer smaller programmes, focusing on ideological, administrative and financial support to facilitate the move, as well as providing subsidised social welfare services to the new residents. The bulk of subsidies provided by both the prefecture and local communities are for the renovation of vacant houses for residential or business purposes. Hyogo prefectural government alone runs 25 different programmes to decrease the number of vacant houses. Subsidies are provided not only to future owners who renovate the properties for residential use, but also to entrepreneurs hoping to run an accommodation business where people can “experience farming”, to IT start-ups establishing a satellite office in a vacant house, as well as to new residents opening co-working spaces in empty buildings, to name just a

few (Hyogo Prefecture, 2018b). Several programmes that subsidise the cost for renovation of these vacant houses have special conditions, such as the need to make the new dwelling barrier-free, to use indigenous wood from Hyogo Prefecture's forest, or to make the new building earthquake-proof, whilst other are only limited to *kominka*, historic farmhouses, that are over 50 years old and that are renovated using long-established techniques and natural materials. Some of the prefecture's programmes provide financial help exclusively to certain target groups, such as newly-weds or young families with children that move into empty *danchi* apartments, or low- and middle-income households where the applicant is over 65 years of age. In general, most programmes, however, are available to the widest range of applicants.

The amount of financial support provided through prefectural programmes is considerable: for the renovation of vacant houses in the countryside, the generous sum of 2.5 million yen is provided, whilst house renovation in one of the prefecture's suburban housing development areas (*new town*) is funded with up to 2.3 million yen. Even renovation projects in the town centre can be awarded a maximum of 2 million yen. In addition to these renovation funds, a further 1.83 million yen is provided when these objects are made barrier-free and earthquake-proof. In the case that fields or rice paddies within the premises of the vacant countryside house are cultivated again, Hyogo Prefecture furthermore grants 750,000 yen (Hyogo Prefecture, 2018a).

If such vacant houses are used for business, up to 525,000 yen is provided for renovation and business operations, in addition to providing interest-free loans (up to 5 million yen) for start-ups. If an IT business relocates to the less urban areas of Hyogo Prefecture or starts a satellite office there, companies can receive the impressive sum of 36.5 million yen over a period of three years. In that case, Hyogo prefectural government not only shoulders part of the renovation costs of vacant houses and supports the development of network infrastructure, but also

subsidises the salaries of IT specialists for three years (up to 2 million yen per person per annum; in case that an internationally acclaimed IT consultant moves to Hyogo, 30 million are granted over 36 months). Other prefectural programmes aim at promoting facilities that contribute to exchange among residents. In case that an old *kominka* is renovated for such purpose, a maximum of 20 million yen is provided. Hoping to preserve buildings of historical value, Hyogo Prefecture furthermore provides a maximum of 22 million yen for the renovation of a historically important empty building in a shopping arcade that will be used for business purposes. In addition to this cash support, low-interest loans can be granted (Hyogo Prefecture, 2018a).

Considering that even in the prefecture's capital Kobe, over 13 percent of all properties —around 108,000 units —are not occupied, Hyogo's effort to increase the use of vacant houses is strategic (Kobe City, 2018). Also the focus on attracting entrepreneurs, providing ample funds to business ideas that use vacant houses, is sensible as it not only eases the *akiya mondai* and fosters population growth, but also generates new employment. In regard to the finding that the main concern of urban residents who consider internal migration is whether they can find work in the countryside, the prefecture's strategy to focus on attracting entrepreneurs is promising (JILPT, 2016). Hyogo Prefecture's focus on financing new start-ups that create employment, supporting businesses that increase day trips and vacation tourism in the region, as well as promoting facilities that increase the quality of life and the vitality of the region highlights the programme's overall aim: to increase convenience and social support in order to increase the quality of life of both new and old residents in order to attract more internal migrants, which is expected to generate new employment and to slow down population ageing. It is a strategy that focuses on the overall improvement of the quality of life in the region, thereby reducing out-migration of younger residents whilst attracting young internal migrants.

In addition to these efforts by the prefectural government, Hyogo Prefecture's website also lists an impressive 82 initiatives by municipalities and local NGOs to attract new residents, hoping to decelerate population decline. The vast majority of Hyogo's larger towns and cities —36 in total — have established their own *akiya* banks, matching owners of vacant homes with possible buyers from urban regions. Most municipalities furthermore employ schemes that provide financial support for renovation, and in some cases also bear some of the costs of moving. Despite the general focus on reducing the number of empty houses, the majority of local communities offer a wide array of services to attract internal migrants, such as seminars, weekend experiences, internships, job-hunting support, and employment databases. Some municipalities even go a step further, attempting to solve the declining birthrate issue by offering matchmaking services. In Sasayama, for example, unmarried men can consult the city's wedding advisory, which then introduces suitable candidates for free.

Sasayama (renamed Tamba Sasayama from April 2019), a city of 42,000 located roughly 50 kilometers north of Kobe, has demonstrated a high level of enthusiasm to welcome new residents not only through the aforementioned service. Through diverse financial support schemes, but also by organising diverse activities and study programmes targeting city dwellers, Sasayama has become a forerunner in attracting urbanites to their community. In the following, some of the manifold schemes and programmes organised by Sasayama City will be analysed to provide an example of how countryside towns can succeed in welcoming internal migrants.

Sasayama's strategy to revitalise their community focuses on increasing both the number of U-turns and I-turns. One of the city's most long-standing programmes to increase their (young) population is the *Let's Go Back to Our Hometown Sasayama and Live There Movement*, encouraging

former residents that had left the city after secondary education. Hoping to encourage young couples or families to return to their childhood home, Sasayama budgeted over 100 million yen (about 1 million USD) to increase the number of U-turns in 2018. Generous financial help is given both in form of housing subsidies (cash support) and by bearing some of the costs associated with pregnancy and raising children (support in cash and kind). If a young U-turn resident or family renovates one of the town's vacant houses and lives there for at least 10 years, Sasayama grants 2.25 million yen, in addition to smaller subsidies of up to 500,000 yen. Financial support targeting expecting mothers or families with young children is equally generous: Sasayama not only bears all expenses for the medical check-ups during pregnancy and subsidises the costs of giving birth in hospitals in Sasayama with 50,000 yen, but also gifts 200,000 yen for every birth after the second child. Medical expenses for young children are fully covered up to the last year of junior high school, and nursery is free from the third child onwards (the second child is charged half) (Sasayama City, 2018). In case that young couples hope to have children but cannot conceive naturally, the town contributes up to 200,000 yen annually to fertility treatment (Come Back Hyogo Centre, 2018). These aforementioned support schemes targeting younger couples and families hoping to return to their hometown highlights the seriousness with which Sasayama tries to lower the average age of its residents.

Support, however, is not only limited to people that already have a connection with Hyogo, such as those who grew up in Sasayama. City dwellers hoping to start a new life in Hyogo's rural region receive equally generous help, making Sasayama one of the most active communities in regard to internal migration support. Guidance is predominantly provided through Sasayama's *Classo* Internal Migration Consultation Centre. Distributing information not only on available housing and employment opportunities, but also on 'food, life, and education', the town provides ample information on how a new life in Sasayama could be.

Interviews with 40 residents who started a new life (and most often also a new business) in Sasayama provide not only ample information on possible opportunities in Sasayama, but also give direct insight into the diverse success stories of those who decided for an I-turn or U-turn. Over the years, Sasayama has become one of Hyogo's centers of internal migration, attracting over 100 people that were looking for new challenges and a better life in the countryside. A considerable amount of newcomers have left the nearby cities of Kobe, Amagasaki, Nishinomiya and Ashiya to develop their skills in Sasayama's lush green environment. New residents engage in farming and sell local produce, manage cafes and restaurants, sell handicraft, run small shops and service businesses, or work remotely in the IT sector.

Similar to Hyogo Prefecture, also Sasayama City focuses heavily on nurturing and supporting entrepreneurs. To encourage new start-ups, Sasayama paired up with nearby Kobe University, offering a 'local business school' for entrepreneurs under the framework of the Sasayama Innovators School. The programme offers a rigid curriculum, and students take seminars on up to six different subjects related to managing a new business in local areas, including finance and business plan writing. A large number of instructors are professors and researchers from Kobe University, guaranteeing a high standard, despite the reasonable participation fee of 80,000 yen for the 11-months long business school programme. On top of such seminars, students engage in community-based learning, learning from the experiences of other entrepreneurs who have started their business in and around Sasayama.

With seminars taking place in the Rural Innovation Lab (also jointly run by Kobe University and Sasayama), right next to Sasayama station, in the evening and on the weekend, the local business school attracts students from a wide range of municipalities in Hyogo, Osaka, and Kyoto prefectures. Less than one third of the 55 students belonging to the first two intakes (matriculation year 2016 and 2017) were from Sasayama and nearby Tamba City, showing the



interest among urbanites to establish a business in rural areas. The data on graduates furthermore highlights the success of the Sasayama Innovators School: of the aforementioned 55 participants, seven have already started business operations, whilst 33 are currently preparing their start-up (Sasayama Innovators School, 2018). These figures testify to the great impact the Sasayama Innovators School has had on nurturing local entrepreneurship and poses a sign that with the right support, even the countryside can attract new businesses and young workers.

These are only a few examples of the enormous efforts some localities in Hyogo are putting into attracting new residents. Whilst Sasayama offers some of the most advanced support schemes for urban dwellers to start a business in the countryside, other municipalities have similarly assigned enormous efforts and financial resources to revitalise the countryside and their community.

## Conclusion

Local revitalisation is one of the most pressing and most important tasks Japan is facing. At the same time, it is also one of the most difficult ones. Sixty years of large-scale internal migration to the urban centres have left a huge toll on rural areas, and has upset the population balance in Japan. Whilst metropolitan regions like Tokyo are suffering from overcrowding and insufficient care facilities for the elderly, thousands of small regional communities lack sufficient young residents to make their community sustainable and to save their village from extinction.

Over the last decade, the national and prefectural governments, but also the municipalities themselves, have allocated enormous financial resources to attract urbanites to rural areas. Providing generous subsidies for the renovation of abandoned houses to new residents, local governments have hopes to ease the far-reaching negative consequences of two major problems they are facing: reducing the number of often dilapidated ‘ghost houses’, which is expected to rise

over 20 million by 2033, whilst decelerating population decline. Financial support is provided to help urbanites willing to move to the countryside, subsidising their move, housing costs and the renovation of old property, but it also covers some expenses associated with raising children. The main focus by the majority of regional governments is on attracting both young families and entrepreneurs, hoping to increase innovation, employment and services for new and old residents, whilst lowering the average age of local residents.

The analysis of Hyogo Prefecture, one of Japan’s top three regions in terms of net population decline, highlighted the seriousness with which some prefectures are trying to curb population decline. Providing unprecedented sums of financial support for the renovation of old houses as well as the establishment of new businesses, partially covering rents, network environment as well as the salaries of high-level IT engineers for up to three years, each of Hyogo Prefecture’s new IT start-ups can receive up to 10 million yen (or, in extraordinary cases, a maximum of 36.5 million yen). Support schemes are manifold and cover a plethora of ideas and target groups, making the vast majority of internal migrants eligible for support.

The efforts of local communities were evaluated at the example of Sasayama City located in the mountainous region of eastern Hyogo Prefecture. Sasayama poses not only one of the most active communities in regard to the promotion of internal migration, but is also one of the most successful ones. Over the past years, it has been able to attract an increasing number of people committing an I-turn or U-turn. Having managed to foster an image of being innovative and creative, Sasayama has become home to an increasing number of younger urbanites from nearby cities, such as Kobe, Nishinomiya, Osaka, and Kyoto. In particular the city’s focus on nurturing and supporting entrepreneurs has been successful, with the number of new businesses growing. A big contribution to this success comes from the Sasayama Innovators School and Rural Innovation Lab, projects run jointly with Kobe University in order to support new start-ups.

Having created a ‘local business school’ that teaches young entrepreneurs how to start a business in the countryside, Sasayama has managed to raise interest in their community beyond the borders of Hyogo Prefecture, and has successfully trained over fifty entrepreneurs.

As this paper highlights, whilst depopulation trends of the countryside cannot be reversed, they can be decelerated and their effects mitigated. The various efforts by Hyogo Prefecture and its municipalities provide an example of how local communities all over the Japanese archipelago could support the revitalisation of their locality, thereby possibly saving the existence of thousands of villages and towns.

## References

- Cabinet Office (June 2014), Seronchōsa hōkoku-sho. Heisei nijūroku-nen roku-gatsu [Public opinion survey report June 2016], <https://survey.gov-online.go.jp/h26/h26-nousan/>
- Cabinet Office (June 2014), Yoron chōsa. Nōsan gyoson e no teijū-tō ni kansuru kyojū chiiki-betsu no ishiki [Poll: Intention regarding settling in local agricultural and fishing villages], <https://survey.gov-online.go.jp/h26/h26-nousan/2-3.html>
- Come Back Hyogo Centre (2018), Sasayamashi no shisaku [Measures by Sasayama City], <https://www.yume-hyogo.com/measure/%E4%B8%B9%E6%B3%A2%E7%AF%A0%E5%B1%B1%E5%B8%82%E3%81%AE%E6%96%BD%E7%AD%96/>
- Dzienis, A. (2011), Japanese Internal Migration, *Okayama University Graduate School of Social Culture Bulletin* Vol. 32:11, 179-196, [http://ousar.lib.okayama-u.ac.jp/files/public/4/47180/20160528084433294794/hss\\_032\\_179\\_196.pdf](http://ousar.lib.okayama-u.ac.jp/files/public/4/47180/20160528084433294794/hss_032_179_196.pdf)
- Himeji City (2016), Himeji sōsei senryaku (jinkō bijon) (sōgō senryaku). Furusato himeji ni purasu wan [Strategy for Creating Himeji - vision on population, comprehensive strategy: Himeji Plus One], <http://www.city.himeji.lg.jp/var/rev0/0082/3528/20163821122.pdf>
- Hoffman, M. (2014), The Romantic Notion of Rural Relocation, *Japan Times* 25 October 2014, <https://www.japantimes.co.jp/news/2014/10/25/national/media-national/romantic-notion-rural-relocation/#.XAHCwRMzZPM>
- Hyogo Prefecture (2018a), ‘Heisei 30-nendo hyōgo no akiya o katsuyō shita ijū kigyō no shiori’ [2018 booklet on the use of vacant houses by internal migrants and new enterprises], <https://web.pref.hyogo.lg.jp/ks26/machi-saisei/documents/akiya30shiori0306kei.pdf>
- Hyogo Prefecture (2018b), ‘Hyōgo no akiya o katsuyō shita ijū kigyō no shiori’ [Booklet on the use of vacant houses by internal migrants and new enterprises], <https://web.pref.hyogo.lg.jp/ks26/machi-saisei/seido-ichiran.html>
- Ishikawa, Y. (1995), *Jinko idō no keiryō chirigaku* [Quantitative geography of migration], Tokyo: Kokon Shoin
- Japan Institute for Labour Policy and Training (2016), UIJ tōn no sokushin shien to chihō no kasseika. Jakunenki no chiiki idō ni kansuru chōsa kekka [Promotion and support of UIJ turns and revitalisation of rural areas. Survey results on regional migration among young people], JILPT Survey Series No.152 (May 2016), <https://www.jil.go.jp/institute/research/2016/documents/152.pdf>
- Japan Organisation for Internal Migration (JOIN), ‘Ijū tte i koto arunda! Shiranai to son suru zenkoku jichitai shien seido 8496. 2016-nendo ban’ [Migration is a great thing! You’ll lose out if you don’t know. 8496 support schemes by Japanese municipalities. 2016 edition], [https://www.iju-join.jp/feature\\_cont/file/030/](https://www.iju-join.jp/feature_cont/file/030/)
- Japan Policy Council (2014) ‘Seichō o tsuzukeru 21-seiki no tame ni sutoppu shōshika. Chihō genki senryaku [Strategies for stopping declining birthrate and revitalising regions in order for growth to continue into the 21st century], <http://www.policycouncil.jp/pdf/prop03/prop03.pdf>
- Kato, H. (2016), Is Relocation to Regional Cities the Equivalent of Abandoning Old people in the Mountains to Die? Is the Long-Term Care Insurance System Sustainable?, <https://www.japanpolicyforum.jp/archives/economy/pt20160323050030.html>
- Kobe City (2018), Kōbe-shi akiya saisei-tō suishin jigyō no jissai ni tsuite [Implementation of Kobe City vacant houses reuse promotion project], <http://www.city.kobe>

Depopulation, Abandoned Houses and Entrepreneurship: How Rural Communities in Hyogo Prefecture Try to Revitalise Their Locality

- lg.jp/life/town/house/information/akiyaakichi/akiyasaisei.html.
- Makino, T. (2014), *Akiya mondai. 1000-man ko no shōgeki* [Vacant house problem: Impact of 10 Million units], Tokyo: Shodensha.
- Masuda, H. (2014a), Chihō shōmetsu. Tōkyōikkyokushūchū ga maneku jinkō kyūgen [Local Extinctions: Population concentration in Tokyo causing sharp population decline], Tokyo: Shukō Shinsho
- Masuda, H. (2014b), The Death of Regional Cities: A horrendous simulation Regional Cities Will Disappear by 2040 - A Polarized Society will Emerge, <https://www.japanpolicyforum.jp/archives/politics/pt20140120152454.html>
- Matanle, P. (2017), Towards an Asia-Pacific 'Depopulation Dividend' in the 21st Century: Regional Growth and Shrinkage in Japan and New Zealand', *Asia Pacific Journal* Vol. 15:6 (5), <https://apjif.org/2017/06/Matanle.html>
- Matanle, P. and Rausch, A. (2011) Japan's shrinking regions in the 21st century: Contemporary responses to depopulation and socioeconomic decline, Amherst, NY: Cambria Press
- Ministry of Internal Affairs and Communications (2018), Heisei 29-nendo chiiki okoshi kyōryokutai no katsudō jōkyō [Activity status of the rural revitalisation corps], [http://www.soumu.go.jp/menu\\_news/s-news/01gyosei08\\_02000137.html](http://www.soumu.go.jp/menu_news/s-news/01gyosei08_02000137.html)
- Ministry of Land, Infrastructure, Transport and Tourism (2014), Kokudo kōtsū hakusho 2014 [White Paper 2014 on Land, Infrastructure, Transport and Tourism], <http://www.mlit.go.jp/hakusyo/mlit/h26/hakusho/h27/html/n1211000.html>
- Ministry of Land, Infrastructure, Transport and Tourism (2015), White Paper on Land, Infrastructure, Transport and Tourism in Japan 2015: Part I, <http://www.mlit.go.jp/common/001113559.pdf>
- Ministry of Land, Infrastructure, Transport and Tourism & Ministry of Internal Affairs and Communications (2016), Kaso chiiki nado jōken furi chiiki ni okeru shūroku no genkyō haaku chōsa hōkokusho [Report on research assessing the conditions of regional communities from the office of the director of conditions of depopulating regions], Tokyo: MLIT & MIC.
- Mishima Village (2018), Mishimamura ijū teijū gaidobukku [Guidebook on migration to Mishima Village], [http://mishimamura.com/system/wp-content/uploads/book/mishimagurashi\\_guid.pdf](http://mishimamura.com/system/wp-content/uploads/book/mishimagurashi_guid.pdf)
- Mizuho Research Institute (2016), 'Japan's population has started to shrink and polarize geographically', *Mizuho Economic Outlook & Analysis* (5 April 2016), <https://www.mizuho-ri.co.jp/publication/research/pdf/eo/MEA160530.pdf>
- Nomura Research Institute (2016), 2030-nen no kizon jūtaku ryūtsū-ryō wa 34-man-ko ni zōka. Akiya wa 2033-nen ni 2,000-man-ko chō he baizō [Existing home distribution volume in 2030 increased to 340,000 units: Empty units increasing to over 20 million by 2033], [https://www.nri.com/-/media/Corporate/jp/Files/PDF/news/newsrelease/cc/2016/160607\\_1.pdf](https://www.nri.com/-/media/Corporate/jp/Files/PDF/news/newsrelease/cc/2016/160607_1.pdf)
- Prime Minister of Japan and His Cabinet (2014), Tōkyōzaijūsha no kongo no ijū ni kansuru ikō chōsa no kekka gaiyō ni tsuite [Summary of results on the intention survey concerning future migration of Tokyo residents], <https://www.kantei.go.jp/jp/singi/sousei/meeting/souseikaigi/h26-09-19-siryō2.pdf>
- Prime Minister of Japan and His Cabinet (2018), Chihō sōsei suishin kōfukin wo katsuyō shita ijū shien ni tsuite [Grant promoting regional revitalization through migration to the countryside], 31 October 2018, [https://www.kantei.go.jp/jp/singi/sousei/meeting/chiikimiryoku\\_souzou/h30-10-31-shiryō1\\_2.pdf](https://www.kantei.go.jp/jp/singi/sousei/meeting/chiikimiryoku_souzou/h30-10-31-shiryō1_2.pdf)
- Sasayama Innovators School (2018), Jūkōsei, shūryōsei shōkai [Introduction of current and past students], <http://school.sasayamalab.jp/student.php>
- Sasayama City (2018), Tamba Sasayama kurashi no hon [Book about life in Tamba Sasayama], <https://www.city.sasayama.hyogo.jp/pc/group/sumoukaerou/assets/2018/07/0705kurasinohonpdf.pdf>
- All online source last accessed 17 December 2018.