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Lyndon B. Johnson School  
of Public Affairs

# Rural Revitalization in Mitarai, Osaki Shimojima Island, Japan



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## **Rural Revitalization in Mitarai, Osaki Shimojima Island, Japan**

Project Directed by  
David Eaton, PhD

A report by the  
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Rural Revitalization in Mitarai, Osaki Shimojima Island, Japan  
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## Foreword

The Lyndon B. Johnson School of Public Affairs has established interdisciplinary research on policy problems as the core of its educational program. A major element of this program is the nine-month policy research project, during which one or more faculty members direct the research of ten to twenty graduate students of diverse disciplines and academic backgrounds on a policy issue of concern to a government or nonprofit agency. This “client orientation” brings students face-to-face with administrators, legislators, and other officials active in the policy process and demonstrates that research in a policy environment demands special knowledge and skill sets. It exposes students to challenges they will face in relating academic research and complex data to those responsible for the development and implementation of policy, and teaches them how to overcome those challenges.

This project evaluates the potential for local tourism promotion and management in Mitarai, Osaki Shimojima Island, Hiroshima Prefecture, Japan to contribute to local development, enhance employment, and improve the quality of life in Mitarai. Project staff reviewed current governmental incentives and examined options for encouraging tourism and entrepreneurship for Mitarai. The study recommends that the appropriate governments (Kure City, Hiroshima, and Japan) seek to take action to improve the livelihoods and enhance economic development in the Mitarai rural area through investments, encouraging in-migration, facilitating entrepreneurship, enabling economic development, and promoting historical, community-oriented tourism.

The curriculum of the LBJ School is intended not only to develop effective public servants, but also to produce research that will enlighten and inform those already engaged in the policy process. The project that resulted in this report has helped to accomplish the first task; it is our hope that the report itself will contribute to the second. Neither the LBJ School nor The University of Texas at Austin necessarily endorses the views or findings of this report.

Angela Evans

Dean



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The final manuscript was prepared by graduate student participants of the LBJ School of Public Affairs. Photos were provided by William Hutson, LBJ School Mitarai program student participant. Alexander Acosta copyedited the text and formatted the final report, which was printed at UT Austin.

As indicated above, many persons contributed to this report. Any errors or omissions are those of the editor, David Eaton, PhD.

## **Other Acknowledgments**

This report was prepared from August 2019 through February 2020. The researchers included as references Internet hyperlinks that operated during that period. No author or editor can assure that hyperlinks remain active on the Internet. As a result, the authors and editors cannot assure that persons who read this report will be able to use any given hyperlink to locate any specific source materials referenced in the report.

This report refers to two currencies, Japanese yen and US dollars. It is not easy to estimate the exact values for any currency conversion, as exchange rates change continuously. Over the past five years the number of yen per dollar has varied from just above 85 yen per dollar to just below 120 yen per dollar. For clarity, as appropriate this report assumes that 1 US dollar is equal to 100 Japanese yen. The authors have elected to report some currency values solely in one currency; in such cases no inter-currency conversion is inserted.

## Executive Summary

Throughout the Japanese Edo period (1603-1868) Mitarai, a coastal town in Hiroshima Prefecture, Japan, flourished as a fishing and mercantile port, with a secondary economy producing mandarins. The characteristic architecture in Mitarai has been well preserved and is protected by local officials and designated as a Japanese Heritage Site. As Japan's population urbanized rapidly in the 19th and 20th centuries, settlements such as Mitarai experienced drastic population decline as working age people moved to the cities for greater opportunities unavailable in a rural port town.

Tourism could improve Mitarai because it builds on the town's assets, such as its beauty and coastal location. Tourism could provide an incentive for residents to stay and for new families and entrepreneurs to repopulate the town. Domestic and international travelers could explore the historic streets of the town, engage in local festivities and customs, or enjoy eco-friendly outdoor recreation such as fishing, cycling, and hiking. Both in Japan and in the United States, towns and settlements have experienced rural decay related to a dwindling population and a crumbling economy. Case studies such as Naoshima Island and Tokushima City highlight innovative strategies that could be employed in Mitarai to counteract these challenges by proactively promoting tourism and entrepreneurship. Naoshima managed to halt further settlement decay by utilizing private capital investment to promote art tourism through collaboration with Benesse Holdings. Mitarai could emulate many of the lessons learned at Naoshima and Tokushima about how to promote tourism within a town.

This report assesses the local economy of Mitarai, Osaki Shimojima Island. The report acknowledges ongoing policies currently implemented to promote rural revitalization at the national, prefectural, and local level. It lists options that could promote tourism in Mitarai and revitalize the local economy based on Japan's current national, prefectural, and local policies to promote rural revitalization. The report recommends measures to stimulate tourism within the local economy.



# Chapter 1: Japanese Rural Revitalization Initiatives

## Overview

Mitarai is a small town in Kure City on Osaki Shimojima Island, at the end of a four-island chain in the Seto Inland Sea within the prefecture of Hiroshima, Japan. Though Mitarai was once a flourishing port town frequented by ships en route to Hiroshima and Osaka, it has all but disappeared as a result of persistent emigration of residents who have sought employment in larger Japanese cities.

In 1994, Japan designated Mitarai as a cultural heritage site.<sup>1</sup> Largely due to its remote location, Mitarai's Edo-era homes are well preserved to this day, having escaped the effects of industrialization, which began to transform larger Japanese cities in the early 1900s. Because of Mitarai's historical significance, authorities face a complex task in addressing both rural decay and the preservation of Mitarai's legacy. Mitarai has an unusual challenge: how to preserve and yet reinvigorate its historic community.

Mitarai retains natural assets (see Table 1.1), such as its historical importance, scenic beauty, a role on a regional bicycle course, local *mikan* (mandarin) crop, *akiya* (vacant homes), and wildflowers.

**Table 1.1: Mitarai's Natural Assets**

• Historical District
• Scenic Views
• Tobishima Kaido Cycling Course
• <i>Mikan</i> (Mandarin) Crops
• <i>Akiya</i> (Vacant Homes)
• Wildflowers and Sakura Group

*Unpublished lectures by local stakeholders and researchers attended by project members in August 2019.*

Due to the historic importance of Mitarai during the Edo period, Mitarai was named a Historic Preservation District and a Japanese Heritage Site.<sup>2</sup> The well-preserved architecture allows visitors to imagine the town during its heyday as a port. Local citizens created the Jyûdenken O Kangaeru Kai (Historical Preservation Group, referred to as “the Jyûdenken”) to coordinate efforts for the preservation of the district.

The views of the Seto Inland Sea and surrounding islands from Mitarai are an asset for residents, tourists, and marketing in the area. The scenic views are enhanced by the calm intimacy of the community. Residents participate in *shinrin'yoku* (forest bathing), the process of taking in the sights, smells, and sounds of nature in order to feel rejuvenated.

Mitarai is known as a citrus-growing area and has many hectares of terraced *mikan* groves. Some of these groves are untended due to the manual labor required and the aging population of



Mitarai. Mitarai still has a few farmers who produce *mikan* and *mikan* juice, and some local businesses offer *mikan* dishes and products such as *mikan* marmalade.

Hiroshima and Ehime prefectures have the potential for promoting several cycling courses around the Seto Inland Sea. The longer and better known Shimanami Kaido is a 70-kilometer (km) course through six islands. Tobishima Kaido is less well known and shorter at 31 km. It passes through Osaki Shimojima Island and Mitarai specifically and brings consistent numbers of cyclists through the town (see Figure 1.1).

**Figure 1.1: Tobishima Kaido Route**



Guesthouse Cyclonoie “Tobishima Kaido Cycling Information and Tips,” 2019, accessed November 25, 2019, <http://www.cyclonoie.com/tobishimakaido-e.php>

Japan provides federal grants to homeowners to restore the exterior of houses with historic designation (see Appendix at III), although it does not fund improvements to interiors of private property. Some residents do not want to sell their properties because the homes can be utilized during Obon and Golden Week holidays for family celebrations. Family shrines may be located inside these homes, which create a strong emotional and sentimental attachment for the owner and contribute to a reluctance to sell these properties. As costs for renovating electrical and plumbing systems can be expensive, some of these buildings may be easier to reuse as nonresidential properties.

Several Mitarai lots are filled with abundant wildflowers made into arrangements to decorate Mitarai homes (see Figure 1.2). Over 30 years ago, several members of the community formed the Sakura Kai (Sakura Group) to make and place flower arrangements throughout the town every day of the year.

Urbanization has “hollowed out” rural communities in Japan, reflected in low fertility and birth rates, out-migration of youths from rural to urban areas, loss of rural employment, the aging of the remaining population, and low international immigration to rural regions. As of 2017, Japan’s fertility and birth rates (per 1,000 people) were 1.43 and 7.6, respectively, as compared to 1.76 and 11.8, respectively, in the United States.<sup>3</sup> Immigration rates to Japan rose to a record 1.76 percent of its population in 2019, but immigrants concentrate in urban areas; 54 percent of immigrants in Japan live in five urban prefectures.<sup>4</sup> Out-migration reflects economic changes, where agriculture, fishing, forestry, and mining industries are no longer employment drivers. Higher wages in manufacturing, services, and technology have drawn youth out of rural Japan.

**Figure 1.2: Sakura Group Flower Arrangements**



*Photograph taken by William Hutson of a Sakura Group flower arrangement. August 23, 2019.*

These rural decay factors have led to out-migration and an aging population. From 2018 to 2030, Japan's rural population is expected to fall by 17 percent. By the 2040s, Japan is expected to have the third highest rate of rural depopulation in the world.<sup>5</sup> According to a 2017 report by Japan's Ministry of Internal Affairs, over 22 percent of Japanese settlements have populations that are 50 percent or more over the age of 65, up from 7.5 percent in 2001. Settlements where 100 percent of residents are 75 or older have risen from 205 to 280, a 36.6 percent increase in five years.<sup>6</sup> Side effects of rural out-migration and aging include: closure of primary schools, fewer grocery stores, less healthy food available, and wealth flight to urban areas.<sup>7</sup> Communities experiencing the most extreme of these side effects are referred to as *genkai shûraku* (marginal settlements).<sup>8</sup> In 2007, Japan's Ministry of Land, Infrastructure, Transportation and Tourism counted more than 8,000 communities as *genkai shûraku*.<sup>9</sup>

As rural decay has come to threaten rural communities across Japan, the government has funded initiatives to promote business growth. For example, Kure City has coordinated with Hiroshima University's TAOYAKA program<sup>10</sup> to investigate Mitarai's business and industry needs and promote sustainable development of tourism amenable for local residents. Tourism has become an option for attracting money, resources, and people to rural areas. Current research on rural revitalization is largely based on cross-sectional research designs rather than longitudinal studies, which means that it is not clear how tourism influences long-term community revitalization. In 2006, the OECD released its "new rural paradigm" policy that emphasized the importance of tourism in rural development,<sup>11</sup> and in a subsequent publication reported how tourism could diversify the economies of rural communities.<sup>12</sup> Research on how tourism *per se* affects Japanese rural communities' sustainability shows mixed outcomes. One new rural paradigm study examined the effects of tourism on a group of farmhouse-style inn owners in the remote hills of the Noto Peninsula. It computed tourism's financial benefits as modest, including social capital benefits from increased tourist interpersonal connections.<sup>13</sup> Despite a significant rise in tourism over the past decade (yearly tourist rates increased by an order of magnitude, or about ten times from 2006-2016), the underlying problems facing rural communities (out-migration and aging),

remain issues that could jeopardize any gains from tourism.<sup>14</sup> Other studies on tourism's impacts on rural communities have reported that tourism acts to supplement household income rather than provide primary employment.<sup>15</sup> Studies on tourism's impact on rural Japan report that depopulation and aging are threats to tourism, rather than tourism being a potential cure for rural decay.<sup>16</sup>

Tourism can take many forms, depending on the setting and type of experience a tourist seeks. Ecotourism has become a trend in biodiversity hotspots around the globe, promoting conservation practices for wildlife and landscapes. Cultural and historical festivals and landmarks attract travelers who wish to learn about and partake in a local community experience. Each tourism type utilizes a different mix of services, such as restaurants, overnight accommodations, groceries, transportation, indoor entertainment, outdoor recreation areas, or local guides. This section briefly describes tourism styles that could be implemented in Mitarai, including community-based tourism, ecotourism and outdoor recreation, historical tourism, and rural tourism.

Community-based tourism involves local residents in providing expertise, labor, and community support for tourism success, which can enhance local residents' quality of life.<sup>17</sup> Local residents can enable tourists to appreciate the natural environment, infrastructure, facilities, and special events or festivals and improve socioeconomic conditions of a community.<sup>18</sup> Local issues can influence a tourist's experience through locals' positive or negative attitudes towards tourists.<sup>19</sup> Tourist environments can enhance the local social climate, where residents benefit from tourism.<sup>20</sup>

Cultural heritage tourism involves travel "to experience the places and activities that authentically represent the stories and people of the past and present."<sup>21</sup> A state, nation, or international institution may designate heritage or historical sites, such as UNESCO World Heritage Committee's list of World Heritage sites, which "must be of outstanding universal value."<sup>22</sup> UNESCO's World Heritage and Sustainable Tourism Program encourages stakeholder engagement in tourism planning and management.<sup>23</sup> In Japan, visits to farms and overnight stays at farm inns have become popular for heritage tourism in rural areas since the mid-1990s.<sup>24</sup> Visitors can stay in private farmhouses and then plant, harvest, and otherwise participate in a variety of daily farm operations.

"Outdoor recreation" refers to activities performed outdoors. Ecotourism uses tourism revenues to enhance conservation measures and promote community development<sup>25</sup> through "responsible travel to natural areas that conserves the environment, sustains the wellbeing of the local people, and involves interpretation and education."<sup>26</sup> Ecotourism seeks to enhance the livelihoods of people in local communities, create recreation opportunities, conserve unique scenery, protect biodiversity, and maintain ecosystem integrity. Ecotourism can preserve the natural environment and promote conservation practices through cooperation among government agencies, tour operators, and organizations dedicated to land and species management. Typical outdoor activities include fishing, bird watching, hiking, camping, biking, canoeing, swimming, and snorkeling depending on natural environmental assets.

## Japanese Rural Revitalization Initiatives

Japan's national government has provided financial subsidies to encourage return settlement and sustainable economic activities in rural areas as a response to rural out-migration, aging populations, and wealth flight. The sections below discuss national, prefectural, and local initiatives that could have value for Mitarai and Kure City.

### National Initiatives

The Japanese national government's tourism promotion strategy has been to provide resources to regional organizations to enable rural revitalization. For example, in 2008, Japan authorized the Tourism Zone Development Act "to support activities . . . to build up 'Tourism Areas' to which visitors . . . can take staying-oriented travels with a duration of 2 nights & 3 days or longer, for the purpose of obtaining case examples of successes in developing tourist resorts."<sup>27</sup> Any regional organization or collection of organizations with a plan to promote tourism can apply to the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) for official designation as a Tourism Zone.<sup>28</sup> Tourism Zones enjoy exceptions to tourism-related laws as well as access to grants to support revitalization projects.<sup>29</sup> For example, the MLIT can certify an accommodation business as a travel agency, rather than requiring the business to complete a lengthy certification process.<sup>30</sup>

The Hiroshima-Miyajima-Iwakuni Regional Tourism Zone (HMI Tourism Zone) was established in 2008.<sup>31</sup> It later expanded to include Kure City,<sup>32</sup> but it is no longer in operation.<sup>33</sup> One Seto Inland Sea researcher reported that no one has reapplied to the MLIT to renew the Zone.<sup>34</sup> Another example is the Shimanami Kaido, a bridge network that spans the islands of Hiroshima Prefecture's Onomichi City and Ehime Prefecture's Imabari City,<sup>35</sup> and its surrounding Setouchi Shimanami Kaido Regional Tourism Zone (SSK Tourism Zone).<sup>36</sup> The SSK Tourism Zone also no longer operates.<sup>37</sup> Tourism zones that span multiple Japanese prefectures have generally not been sustainable, developed human resources, or succeeded in marketing, as indicated by the HMI and SSK Tourism Zones' discontinuation.<sup>38</sup> One challenge for such zones is the difficulty coordinating among different prefectural administrative zones.<sup>39</sup> Narrow regions within one prefecture have been more successful.<sup>40</sup>

The MLIT's National Tourism Agency (NTA) has developed 45 subsidies and programs available to regional organizations through the Tourism Zone Development Act<sup>41</sup> ranging from subsidies to consultation (see Appendix).<sup>42</sup> A full analysis of the 45 programs is beyond the scope of this report.

The Cabinet Office (CO) runs a Regional Revitalization System (RRS) that functions similarly to the MLIT's Tourism Zone system. A group of public organizations can develop a regional revitalization plan and apply to the CO for accreditation.<sup>43</sup> Once the plan is accredited, the CO can offer grants and logistical support programs to the region.<sup>44</sup> Through a Regional Revitalization Grant, for example, the CO can subsidize up to half a project's expenses incurred under an accredited plan.<sup>45</sup>

Local government bodies and private organizations can promote tourism to remote islands through Remote Island Activation Grants (RIAGs), which can subsidize up to half a local



government's project expenses, with higher rates available for "smart island" projects employing extensive empirical data.<sup>46</sup> Projects may encourage settlement on the islands, promote visits to the islands, or improve island disaster response.<sup>47</sup> Kure City contains three such islands, Kashima, Yokoshima, and Nasakeshima,<sup>48</sup> and national grants could be a factor in rejuvenating those communities.

Local governments can apply for funding to attract individuals to rural areas. For example, the Japanese national government can subsidize expenses of persons who move from a city to a rural area to carry out regional promotion activities through the Ministry of Internal Affairs and Communications' (MIAC) Regional Revitalization Cooperation Corps (RRCC) program.<sup>49</sup> Grants of up to four million yen are available to local governments to support RRCC members' activities. Grants of one million yen are available when members are engaged in local entrepreneurship.<sup>50</sup> Grants of three million yen can be used to support local governments' RRCC recruitment efforts.<sup>51</sup>

Individuals may apply directly to the national government for funding to migrate to rural areas through the Cabinet's Migration Support Grant (CMSG) and Entrepreneurship Support Grant (CESG) programs.<sup>52</sup> These two grants offer one-time payments of up to three million yen (2.6 million yen for individuals) to persons willing to relocate from the greater Tokyo area to rural regions to work for a small- or medium-sized company or start a business.<sup>53</sup>

## **Prefectural Initiatives**

The Hiroshima Prefectural Tourism Federation (HPTF) coordinates tourism initiatives at the prefectural level. The HPTF primarily disseminates information and provides logistical support to local tourism organizations.<sup>54</sup> Together with the Hiroshima International Tourism Association (HITA), the HPTF maintains multilingual websites that provide information on the prefecture's tourist attractions.<sup>55</sup> Japanese site visitors can filter tourist attractions by location and type,<sup>56</sup> while foreign site visitors can view suggested itineraries,<sup>57</sup> including one that features Mitarai.<sup>58</sup>

In 2019 the HPTF allocated over half of its project expenses to its Setouchi Hiroshima Destination Campaign (SHDC),<sup>59</sup> which consists of three elements: tourism package development, external marketing, and internal marketing.<sup>60</sup> The HPTF invites national travel agencies and tourism experts to development meetings for tourism packages combining the prefecture's diverse attractions.<sup>61</sup> It also develops marketing materials and holds events in cities throughout Japan to promote tourism to the prefecture. The HPTF creates and distributes banners, pamphlets, and novelties to municipalities for the SHDC,<sup>62</sup> which is scheduled to run from October to December in 2019, 2020, and 2021.<sup>63</sup>

Hiroshima Prefecture's Tourism Division (HPTD) works in tandem with the HPTF to promote Hiroshima tourism, including information dissemination, and prefecture-wide campaigns promoting particular aspects of the prefecture.<sup>64</sup> For example, as of November 26, 2019, the HPTD operated a "Kakingdom" campaign, a combination of *kaki*, the Japanese word for oyster, and kingdom, which highlights the region's oysters.<sup>65</sup> The HPTD's general information site, entitled "*Kanpai!* Hiroshima Prefecture"<sup>66</sup> ("Cheers! Hiroshima Prefecture") includes features such as "Hiroshima Cat Street View," an interactive digital rendering of Hiroshima's streets from a cat's point of view.<sup>67</sup> There are no foreign-language versions of the site's features.<sup>68</sup>

The Hiroshima Film Commission (HFC) promotes tourism to the region by projecting the prefecture's appeal in film. The HFC works with filmmakers by introducing them to suitable locations, arranging filming permission and equipment, and coordinating extras.<sup>69</sup> The HFC's site does not advertise film subsidies.<sup>70</sup> In the past two years the HFC has coordinated the productions of a feature film, *The Blood of Wolves*, and a TV drama, *In This Corner of the World*.<sup>71</sup>

## Local Initiatives

Kure City's Department of Industry's Tourism Promotion Division (TPD) develops and implements tourism policies to transform Kure City from a heavy industry hub to a tourism hotspot.<sup>72</sup> This transformation began in 2005 with the opening of the Yamato Battleship Museum,<sup>73</sup> a centerpiece of Kure City's tourism that has received over 12 million visitors.<sup>74</sup> In 2018 the TPD proposed adding augmented reality exhibitions to modernize the museum.<sup>75</sup> Kure City's military history has also led to its designation as a Japan Heritage Site as one of four ex-military port cities,<sup>76</sup> highlighted through its Japan Maritime Self-Defense Force "Kure Curry" sales and festival.<sup>77</sup>

The TPD has also increased Kure City's exposure through film. Since 2005, Kure City has been the site of 15 major film, TV, and commercial productions.<sup>78</sup> Two of these productions feature Mitarai's townscape, the anime film *A Letter to Momo*<sup>79</sup> and an Orangina commercial.<sup>80</sup> While the Kure City government has often coordinated with the HFC to attract productions,<sup>81</sup> the TPD has led smaller productions, including promotional films for Kure City's mascot, "Mr. Kure."<sup>82</sup> The Kure City government has an official YouTube page where it posts video series highlighting travel attractions and activities for younger residents.<sup>83</sup>

Two independent organizations, the Kure Tourism Association (KTA)<sup>84</sup> and the Liaison Council for Tourism in Kure Area (CTKA),<sup>85</sup> supplement the TPD's efforts by maintaining informational sites and social media profiles. The CTKA's site contains a "Travel Diary" that follows a fictional tourist's three-day trip to Kure City, and it offers basic tourist information in multiple languages.<sup>86</sup> The Travel Diary feature provides daily tourist itineraries while promoting the national government's goal to increase "travels with a duration of 2 nights & 3 days or longer."<sup>87</sup>

In 1994 the Japanese government designated Mitarai as a Preservation District for Groups of Traditional Buildings (see Appendix at III.B).<sup>88</sup> Shortly thereafter, the town's residents formed the Jyûdenken to coordinate efforts to preserve their townscape.<sup>89</sup> The committee maintains a Japanese-language site, which includes a travel guidebook with maps of the town.<sup>90</sup>

The following chapters in this report offer recommendations to the Kure City government, which can be implemented through national programs (see Appendix). For example, the Kure government could establish a Tourism Zone centered on Kure City's Seto Inland Islands (Seto Island Zone) with either neighboring Hiroshima Prefecture city governments or Hiroshima Prefecture Destination Marketing Organizations (DMOs) focused on the Seto Inland Region. The Tourism Zone's legal exceptions<sup>91</sup> would lower startup costs for small- and medium-sized enterprises.

Mitarai has natural assets that residents and Kure City officials can use to promote tourism to the town while preserving its historical legacy. The national government provides subsidies and programs to strengthen prefectural and local tourism efforts. By examining successful tourist destinations with comparable infrastructure, Kure City could use these advantages to revitalize Mitarai and the surrounding islands. The next chapter discusses three examples of successful tourist destinations and draws from them lessons Kure City could use.

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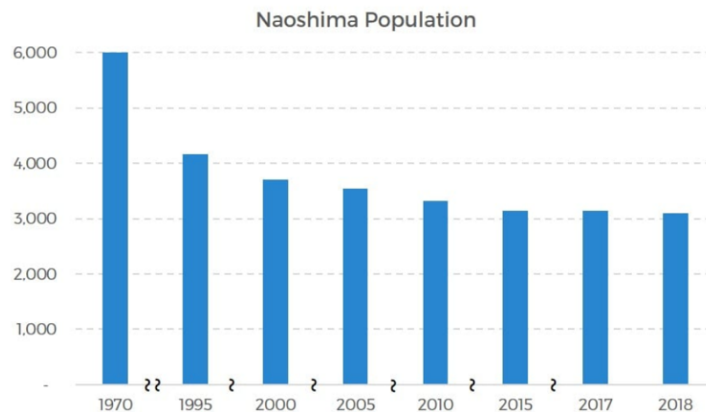
## Chapter 2: Tourism Case Studies

This section examines three communities that have successfully revitalized themselves through tourism. Naoshima and Tokushima are communities in the Seto Inland Sea. Port Aransas is a beach town in Texas. These communities could be exemplars for revitalizing Mitarai.

### Naoshima Case

Naoshima, a community situated on a 5.5 square mile island in Japan's Seto Inland Sea, had 8,000 residents in the 1950s; by the early 1990s, fewer than 3,000 lived there (see Figure 2.1), an example of rural flight to urban areas of Japan. However, Naoshima has reversed its rural decay, achieving a modest amount of population growth rather than decline.<sup>1</sup> The population and economic stabilization of Naoshima since 1989 is due in part to the purchase of considerable landholdings on Naoshima's south side by Mr. Soichiro Fukutake, former head of Benesse Holdings, and his subsequent founding of the Benesse Art Site Naoshima. Mr. Fukutake was a local businessman who headed an educational and publishing conglomerate while also cultivating a world-class art collection featuring paintings by Claude Monet, Frank Stella, and Andy Warhol, as well as many Japanese artists.<sup>2</sup> This case study describes how the Naoshima art community was established and how this investment has helped stabilize Naoshima's population. It is an unresolved question whether there are lessons from Naoshima that can be applied elsewhere in Japan, such as in stabilizing the population of Mitarai or other rural areas.

**Figure 2.1: Naoshima Population**



*City Population*, "Naoshima (Kagawa)," accessed September 30, 2019, <http://www.citypopulation.de/php/japankagawa.php?cityid=37364>.

Naoshima exhibited a peak population of 8,000 during the 1950s and 1960s, in large part due to the fact that a Mitsubishi metals processing plant was located nearby. While the Mitsubishi plant



remains the largest regional employer, increased automation reduced the number of plant jobs, leading to a stagnant economy and diminishing population.<sup>3</sup> To make matters worse, Teshima Island, home to the “worst case of illegal dumping of industrial waste” in Japanese history, is located only 18.5 miles from Naoshima and served as a decisive deterrent against both residency and tourism in Naoshima.<sup>4</sup> Naoshima, like much of rural Japan, seemed destined to become a ghost town, filled with vacant homes, little industry, and an aging population.

In 1985, President of Benesse Holdings,<sup>5</sup> Soichiro Fukutake, and Naoshima Mayor, Chikatsugu Miyake, began discussions regarding Naoshima’s potential paths to revitalization.<sup>6</sup> In addition to being known as a publishing magnate and billionaire, Fukutake was famous for his world-class modern art collection. In 1989, Fukutake resolved to transform Naoshima into an art venue that would house his art collection and serve as a draw for future residents and tourists alike. Fukutake purchased part of Naoshima, founded the Benesse Art Site Naoshima, and hired acclaimed architect Tadao Ando to design museums and luxury hotels on the island, a task which Ando carried out over the next 20 years.<sup>7</sup> The first museum, Benesse House Museum, was opened in July 1992. Since then, Benesse Holdings has opened four other museums, as well as numerous indoor and outdoor exhibitions, such as the Benesse Art House Project. Naoshima locals helped initiate the Setouchi Triennale Arts Festival, an event which highlights the island’s reputation as a walking art museum over the course of 100 days every three years.<sup>8</sup> Naoshima’s art revitalization project has spread to neighboring islands, such as nearby Inujima Island, which has transformed a former copper refinery into an art museum and constructed several art houses, following in Naoshima’s footsteps.<sup>9</sup>

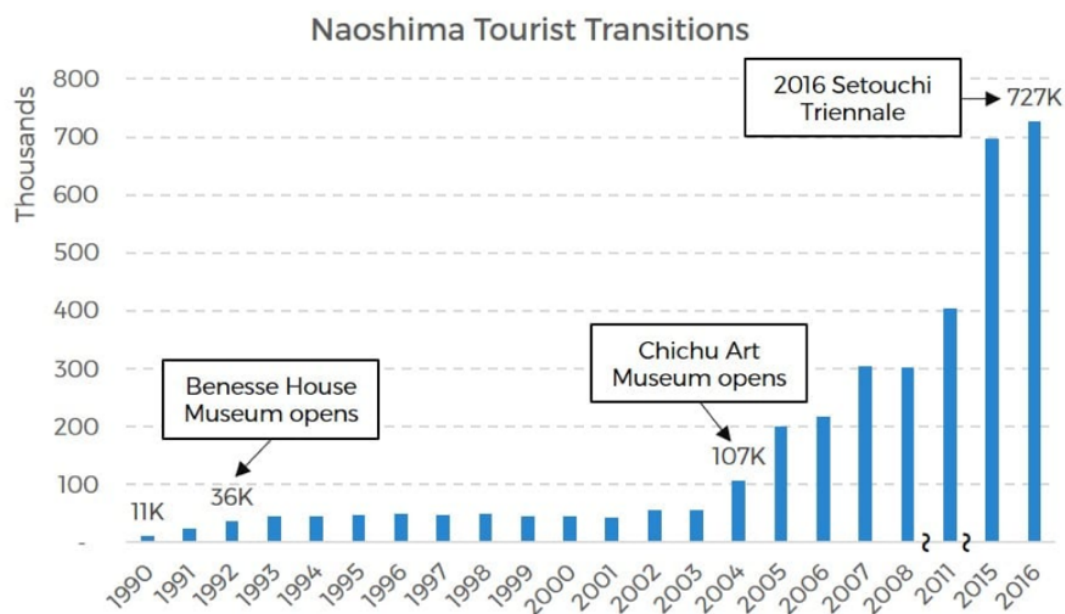
Despite setbacks, such as the 2011 Fukushima Daiichi nuclear disaster,<sup>10</sup> the Benesse art project staunchly out-migrated from Naoshima and increased the number of tourists visiting the island annually – a trend largely due to the island’s newfound “art destination” identity.<sup>11</sup> When Benesse House Museum opened in 1992, Naoshima received 36,000 tourists, a number that nearly tripled by 2004. By 2016, Naoshima received 720,000 visitors annually (see Figure 2.2).<sup>12</sup> In a series of surveys of residents and tourists in Naoshima, researchers Carolin Funck and Nan Chung found that 60.4 percent of tourists cited “art” as their main reason for visiting.<sup>13</sup> These tourist preferences stand in contrast to other reasons given by tourists for visiting Naoshima: “wanting to visit an island” (5.1 percent) or “architecture” (2.7 percent).<sup>14</sup> When tourists were asked to describe Naoshima, the invariable description they supplied was “island of art.”<sup>15</sup> Funck and Chung compared these numbers to data collected on the tourist destination of Miyajima, located in Hiroshima Prefecture, regarding what was “most important for you when you travel” for tourists who visited each island. Miyajima outpaces Naoshima in each category, with the exception of enjoying “art” (see Table 2.1).

Since 2015 Naoshima’s population has stabilized at approximately 3,200. In fact, in recent years the population of Naoshima has grown modestly.<sup>16</sup> The ages of in-migrants have skewed younger. Between 2005 and 2010, 30 percent of in-migrants were in their 30s and 30 percent were in their 20s.<sup>17</sup> Of Naoshima’s current residents, 7.2 percent work in fisheries, 26.8 percent working in manufacturing, 7.6 percent work in construction, 12.1 percent work in transport, and 30.9 percent work in “services,” of which many are tourism-dependent.<sup>18</sup> Funck and Chung reported that 80 percent of residents appreciated that “the island had become livelier” and 45 percent enjoyed their “exchanges with tourists.”<sup>19</sup> Residents noted that tourism has also brought

disadvantages, such as an increase in garbage and “a worsening of security and transport.”<sup>20</sup> Still, 70 percent of residents said they “hoped for a further increase in tourist numbers.”<sup>21</sup>

Soichiro Fukutake’s investment succeeded in revitalizing Naoshima because it created long-term economic opportunities for and by in-migrants as private sector initiatives. Naoshima is located in the Seto Inland Sea, Mitarai’s region, an area where coastal tourism centered around beach activities has never developed.<sup>22</sup> Despite this lack of beach development, Naoshima investors and local officials were able to create a tourism draw, fine art in a unique and beautiful setting. While Naoshima may limit the fine art niche tourism in Japan, other communities could develop unique attractions. Naoshima’s revitalization may not be replicable as it reflects efforts of a single individual (Fukutake) who had access to capital, committed resources to revitalization, and spent decades on continued involvement and oversight. While growth of rural communities would buck trends in Japan, the Naoshima case proves that community revitalization is possible.

**Figure 2.2: Naoshima Tourist Visits**



Stone, Rebecca, “Japan’s Naoshima Island: A Portrait of Possibility for Art Tourism,” *Skift*, accessed November 19, 2018, <https://skift.com/2018/11/19/japans-naoshima-island-a-portrait-of-possibility-for-art-tourism/>; Funck, Carolin and Nan Chang, “Island in Transition: Tourists, Volunteers, and Migrants Attracted by Art-Based Revitalization Project in the Seto Inland Sea,” *Tourism in Transitions: Recovering Decline, Managing Change*, edited by Dieter K. Muller and Marek Wieckowski, 81-96, Cham: Springer International Publishing, 2018.

**Table 2.1: Miyajima and Naoshima Tourist Surveys**

Average; 5 = strongly agree 1 = strongly disagree)	Naoshima	Miyajima
To enjoy landscape	4.56	4.62
To enjoy local foods and products	4.39	4.49
To relax and recover from daily stress	4.29	3.96
To spend time with friends or partner	4.18	4.08
To experience something new	4.17	4.10
To come in contact with nature	4.11	4.05
To enjoy art	4.11	–
To see historical and traditional buildings	4.08	4.35
To enjoy local history and culture	3.91	4.22
To spend time with family and children	3.89	3.74

*Funck, Carolin and Nan Chang, “Island in Transition: Tourists, Volunteers, and Migrants Attracted by Art-Based Revitalization Project in the Seto Inland Sea,” Tourism in Transitions: Recovering Decline, Managing Change, edited by Dieter K. Muller and Marek Wieckowski, 87, Cham: Springer International Publishing, 2018.*

## **Tokushima Case**

Tokushima City is the capital of Tokushima Prefecture on the eastern side of Shikoku Island. The island is connected to mainland Japan by two bridges that cross the Seto Inland Sea, even though no trains connect to the island. The city of Tokushima is a case study in how tourism can enhance economic development and in-migration in Japan. Tokushima City has a population of 253,019 (as of September 2019), down from 258,766 in September of 2012.<sup>23</sup> While the population of the city has decreased by two percent over a seven-year period, the foreign population has increased by 26 percent, from 1,597 in September 2012 to 2,012 in September 2019.<sup>24</sup> There are three factors related to this phenomenon: Awa Odori, Indigo dye, and Hana Road, as discussed below.

The largest tourist attraction in Tokushima City is the annual Awa Odori dance festival. Awa Odori has a history of over 400 years and is the second largest dance festival in the world. Each year the Awa Odori festival is held from August 12-15, and it attracts over one million visitors, half of Tokushima City’s total annual tourists,<sup>25</sup> meaning that Tokushima City gets half of its annual tourists in the span of four days. Tokushima City promotes Awa Odori through its Awa Odori Kaikan Museum, where Awa Odori performances are held four times a day, every day, throughout the year, so visitors who come at a different time of year can sample a taste of Awa Odori.

A popular saying during Awa Odori is “The dancers are fools, the audience are fools, everyone is a fool, so you might as well dance,”<sup>26</sup> a refrain chanted by dancers throughout the festival during dance routines. The line between dancer and audience is blurred throughout the festival. Onlookers are encouraged to join as dancers break into a dancing circle along the streets of Tokushima. There are dance groups (called *ren*) that will accept foreigners with no dance experience to perform with them. Even the most skilled professional *ren* usually have children dancing at the front of their formation. While the dance can be complex, the basic form can be

learned quickly and performed by anyone. This festival draws such a crowd because the audience can personally experience the dance tradition of this rural town, rare in modern commercial Japan.

“Awa Ai” is the name for indigo dye from Tokushima Prefecture that helped the region prosper during the Edo period, because indigo was one of the only colors the peasant class was permitted to wear.<sup>27</sup> Some people believe that indigo also has antibiotic and wicking qualities, and its color can become richer over time, an attribute not replicable with synthetic dyes. The popularity of Awa Ai allowed the castle town of Tokushima to prosper. Japan’s indigo industry died down as cheaper synthetic dyes from India became more prominent. There are now only four producers of Awa Ai left in Tokushima Prefecture who still use the traditional method of fermenting indigo leaves, which was Tokushima’s secret hundreds of years ago. Indigo dyed products, expertly made with traditional indigo, are sold at many Tokushima Prefecture souvenir shops. Their quality is reflected in their price. Visitors buy these products knowing that they are produced only in Tokushima Prefecture. The history of Tokushima indigo also attracts customers, who feel that their souvenir is connected to a long tradition. Visitors can experience indigo dyeing for themselves in indigo dyeing factories such as the Nagao Orifu factory, which still uses the belt-run machines, in operation since the Meiji period. A visitor can dye a handkerchief in indigo with their own design for a price of 1,000 yen (about US \$10).<sup>28</sup> Tokushima City is hoping to benefit from the 2020 Tokyo Olympics, as the emblem for the Tokyo Olympics depicts a traditional indigo dye pattern. Tokushima City is hoping that this connection will draw visitors to it during the Olympics to buy authentic indigo goods.

The Shinmachigawa O Mamoru Kai (Shinmachi River Preservation Group), a nonprofit organization that aims to beautify Tokushima City by planting and maintaining flowers in central locations, operates the Hana Road (Flower Road) project. International volunteers do the bulk of the labor for the Hana Road project. The Hana Road Project hosts city-wide community events about four times a year, where community members can help plant new flowers all over the city.<sup>29</sup> These flowers are maintained year-round by Hana Road volunteers, who water the flowers every day. Hana Road volunteers are also responsible for monthly river cleanups. Mr. Shinri Hasegawa, the leader of the Hana Road project, recruits volunteers from 90 different countries through a network, “workcamp.” Volunteers enter Japan on a tourist visa, and can stay either in a homestay or share house, which houses ten volunteers and ten community members. Hasegawa says they received around 200 volunteers in 2018 and expect the number to be higher in 2019. They are aiming for 3,000 volunteers per year in the future.<sup>30</sup> Many volunteers find jobs in Tokushima so they can stay past the 90 days allotted by the tourist visa. Hana Road receives about six million yen per year in donations from citizens and corporations to pay for flower seeds. Hasegawa says the rest of their supplies are paid for through fundraising at festivals and bazaars.<sup>31</sup>

Awa Odori tourism has doubled over time to over one million visitors annually and involves significant investment every year to draw such large tourist numbers. Visitors to Tokushima experience Awa Odori but also can buy indigo-dyed goods, eat Tokushima ramen and *sudachi* (a small green citrus similar to a lime), and take boat tours in the “city of water.” Tokushima City has increased tourism despite out-migration due to the Awa Odori festival over four days in August. Tokushima does not stand out as a tourist destination, but it is notable as a rural city that

has counteracted out-migration and attracted foreign residents. It is often said that those who are from Tokushima are unable to see its charm, but immigrants who live there appreciate it. Initiatives like Hana Road ask outsiders to experience the city as a local and to donate time and labor to the city's improvement. When locals in Tokushima see foreigners working in the summer heat to make their city more beautiful, they are more likely to see the value in their town.

## **Port Aransas Case**

Port Aransas, a popular South Texas beach town, is home to about 3,500 residents and attracts about five million tourists a year.<sup>32</sup> The town's quiet public beaches as well as several recreational activities have made it a popular vacation destination for families from across Texas and beyond. The city's hotel tax revenues underwrite a robust Visitor's Bureau and Chamber of Commerce, which both support marketing campaigns and economic improvement projects that have boosted tourism over the last three years. Although Hurricane Harvey badly damaged Port Aransas in 2017, the city has nearly recovered with tourist numbers rebounding. Port Aransas can serve as an example for Kure City officials on how to improve tourism in Mitarai.

Port Aransas, a 12-square-mile town, is the only settlement along an 18-mile long barrier reef island called Mustang Island, a 45-minute drive from the nearest large city (Corpus Christi) and three hours from Austin, Texas' capital.<sup>33</sup> The warm climate (the annual average temperature is 72 degrees), small town environment, and relatively affordable prices have attracted many people to retire in Port Aransas.<sup>34</sup> About 21 percent of the residents in Port Aransas are between the ages of 50 and 59 and the median age is 50.<sup>35</sup> Most residents are White and have high school degrees or higher; about ten percent of the residents live in poverty.<sup>36</sup>

Recreational fishing was the impetus for Port Aransas' initial popularity; during the 19th and 20th century the tarpon fish attracted fishing enthusiasts from all over the United States. For example, during the 1930s, President Franklin D. Roosevelt made several trips to Port Aransas to fish for tarpon. Although tarpon is now a protected species, at least three dozen fishing tournaments are held each year in the city. Businesses can take fishermen into the ocean where they can encounter more than 600 species of fish.<sup>37</sup> Visitors can bring their catch to several restaurants on the island that will cook the fish for about \$20.

Port Aransas' \$350 million to \$400 million economy remains tied to tourism.<sup>38</sup> The growth of urban cities in the 1950s and 1960s coincided with Port Aransas becoming a popular vacation destination.<sup>39</sup> The majority of the tourists come from four Texas cities – Austin, Houston, Dallas, and San Antonio.<sup>40</sup> Seventy-five percent of tourists are families who visit in the summer (see Figure 2.3). Other groups of tourists include young working professionals or retirees from colder parts of the country who spend their winters in Port Aransas and are known as "Winter Texans" by locals. The busiest tourist period is from Memorial Day weekend, which occurs the last weekend of May, through Labor Day, which is the first Monday in September. Visitors also come during Spring Break, when children are out of school for a week in March. Businesses make most of their money for the year during those few months and live off reserves during the fall and winter seasons.

Tourists can reach Port Aransas via two methods, both of which are free of charge. People can enter through a causeway that connects Corpus Christi to the southern part of the island or on a ferry at the northern end of the island. About 55 percent of tourists enter through the ferry, which has become a tourist attraction.<sup>41</sup> Tourists have full access to the beaches of Port Aransas, a right protected under state law that applies to all Texas beaches.<sup>42</sup> Visitors to Port Aransas can park on the beach by paying \$12 for a permit. Tourists can camp on the beach for a maximum of three nights during a three-week period.<sup>43</sup> People can hike, camp, sightsee, and birdwatch in state and national parks, including Padre Island National Seashore and Mustang Island State Park. For example, Port Aransas is the only place in the country where the endangered whooping crane can be viewed at a close range.<sup>44</sup> Port Aransas also has become a world-renowned spot for windsurfing. Visitors to the University of Texas Marine Institute can watch the release of baby sea turtles into the ocean every year.

Many of the 350 Port Aransas businesses cater to tourists, including accommodations (hotels, condo rentals, and short-term rentals), restaurants, golf cart rentals, souvenir shops (see Figure 2.4), boutiques, and marinas. Port Aransas has about 4,500 lodging units. Unlike popular beach destinations in Florida, where hotels comprise the bulk of accommodations, 20 percent of lodging units in Port Aransas are hotels and the rest are short term private rentals of condos or vacation homes to visitors.<sup>45</sup> The average vacation stay is seven days.<sup>46</sup> Families are attracted to short-term rentals of condos and vacation homes where they can enjoy the same amenities that they would find in their own home, including a full-size kitchen to prepare meals and the ability to do laundry. Port Aransas is seeking to grow from a three and a half mile stretch to about a nine mile stretch of restaurants, lodging, and activities particularly in Cinnamon Shores and Palmilla Beach.

**Figure 2.3: Dallas Visitors to Port Aransas**



*Violeta Ana Ramirez, 8, left, and Jenny and Joe Stark walk along the water at Port Aransas Beach on June 13, 2018. The family from Dallas is visiting for about a week. Austin American-Statesman, n.d., accessed December 1, 2019.*

Texas' authorized hotel tax revenue has allowed Port Aransas city officials to build a successful tourism economy based on a 13 percent tax on hotel and other lodging stays in Port Aransas. Six percent of the tax goes to the state to promote statewide tourism and maintain Gulf Coast beaches, including Port Aransas.<sup>47</sup> The city collects 7 percent of the tax, which translated to about \$6.2 million in 2017 before Hurricane Harvey damaged the city.<sup>48</sup> In 2017 hotel tax revenue made up 37 percent of the city's revenue, larger than the property tax revenue share. The city distributes 3.25 percent of the total hotel taxes collected to the Chamber of Commerce and Visitor's Bureau.<sup>49</sup> The rest of the tax revenue is used for the city's recreational development, to maintain the beaches and ensure safety.

Port Aransas Mayor Charles Bujan attributes the recent tourism boom to the Chamber of Commerce's leadership.<sup>50</sup> The Chamber has nine full-time employees split between the Chamber and its foundation, which seeks grants for the Chamber as well as offering a way for event sponsors to obtain a tax deduction. The Chamber manages the Visitor's Bureau, which is dedicated to bringing visitors to Port Aransas.

Chamber officials spent \$2.5 million on marketing, a majority of the Chamber's budget before Hurricane Harvey. Because the 2017 storm damaged most of Port Aransas' lodging, the Chamber has not received as much hotel tax revenue. The Chamber expects to reach a \$2.5 million marketing budget in 2021 and 2022 and has asked the city to increase funding, up to 3.5 percent of total hotel tax revenue. City officials have been reluctant to grant the extra dollars as a way to control the growth of tourism.<sup>51</sup> The Chamber raises additional revenue through business membership fees. The businesses in turn receive support from the Chamber through advertisements and promotion in brochures and websites.

The Chamber's marketing strategy includes developing six websites, some dedicated to festivals that the Chamber organizes. The anchoring website PortAransas.org contains an event calendar and information about activities, places to stay, and restaurants. It includes a web page that discusses business in Port Aransas, with information about demographics, climate, and tax rates of the city (see Figure 2.5). The Chamber has developed other marketing tools, including: digital ads targeted to certain tourist demographics; television commercials featured on the Weather Channel and local media stations; webcast sponsorships; submitting Port Aransas to companies that rank cities based on different attributes; and working with journalists to produce stories about Port Aransas. Last year, journalists produced \$16 million worth of free advertising for Port Aransas.<sup>52</sup> The Chamber facilitates those stories by arranging accommodations and island tours for journalists from across the world.

The Chamber recently hired a full-time social media specialist who has amplified the new brand of Port Aransas called "Beach Nation." Local social media channels have become a news network, keeping followers apprised of the latest activities happening in the city. The Chamber has hired an advertisement agency to design marketing materials, including pamphlets and billboards along highways in major Texas cities and on a recreational vehicle (see Figure 2.6). The Facebook account posts new content almost daily. Figure 2.7 illustrates the Instagram account maintained by the Chamber. The Chamber encourages residents and tourists to use its hashtag "#visitportaransas."



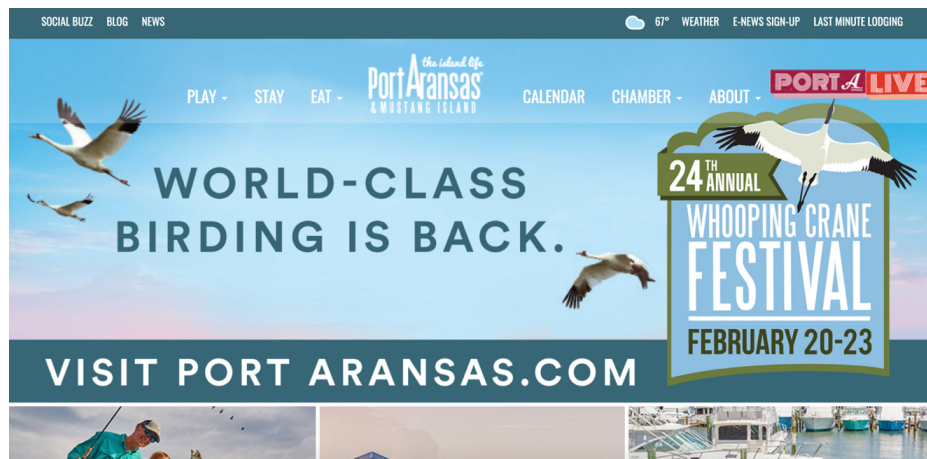
**Figure 2.4: Souvenir Shop in Port Aransas**



*Wynn Myers, A group poses for the obligatory photo in the shark's mouth at the reopened Destination Beach & Surf. (Texas Monthly, May 23, 2018), accessed December 1, 2019, <https://www.texasmonthly.com/travel/we-should-go-back-coast/>.*



**Figure 2.5: Port Aransas Chamber of Commerce Website**



*"Port Aransas," Chamber of Commerce, May 5, 2016, accessed December 1, 2019, <https://portaransas.org/>.*

**Figure 2.6: Port Aransas Advertising on Recreational Vehicle in Houston**



*PortATexas, Instagram, 2014, accessed December 1, 2019, <https://www.instagram.com/portatexas>.*

**Figure 2.7: Port Aransas Chamber of Commerce Instagram Page**



*PortATexas, Instagram, 2014, accessed December 1, 2019, <https://www.instagram.com/portatexas>.*

The Chamber organizes festivals such as Beachtober Fest, the Whooping Crane Festival, and SandFest. Beachtober Fest runs in the fall and features weekly activities, including a concert festival, food tasting as well as running and obstacle course races.<sup>53</sup> The Whooping Crane Festival occurs in the winter each year and includes workshops and field trips to watch and photograph the birds.<sup>54</sup> SandFest in the summer invites competitors from across the country to create sand structures (see Figure 2.8). Each festival requires tourists to purchase tickets, which generates revenue for the Chamber. The Chamber conducts in-person or email surveys to people who purchased event tickets to obtain feedback on other attractions they would like to see in Port Aransas.

Port Aransas attracts families primarily, although the chamber would like to attract single tourists, young couples without children, or women who go on vacation with friends. The Chamber also seeks to recruit recreational businesses and attractions other than the beaches for families.

As a venue to increase off-season visitors, Port Aransas officials have encouraged the construction of a hotel with a conference center on a wealthier part of the island called Cinnamon Shore. The city has received state approval to provide a rebate to a developer to build a convention center, which will be completed in 2020, to attract companies and organizations convening annual conferences. Convention attendees could stay in the hotel or other accommodations on the island and dine and shop at area businesses. The hope is that attendees will later bring their families back to Port Aransas to vacation.

Land in Port Aransas has become very expensive – now valued as much as \$300,000 an acre. A lack of affordable housing in the city has caused a shortage of workers. About 80 percent of workers commute in from other parts of the region.<sup>55</sup> Hurricane Harvey exacerbated the problem by destroying many island homes that were older and unable to withstand the force of the storm.<sup>56</sup> Port Aransas is working with Texas to encourage the construction of a 180-unit apartment complex that will cost about \$40 million, with \$32 million from a private company and \$8 million from public funds.<sup>57</sup> To live in the housing, workers will have to show a paycheck to prove they are employed on the island. Some chain restaurants in the city will pay workers a higher salary to attract labor with more pay versus lower salaries in nearby cities where it is less expensive to live. City officials are running into the challenge of finding land on which to build the apartment complex.

Port Aransas is a rural beach town in Texas that has become a popular beach destination for visitors from the U.S. and across the world. The city uses hotel tax revenue to support its Chamber of Commerce’s ambitious tourism promotion strategies. The Chamber has made major strides over the last three years in using print, digital media, and advertisements to reach both families and young professionals. The Chamber has created successful festivals drawing visitors during the off-season. The hotel conference center will help the local economy thrive during the off-peak tourism season. Port Aransas suffers from a workforce shortage, so city officials are cooperating with Texas’ government and a private firm to develop funds and find land on which to build affordable apartment homes. Officials with Kure City and Mitarai could draw upon the strategies that Port Aransas city officials have used to build and maintain a successful tourism economy.

Naoshima, Tokushima, and Port Aransas are examples of communities that have used their assets, whether newfound or existing, to increase tourism and invigorate their economies. They each provide strategies on how to increase tourism and combat rural decay. The next section applies these strategies and offers recommendations on how Kure City can use Mitarai’s assets to revitalize the town.

**Figure 2.8: Texas Sandfest**



*Texas Sandfest, more than 200 competitors use 250 tons of sand to compete for large prize winnings during the 13th Annual Texas Sandfest in Port Aransas. (Texas Sandfest, 2006), accessed December 1, 2019).*



- <sup>1</sup> Jaffe, Ina, "How Art Transformed a Remote Japanese Island," *NPR*, August 27, 2016, accessed February 10, 2020, <https://www.npr.org/sections/parallels/2016/08/27/490101453/how-art-transformed-a-remote-japanese-island>; Karlson, Said, "Naoshima: the History," *Japan Travel by NAVITIME*, March, 28, 2017, accessed February 10, 2020 <https://japantravel.navitime.com/en/area/jp/guide/NTJarea0067-en/>; Chavez, Amy, "Seto Inland Sea Island Finds Salvation Through Art, but On its Residents' Own Terms," *Japan Times*, March 27, 2016, accessed February 10, 2020, <https://www.japantimes.co.jp/community/2016/03/27/our-lives/seto-inland-sea-island-finds-salvation-art-residents-terms/#.XcCA-0RKg0q>.
- <sup>2</sup> Jaffe, Ina, "How Art Transformed a Remote Japanese Island," *NPR*, August 27, 2016, accessed February 10, 2020, <https://www.npr.org/sections/parallels/2016/08/27/490101453/how-art-transformed-a-remote-japanese-island>; Williams, Ingrid, "Japanese Island as Unlikely Arts Installation," *New York Times*, August 26, 2011, accessed February 10, 2020, <https://www.nytimes.com/2011/08/28/travel/naoshima-japan-an-unlikely-island-as-art-attraction.html>; Chavez, Amy, "Seto Inland Sea Island Finds Salvation Through Art, but On its Residents' Own Terms," *Japan Times*, March 27, 2016, accessed February 10, 2020, <https://www.japantimes.co.jp/community/2016/03/27/our-lives/seto-inland-sea-island-finds-salvation-art-residents-terms/#.XcCA-0RKg0q>.
- <sup>3</sup> Jaffe, Ina, "How Art Transformed a Remote Japanese Island," *NPR*, August 27, 2016, accessed February 10, 2020 <https://www.npr.org/sections/parallels/2016/08/27/490101453/how-art-transformed-a-remote-japanese-island>.
- <sup>4</sup> Takatsuki, H., "The Teshima Island Industrial Waste Case and its Process Towards Resolution," *Journal of Material Cycles and Waste Management* 5 (March 2013): 26-30; Chavez, Amy, "Seto Inland Sea Island Finds Salvation Through Art, but On its Residents' Own Terms," *Japan Times*, March 27, 2016, accessed February 10, 2020, <https://www.japantimes.co.jp/community/2016/03/27/our-lives/seto-inland-sea-island-finds-salvation-art-residents-terms/#.XcCA-0RKg0q>.
- <sup>5</sup> Benesse Holdings is an education and publishing conglomerate based in Okayama. In 2001, Benesse Holdings/Fukutake Publishing Company acquired Berlitz Language School Company as a wholly owned subsidiary.
- <sup>6</sup> Chavez, Amy, "Seto Inland Sea Island Finds Salvation Through Art, but On its Residents' Own Terms," *Japan Times*, March 27, 2016, accessed February 10, 2020, <https://www.japantimes.co.jp/community/2016/03/27/our-lives/seto-inland-sea-island-finds-salvation-art-residents-terms/#.XcCA-0RKg0q>.
- <sup>7</sup> Itzkowitz, Laura, "How the Benesse Art Site Naoshima Revitalized a Cluster of Japanese Islands," *Architectural Digest*, February 21, 2017, accessed February 10, 2020, <https://www.architecturaldigest.com/story/how-the-benesse-art-site-naoshima-revitalized-a-cluster-of-japanese-islands>.
- <sup>8</sup> The Setouchi Triennale, 100-day art festival, takes place on approximately a dozen islands, Naoshima is certainly the most lauded of these islands and serves as the greatest draw for art tourism.
- <sup>9</sup> Karlson, Said, "Naoshima: The History," *Japan Travel by NAVITIME*, March, 28, 2017, accessed February 10, 2020, <https://japantravel.navitime.com/en/area/jp/guide/NTJarea0067-en/>.
- <sup>10</sup> Naoshima is located approximately 900 kilometers (559 miles) from Fukushima. The 2011 Fukushima Daiichi nuclear disaster negatively affected tourism throughout Japan.
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## Chapter 3: Recommendations

In August 2019 TAOYAKA program participants conducted fieldwork with Mitarai stakeholders, government officials, and community members to collect ideas on how to revitalize Mitarai. Mitarai residents hope to bring new residents, especially young people, to the village. This chapter discusses initiatives that Mitarai can undertake to make it attractive to tourists, youth, and long-term residents. These recommendations are based on Mitarai's assets and opportunities, history, scenic beauty, landscape, and agricultural resources. Promotion of Mitarai can help the outside world learn about this village as an attractive destination to an international audience, which can attract young tourists from all over the world. Mitarai could undertake initiatives like the Arts Residency Program that would bring young artists to the village for months and may encourage them to return and settle in Mitarai.

There are promising prospects for growing tourism in Mitarai. The abandoned homes present an opportunity to develop cultural and heritage tourism. The scenic views and beautiful landscapes are attractive for tourists who hike, picnic, and take photographs. While the fishing community and the mandarin groves currently are not very active, guided fishing trips and tours through the terraced farmland could showcase Mitarai's natural and historical assets. To make the most of the tourism opportunities presented by Mitarai's assets, Kure City could consider creating a position within the city government dedicated to promoting local businesses and tourist attractions. Kure City could also partner with an organization or individual to create a foundation to grow financial resources for tourism promotion.

The history of Mitarai is a strong asset that can attract tourism. The townscape, particularly the preserved architecture, has been featured in commercials and movies. Promotions of the town should highlight its history. Mitarai's views of the Seto Inland Sea and surrounding islands also represent a marketing asset. Although there are no swimming beaches, additional infrastructure such as benches and picnic areas could encourage visitors to take advantage of this feature.

The bicycle course brings a consistent influx of cyclists through Mitarai, even if they rarely stay long or spend much money. Some ideas to generate revenue from this asset include a bike repair shop (i.e. selling spare tires, tubes, pumps, and gels) or a bike rental shop for tourists to experience part of the entire course. Promotion of the cycling route can increase tourism. Cycling growth may require additional investments to help keep cyclists safe, such as bike lanes, areas to pull off, and widening of roads. Promotion of this cycling course could boost the economies of numerous small towns along its path.

Mitarai has acres of terraced *mikan* groves, some of which are untended due to the manual labor required and the aging population of Mitarai. Tourists could participate in mandarin picking to mitigate the lack of farm workers and lack of activities for tourists. Some other ideas include: a short tour through mandarin groves; picking mandarins to take home (pay by the pound, or all-you-can-pick for an hour); or making orange juice (buy one or two liters to take home). This "tourist as a farm participant" approach has been used successfully in other areas of Japan, such as Nanbu in Aomori Prefecture, that offers seasonal fruit picking for tourists and school groups with camping nearby to attract families (see Figures 3.1 and 3.2).



**Figure 3.1: Nanbu Town Fruit Picking**



*"Homestay and Farming Experience in Nanbu," Visit Hachinohe, accessed November 25, 2019, <https://visithachinohe.com/en/experiences/nokaseikatsutaiken/>.*

**Figure 3.2: Nanbu Town Camping**



*"Nanbu Town Dragon Tower," Traveling around Misawa, Japan, accessed November 25, 2019, <http://traveling-tengco.blogspot.com/2010/10/nanbu-town-dragon-tower.html?m=1>.*

A mandarin tour could also advertise local specialties made from *mikan* to generate additional business revenue. Fruit picking would be available during the winter season but there are possibilities to generate revenue year-round. Tourists could participate in other activities such as planting, pruning, and “adopt a tree.” Farmers could then ship produce to those tourists during the harvest season. This connection between tourists and farm has worked for crops like rice to encourage repeat tourism throughout the year.<sup>1</sup> One limitation would be the need for an initial manpower investment to return the groves into working order and for regular maintenance.

Vacant homes in Mitarai could be an asset for tourism expansion. Homes with adequate internal infrastructure could be rented out to in-migrants looking for work or lodging. Such use of vacant homes occurs on the private market, but residents might prefer a city-led initiative. For example, some Japanese cities are so desperate to reestablish a resident population that governments give away houses for free to persons who commit to live on the property for 15 years.<sup>2</sup> Kure City could consider incentives for in-migration by offering significant discounts on housing or tax breaks for a commitment to living in the area for a certain period of time.

An additional incentive would be a program that reduces the cost of internal repairs or creatively uses buildings for nonresidential purposes, as costly internal repairs are not funded by federal grants. Some Mitarai homes are already used in ways that can support the tourism industry; for example, one serves as a guest house.<sup>3</sup> The Japanese government could spur revitalization by opening funding for improvements to internal infrastructure. Renovations would pave the way for increased living areas to support overnight tourism and homes for long-term stays.

Tourists can help the Sakura Group build flower arrangements and display them on houses, to beautify and participate in the community, while receiving a tour of the historic homes. Such a wildflower class can be offered as part of tour boat trips and could mitigate two issues: not having enough activities for tourists and not having enough people to manage Sakura Group daily activities. Foreign tourists who want to partake in Japanese culture may particularly be attracted to ikebana (the Japanese art of flower arrangement) classes.

## **Tourism Promotion**

Mitarai and Kure City could promote both Japanese and international tourism through expanding public Wi-Fi, using multi-lingual resources, and providing more culinary options, as well as through social media posts, advertisements, and photos in multiple languages, as discussed below.

International tourists rely on free, public Wi-Fi to check in at home and plan the next part of their trip. On Mitarai at present there are only private wireless hotspots available, purchased at the cost of local merchants, eating into their profits. Reliable, public Wi-Fi hotspots, subsidized by the city, and listed on the tourism pamphlets, could make Mitarai more accessible to non-Japanese speaking tourists.

Online translation applications and handheld translation devices are two technologies that can help residents interact with foreign tourists and help residents become more comfortable with overcoming cultural barriers. Occasionally residents have offered English language classes in Mitarai; classes for residents can be expanded and offered as a public program. The town could

contract translation services to help private businesses offer materials in other languages (English, Mandarin), such as menus and price listings. A yearly budget could be set aside for updating signage to highlight key sites. A multi-language walking tour application would attract tourists, as Kure City has already demonstrated at the Yamato Naval Museum.<sup>4</sup>

In many parts of rural Japan, it is difficult for tourists with dietary restrictions to find foods they are able to eat. For example, several vegetarian student researchers had to bring food from other islands. There is growing pressure in Japan for the hospitality industry to accommodate dietary and religious restrictions and food allergies by providing vegetarian, vegan, gluten-free, Kosher, and Halal cuisine. On November 6, 2019, the Japanese Diet formed an all-party parliamentary group for vegetarians to consider guidelines and markings to help the estimated 1.5 million annual vegetarian visitors identify appropriate foods.<sup>5</sup> Mitarai could publicly post information for tourists indicating stores or restaurants that offer food options for these restrictions. Kure City could work with business owners to develop these options and mark them in multiple languages on menus.

**Table 3.1: Plan for Mitarai Tourism Marketing**

• Build a Marketing Team
• Develop a Digital Presence
• Harness the Power of Social Media
• Create an App
• Build Relationships with Traditional Media
• Distribute Promotional Material

*Suggestions compiled by project members during and after fieldwork in Mitarai in August 2019.*

Kure City officials could fund Mitarai tourism marketing either via an in-house marketing department or a contract with a third-party firm that has a record of launching successful marketing campaigns for rural communities and/or rural businesses. Funding could also support promotional materials, such as flyers, billboards, or media advertisements (see Figure 3.3). City officials could divide the marketing operation into two parts: one attracting tourists and a second supporting and attracting businesses. Both tourism and business development are important to economic development, and each requires a unique strategy and should have a team focused on each goal.

Kure City officials could consider the possibility of implementing a tourism tax in the city to build its marketing budget, distributing revenues to towns in need, including Mitarai. City officials could discuss with the national government about potential funding opportunities, including economic development grants. Kure City officials could generate additional revenue from charging fees to visitors of publicly owned sites. Kure City could consider creating a city government position or role to promote local businesses and tourist attractions related to opportunities presented by Mitarai's assets. Kure City could also partner with an organization or individual to create a foundation to grow financial resources for tourism promotion.

**Figure 3.3: Tourism Billboard for Mexico**



*Mexico tourism billboard accessed November 10, 2019, <https://www.pinterest.com/pin/360710251376303780/>.*

## **Multi-Media Initiatives**

City-specific websites are common in Japan: more than a third of local governments in Japan offered websites in 2013.<sup>6</sup> Kure City officials could improve Mitarai's current website by using as a template Hiroshima Prefecture's tourism website, [www.visithiroshima.net](http://www.visithiroshima.net) (see Figure 3.4). While Mitarai's website (offered in Japanese with some English subheads) contains basic information about the city, particularly its history and some of its attractions, the website could include more information about amenities for visitors including places to eat, shop, and stay in a manner similar to Hiroshima Prefecture's website, which has been translated into English, Korean, French, as well as traditional and simplified Chinese. The website could also offer an opportunity for people to sign up for email newsletters that offer information on current and upcoming events in the city. The website could also serve to keep residents up-to-date on the latest city administrative news. Nearly 94 percent of large cities and prefectures in Japan distributed e-mailed newsletters in 2014, suggesting that Japanese officials value an informed population.<sup>7</sup> Informing residents on current city activities engages residents, invites dialogue, and encourages citizens to contribute ideas on how to improve the economy. Crowdsourcing or surveying residents is another means to generate ideas for promotion.

City officials could create social media pages dedicated to Mitarai on LINE and Twitter, popular applications in Japan, as well as on Tik Tok and Instagram, the fastest growing web applications in the country.<sup>8</sup> Tourists can tag Mitarai on such platforms, increasing its profile on the Internet. Some Japanese cities have found success in encouraging each city employee to maintain a personal social media page to keep residents informed of city plans, increasing the city's profile on the Internet.



**Figure 3.4: Hiroshima Tourism Website**



*“Visit Hiroshima,” Hiroshima Prefecture, accessed April 28, 2020, <https://visithiroshima.net>.*

Kure City officials could use each social media application to deliver information on upcoming Mitarai events, photos of its physical or social attractions, and opportunities to use it as a backdrop for viral content. Kure City officials could start by creating professional photos of Mitarai attractions to be used on social media platforms and its official website, ensuring they are edited to catch the eyes of digital visitors. Initial ideas would be to photograph the traditional Edo period shops and homes, Mitarai Tenmangu Shrine, ocean scenery, and citrus groves.

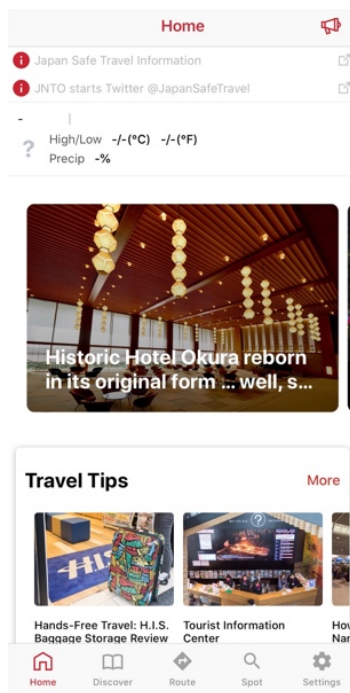
Kure City officials could consider offering social media content in multiple languages including in Chinese and English to attract foreign followers. Use of relevant hashtags can also cater posts to certain individuals and increase the probability of posts being seen and shared. National tourism officials appear to be popularizing the hashtag “#visitjapanJP” to attract more international tourists.<sup>9</sup> Kure City officials could regularly ask national tourism officials to promote Mitarai on the national government’s social media platforms dedicated to tourism. Japanese officials have harnessed the power of social media to promote tourism by improving their platform presence. For example, VisitJapanJP on Instagram had 347,000 followers as of November 2019; it includes beautiful photos of Japanese attractions (see Figure 3.5).<sup>10</sup> The national government also has created a free smartphone application for foreign tourists that includes information on how to travel to certain places, attractions, and Wi-Fi spots (see Figure 3.6).<sup>11</sup>

**Figure 3.5: Japanese Tourism Agency on Instagram**



*VisitJapanJP, Instagram, 2017, accessed November 3, 2019, <https://www.instagram.com/visitjapanjp/>.*

**Figure 3.6: Japanese National Tourism Mobile Phone App**



*“Japan Official Travel App,” Japan Official Travel App, Version 2.3.0 (2019), <https://www.jnto.go.jp/smartapp/eng/about.html> (accessed on November 3, 2019).*

Kure City officials could build a smartphone application that visitors can download to help guide them through Mitarai's attractions. City officials could inquire about repurposing the national government's application for the city's own separate use to include: transportation options to get to the town; a map of the town; the current temperature of the town; as well as tourist attractions, including dining and accommodation options. The application could offer a self-guided tour – perhaps via an interactive map or an audio tour. The application could also offer a game, like a scavenger hunt in Mitarai. Upon completion, players can visit the city's headquarters and receive an inexpensive prize like a mug, magnet, or keychain with Mitarai's logo on it.

Japanese newspapers, television news, news radio stations, and magazines may be willing to produce a story about public events free of charge. City officials could develop relationships with area media outlets, including compiling contact information for reporters or producers to whom notices can be sent. For every activity to be promoted, Kure City officials could develop a pitch that answers major questions, such as time and location of the activity, as well as why visitors would be interested in the event. The pitch could include photos and videos that the marketing department has produced. If media outlets, such as radio, television, magazines, newsprint, and news websites, cannot produce a piece, city officials could consider buying advertising space.

Local, national, and international news and entertainment television channels may produce segments about tourist attractions. Kure City officials could research these opportunities and develop a pitch for why viewers would appreciate Mitarai. Bloggers or content creators, including those who shoot and produce videos that appear on video sharing sites, can also provide opportunities for expanding Mitarai's exposure to younger audiences. City officials could arrange trips for Japanese and foreign journalists and content creators to visit Mitarai, offering to provide them tours and pay for travel, meals, and lodging, in exchange for an agreement to produce a story. Having Mitarai on the radar of journalists can lead to future stories.

It may be worthwhile to test whether billboards in major cities like Hiroshima, Tokyo, and Kyoto or along the highway that runs through the chains of islands of which Mitarai is a part could increase tourism. Billboards and advertisements should have an eye-catching image of Mitarai's scenery and should not be cluttered with excessive words. Billboards and advertisements can also appear on trucks, taxis, and tour buses that roam around cities. Eye-catching brochures about Mitarai that include a map of the town could be placed in major city visitor bureaus in Japan as well as along the highway leading to the city. Brochures in public places, such as rest stops, bathrooms, and scenic sites could encourage tourism. Kure could develop relationships with businesses along the route or in major cities, including restaurants, vending machine operators, and tour operators, that could help distribute the brochures, as simply as placing Mitarai's brochure near the entrances of their establishment.

## **Residency Program Initiative**

Kure City could develop Mitarai residency programs to engage youth to help combat depopulation in the region, a practice that has been successful in other Japanese regions (see Table 3.2). For example, the Kamiyama Artist in Residence Program, initiated in Tokushima

Prefecture, has not only helped the region combat depopulation, but has also improved the economy and vitality of the area. Mitarai's history, culture, landscape, and geographic location could act as an excellent backdrop against which residency programs focused on the arts, sciences, and culture could bring young residents to the village. The three recommendations below discuss a series of art, science, and culinary programs designed to attract visiting professionals to Mitarai.

**Table 3.2: Residency Programs**

Residency Program	Location	Area of Specialization
Kamiyama Artists in Residence	Tokushima, Japan	Arts Residency
Rabbit Island Residency	Michigan, USA	Science Residency
Craigardan Culinary Arts Residency	Keene, New York, USA	Culinary Residency

*Table compiled from: "Kamiyama Artist in Residence," In-Kamiyama, accessed November 26, 2019, <https://www.in-kamiyama.jp/en/kair/>; "Rabbit Island Science," Rabbit Island Foundation, accessed November 26, 2019, <https://rabbitisland.org/science/>; "Culinary Arts Program," Craigardan, accessed March 23, 2020, <http://www.craigardan.org/car>.*

A residency program is an opportunity for creative individuals and professionals to learn a new craft or produce a work of art. Residency programs targeted towards students, scientists, and families may include a group residency, where the group is supported to work together and engage with the community in a meaningful way. For example, at the Yaddo residency, a writer can receive between two and eight weeks of support living in a shared community space to write and produce a work of art.<sup>12</sup> Tokushima Prefecture established its Kamiyama Artist in Residence Program (KAIR) in 1999 to encourage artists to experience small-town life in Japan while engaging with the local community on artistic projects. Each artist is provided with 250,000 yen (US \$2,500) to pay for production costs. Participants create artwork and convene workshops for local residents, participate in cultural events, and host open studio days.<sup>13</sup> Tokushima Prefecture established KAIR as part of its international cultural village to encourage young people to come to Kamiyama to experience art and culture and bring energy to their town. KAIR converted an elementary classroom into a studio and cabins at a local campground into residency facilities. KAIR's focus is to bring artists to interact with the local residents.<sup>14</sup> Every year, KAIR invites two artists from overseas and one from within Japan to live in Kamiyama from September to November and create artwork which is displayed at a yearly exhibition in November. Over the past 19 years Tokushima has hosted 68 artists, 46 from overseas, from 21 different countries. As with many nascent programs, as KAIR developed and became established, more artists sought to become a part of this program (see Figure 3.7).

One reason why KAIR has been successful is their emphasis on hospitality towards artists through a "mom and pop system," where one person assists in producing the artwork (pop role) and another person advises on questions about daily life (mom role). The mom and pop system allows KAIR's executive committee members to be responsive to artists' needs and concerns through direct contact by volunteer members and also engages locals in the program's mission to enhance community engagement.<sup>15</sup>



**Figure 3.7: KAIR Applicants by Year**

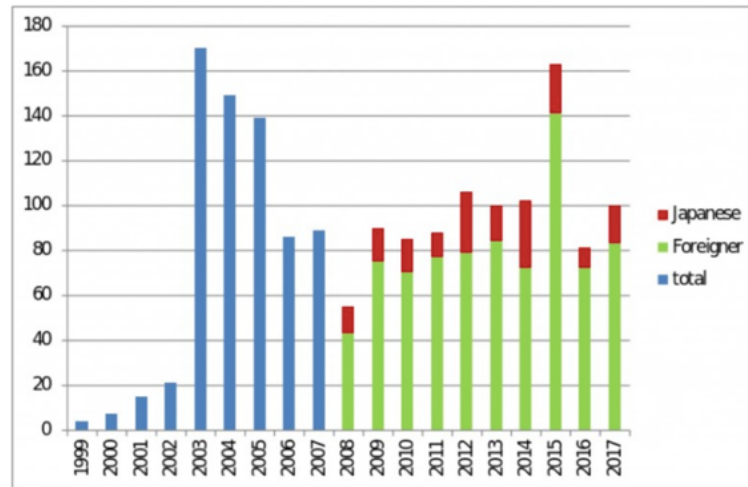


Fig. 4 – Change in Number of Applicants to KAIR. Data courtesy of the KAIR executive committee. Note: Prior to 2007 there is no record distinguishing domestic and foreign artists.

Yoshimoto, Mitsuhiro, “Kamiyama’s Success in Creative Depopulation,” *Field: Journal for Socially Engaged Art Criticism* 8 (2017), accessed November 19, 2019, <http://field-journal.com/issue-8/kamiyamas-success-in-creative-depopulation>.

The Rabbit Island residency is a summer program hosted on 91 acres of forest and sandstone in Lake Superior, four miles east of Michigan’s Keweenaw Peninsula in the U.S. The program hosts artists and scientists to live and work on the island for approximately 2-4 weeks, each engaging directly with the landscape.<sup>16</sup> Rabbit Island residency encourages residents to “respond to notions of conservation, ecology, sustainability, and resilience,”<sup>17</sup> encourages the study of Lake Superior terrestrial and aquatic ecosystems to assess the natural cycles in the native lake environment, so as to describe and assess the influence of human activity and industrial byproduct on this natural environment.<sup>18</sup> Some of the residency research topics include: measurement of mercury found in Lake Superior lake trout; consequences of annual temperature fluctuations on Rabbit Island’s blue heron colony; changes in Lake Superior water quality; observation of the life cycle and habits of the island resident bald eagles; and assessment of the genetic diversity of the native Rabbit Island lake trout populations.

The Rabbit Island science residency program serves as an excellent case study to initiate a residency open to graduate students, faculty members, and scientists to study botany, ecology, forestry, geology, and sustainability of the Seto Inland Sea. Funding for this residency program may be available through the Local Ecotourism Project and the Biodiversity Conservation Project (see Appendix at I.D). Scientists from inside and outside of Japan could use Mitarai’s location in the Seto Inland Sea to study approximately 500 marine species, with new species of marine life being discovered in the area as recently as 2016.<sup>19</sup> A science residency in Mitarai could bring a new wave of young students and scholars to the island. Collaboration between Kure City’s Department of Tourism and Hiroshima University’s Graduate School of Science could facilitate scientific inquiry and access by graduate students, scholars, and professors interested in the Seto Inland Sea. Mitarai could provide the scientific community with access to

its natural resources, and in return could receive a steady flow of scholars to engage in its local culture and economy throughout the year.

Culinary residency programs can offer housing to emerging chefs to live on-site for a specific duration to host culinary workshops, events, and classes and help maintain a local farming culture. Some culinary programs are designed to support the chef in gaining the experience of running their own kitchen and developing their repertoire.<sup>20</sup> Culinary residency programs can create a food-focused environment conducive to new ideas, to exploring the region's food, and to developing farm-to-table seasonal cuisines. Such a culinary residency program may invite a chef or food enthusiast to participate in an immersive culinary experience. For example, the Craigardan Culinary Arts Residency in Northern New York State costs \$1000 per month and provides housing and kitchen space to emerging chefs for up to 4 months, from June through August. The Craigardan Residency provides chefs with time and raw ingredients to develop dishes for farm-to-table dining and encourages collaboration with local farmers and chefs.<sup>21</sup>

Kamiyama recently established a chef-in-residence program that invites chefs to cook for three weeks in January and February as part of the Food Hub Project. The Kamiyama chef-in-residence program focuses on "Small Food Politics" as part of their "Farm Local, Eat Local" initiative that seeks to engage next-generation farmers and chefs in the local farming and culinary culture. Their program aims to combat the population decline in the farming community by engaging young food enthusiasts and farmers to keep their local food culture alive.<sup>22</sup>

Residency programs could encourage in-migration of long-term residents to Mitarai by engaging students, artists, and scholars in taking advantage of Mitarai's unique place and setting. The Cultural Arts Base Formation Project (see Appendix I.C) could generate funding for a program that selects yearly applications for artists, writers, scholars, painters, sculptors, chefs, or other professionals to live in Mitarai for a designated period of time. One challenge will be to designate an area where the artists can live and work, as a Mitarai residency program would require cooperation and consent from local community members. Abandoned homes in Mitarai could be reused as artist residences. The abandoned elementary school is large enough to be converted into an event center where artists can provide local community members classes and workshops related to their disciplines. A Kure City Mitarai Artists in Residence (MAIR) program could emphasize hospitality towards artists. With input from leaders and residents, Kure City could elect local volunteers to assist with the "mom" and "pop" roles especially focused to provide program participants a feeling of belonging.

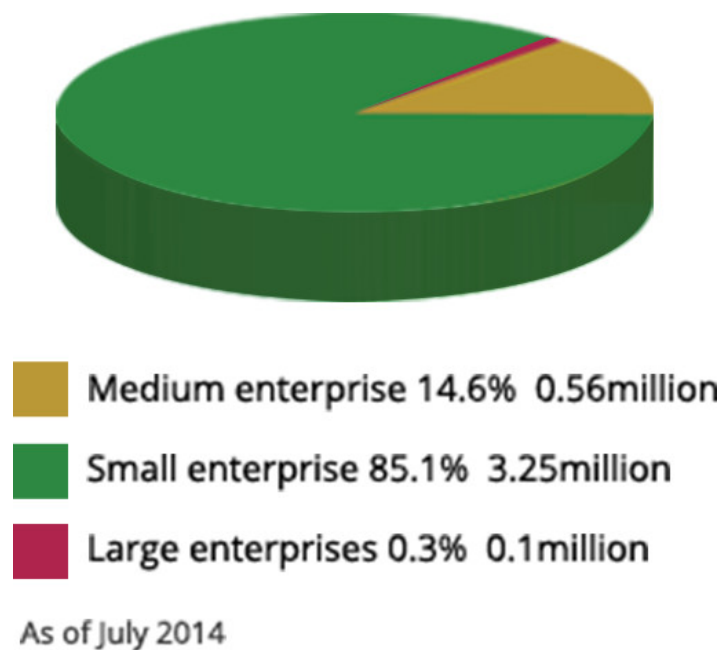
Allowing tourists and long-term visitors an opportunity to experience Japanese food and culture in the intimacy of a host family could attract visitors to Mitarai where they can learn about the everyday way of life through food. Many visitors, especially foreign tourists, are interested in learning how to cook and enjoy local food. As a fishing town, Mitarai could use its local seafood delicacies to provide visitors a unique experience. Local restaurants and cafes, such as the one operated by Mr. Akira Inoue, could provide an apprenticeship to emerging chefs interested in Japanese cuisine and introduce them to culinary life in Mitarai. Abandoned homes could be reused to house residency participants and/or function as a dining hall or a kitchen space from which the chef could work. The chef could be asked to highlight the local Mitarai agricultural

material in their cooking. Culinary residency can highlight Mitarai’s cuisine for a broader audience.

## Rural Entrepreneurship Incentives

The Government of Japan has encouraged the growth of small- and medium-sized enterprises (SMEs), businesses with a hundred or fewer employees that in Japan make up the greatest share of all businesses (see Figure 3.8). Japan’s SME Agency (SMEA, a subdivision of the Ministry of Economy, Trade and Industry) provides national funding to SMEs, which may receive additional support from prefectures with local SME policies.<sup>23</sup> This section reviews current government programs useful to SMEs and explains how they could be employed in Kure City and on Mitarai.

**Figure 3.8: Distribution of Businesses by Size**



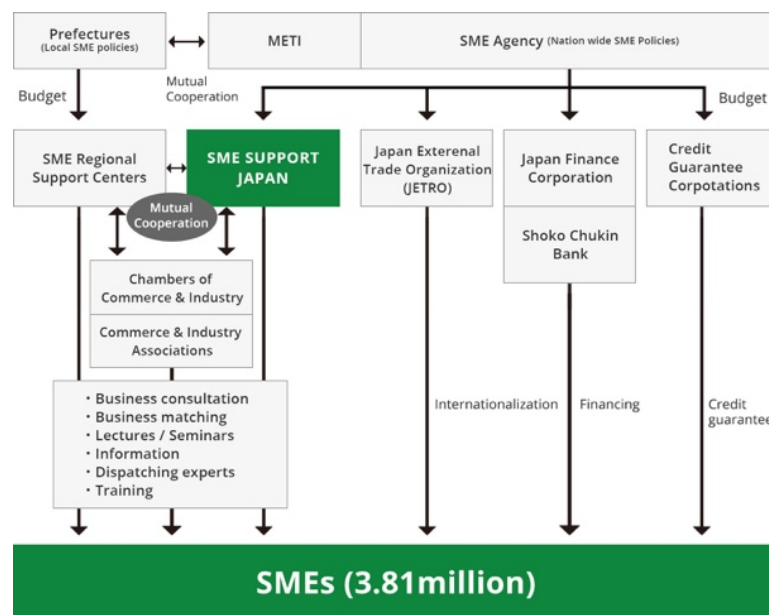
*“Our Target,” SME SUPPORT JAPAN, Organization for Small & Medium Enterprises and Regional Innovation, 2017, <https://www.smrj.go.jp/english/about/target.html>.*

The government of Japan could improve its SME approach by using some foreign countries’ strategies, such as those of the European Union’s European Regional Development Fund (ERDF). Kure City and the surrounding settlements are large enough to warrant the creation of a local Economic Development Office (EDO). Business owners in Kure City and the town of Mitarai would be able to contact an EDO advisor in person or remotely to consult on business related concerns on how to access funding and grants, comply with regulations, grow their businesses, and network with the local entrepreneur economy.

The national government and the SMEA operate diverse programs that encourage SME entrepreneurs (see Figure 3.9). SMEA financial support includes access to the “safety net guarantee program” and “safety net loans.” Fiscal support policies are designed to provide advice to SMEs on taxation, accounting, and relevant legislation.<sup>24</sup> The safety net guarantee program

allows SMEs to access additional credit guarantees if their business was negatively affected by an external factor. Examples include natural disaster, loss of a significant customer, or collapse of a bank.<sup>25</sup> With safety net loans, the SME agency offers direct loans to SMEs facing financial instability, which would benefit from immediate access to capital to solve their “cash flow problems” and prevent chain reaction bankruptcy. The SMEA fiscal support policy for SMEs is to provide advice to business owners on how their business must be fiscally compliant with the Companies Act and applicable taxes. The fiscal support policy is also designed to advise SMEs on taxes from which they may be exempt, reducing their costs.<sup>26</sup>

**Figure 3.9: SME Support Implementation**



Toyonaga, Atsushi. “About Us, How SME Policies Are Implemented in Japan.” *SME SUPPORT JAPAN. Organization for Small & Medium Enterprises and Regional Innovation*, 2017.  
<https://www.smrj.go.jp/english/about/>.

The Japan External Trade Organization (JETRO), an independent administrative institution, advises Japanese manufacturers and artisan workers who want to distribute their products outside of Japan. To stimulate foreign investment in Japan, JETRO provides consulting support to international entrepreneurs and foreign-affiliated companies on regulatory compliance issues.<sup>27</sup> JETRO maintains the Invest Japan Hotline, a phone and online forum, where entrepreneurs may submit an inquiry into a regulatory concern. The Invest Japan Hotline is available in multiple major languages, maintains overseas offices, and operates Monday to Friday (09:00 – 17:00 JST). JETRO coordinates and assists foreign-affiliated companies in their interactions with government bodies (for example, the Ministry of Economy, Trade and Industry, or METI). JETRO can arrange state-business appointments and provide in-person translation support in meetings. On the request of a foreign investor, JETRO may petition to the Cabinet Office and METI to reform business regulations to accommodate the needs of a foreign investor.

The national SMEA aims to provide support to diverse entrepreneurs to accommodate the shifting needs of growing businesses. SME Support Japan (SMRJ) a subdivision of the SMEA,

has published details how they can support entrepreneurs as their business grows from start-up to maturity.<sup>28</sup> For SMEs in the start-up phase, the SMRJ has created 32 “incubation facilities,” multi-purpose locations where “grassroots stage” entrepreneurs may access subsidized consultation services or lease office space for a new business.

In the growth phase, SMRJ advises entrepreneurs past the initial hurdles of business management to engage in greater networking and community engagement. The SMRJ promotes market expansion by contacting registered entrepreneurs and notifying them of upcoming events, such as trade expositions and industry conferences, where entrepreneurs may meet potential business contacts, learn from industry experts, and publicize their firms. The SMRJ has created an online application named “J-Good Tech,” a service available to registered entrepreneurs where they may create a business account so they can publicize themselves and research potential business contacts (e.g. suppliers and buyers). The SMRJ in collaboration with METI has promoted J-Good Tech internationally, encouraging foreign investors to purchase from or supply to Japanese entrepreneurs, enabling them to expand overseas.<sup>29</sup> The SMRJ can provide consultation services to long-established entrepreneurs or mature businesses to help a company respond to changing customer demands or an evolving business landscape. The SMRJ also provides assistance to entrepreneurs and business owners in their company succession process, providing legal and financial advising on how a corporate leadership transition can happen smoothly.

METI aims to promote the continued creation of traditional artisanal crafts unique to Japan and its regions, a business sector primarily dominated by small artisanal entrepreneurs. The Traditional Industry Law works similarly to the European Union’s Protected Designation of Origin (PDO), a program designed to protect the integrity and reputation of a region’s food or craft, by prohibiting the product’s name being used in marketing unless the producer meets certain criteria.<sup>30</sup> The Traditional Industry Law sets requirements for the techniques, raw materials, and location of production for a business to become a recognized seller of a traditional craft product. By protecting the integrity of historic crafts through legal recognition, small artisanal entrepreneurs need not worry that their craft will be swamped by cheaper, mass-produced mimics that will hurt their products’ image and push them out of the market.<sup>31</sup>

The SMEA can employ analog and digital forms of marketing to promote rural entrepreneurship and engagement through content marketing and search engine marketing (SEM). Digital marketing is a method of contacting audiences through targeted messaging and advertising. The main advantage of digital marketing is its flexibility; it can be implemented at varying levels of complexity. Content marketing involves an online advertisement that analyses an individual’s digital footprint and curates the content they would see online to their area of interest. Online retailers can analyze a user’s digital metadata and select relevant products to encourage a purchase. Search engine marketing pays a search engine provider (Google, Bing) to advertise a web page in an individual’s search results. Entrepreneurs could be directed towards SMEA pages by utilizing SEM, so when an individual searches a keyword while looking for a certain products or service they would be directed to SMEA websites. Another form of digital marketing involves employing a third-party “influencer” to market a sponsored service to their audience. Influencer marketing has been effectively used to promote international tourism into Japan. For example, Tokyo Creative (formerly Odigo Travel) has commissioned vlog influencers on YouTube to promote tourism.<sup>32</sup> These influencers with audiences in the hundreds of thousands record their

experience of traveling in Japan and encourage their audience to vacation in Japan.<sup>33</sup> The SMEA could encourage entrepreneurs to register with the SMEA to take advantage of the SMEA or JETRO webpage. If an entrepreneur wishes to subscribe to a newsletter, the individual would be added to a mailing list of subscribers and receive newsletters or promotional materials via the mailing list, increasing their visibility and engagement.

Analog marketing refers to marketing that relies on physical interactive content, such as print media, business conference events, and in person consulting visits. Print newspaper advertisements and leaflets can be employed throughout the year and can be less expensive than other forms of print advertisement or sponsored articles. Print journalism exists at both a regional and national level. Employing advertisement in national newspapers should be used sparingly due to both the cost and relevance factor. Advertisements for sharing local success stories are appropriate in regional and local newspapers where audiences may have first-hand experience with case study stories.

Third-party, journalist-authored articles can be great opportunities for promotion to a paper's readership. Video case studies can be effective in communicating to relevant audiences. For the promotion of SMEs, these case studies can depict the process of an entrepreneur's interaction with a Development Team and lay out the forms of support that could be offered to businesses they run. The value of a video case study is that it can provide information in a concentrated format by providing an audiovisual story that conveys a complex business-government interaction. Videos may be displayed in person or published online as part of a program's digital marketing. The SMRJ has published a video that is available on their website that publicizes and praises the work of entrepreneurial artisan workers in Japan. The *Beautiful Kansai/Japanese People* video is annotated in both Japanese and English, further expanding its audience.<sup>34</sup>

An SME that participates at a conference or trade fair can promote established federations of small businesses directly to motivated clients. It is helpful to have specialists at conferences to answer complicated questions that potential clients might have. The SMEA could encourage entrepreneurs to attend such events to network with potential clients or attend presentations from industry experts. The Kure City EDO might communicate issues of concern to local entrepreneurs.

Mitarai's business economy primarily relies on locally owned firms, not franchise businesses,<sup>35</sup> which is typical of Japan, where entrepreneurs dominate the economy outside of major metropolitan centers (see Figure 3.8 above).<sup>36</sup> The SMEA, in collaboration with METI, supports pre-established business owners, entrepreneurial start-ups and inviting foreign investors.

Mitarai already has been a location for films and advertisements. Kure could consider offering financial incentives to use Mitarai as a backdrop, including offering free or reduced-cost accommodations and food. As Tokyo will host the Olympics in 2020, Kure City officials could promote the beauty of Mitarai especially to foreign media.

## **Barriers to Tourism**

Some Mitarai residents are concerned that their community life may be disturbed as a result of tourism or business development. For example, project staff interviewed residents (both long-

term and in-migrants), business owners, and community leaders and observed local businesses. Staff asked whether residents want additional tourism and invited them to express any concerns regarding how increased tourism could affect the community. Business owners expressed a preference for more tourism to improve the town’s economy: some shop owners indicated that they were comfortable with double to triple the number of tourists. One local official, when asked, replied that increasing the number of tourists would be less effective than encouraging current tourists to spend more money. A shop owner defined success as still having business on the slowest days of the year. Most business owners reported that they need a second income to support themselves in addition to their store or business. One resident wanted the same amount of tourism but increased spending. Some elderly residents expressed joy at seeing young faces and wanted more tourism as a way to ease their loneliness.<sup>37</sup>

Residents who do not rely on tourism for their livelihood had more mixed reactions to increased tourism (see Table 3.3). Some residents expressed concern with the capacity of Mitarai to support additional tourism, as there is limited space within the town to park vehicles. Once the parking area is full, tourists must park in nearby Ocho Town and walk between one and two kilometers to Mitarai. Mitarai could identify additional parking areas in Mitarai or consider a shuttle that operates at certain times of the day. Additional bicycle parking racks in the areas with the most traffic would be useful. Automobile and bicycle parking areas should be clearly marked on maps and online.

**Table 3.3: Resident Tourism Concerns**

• Public Infrastructure
• Manpower
• Safety/Security
• Trash/Waste
• Noise
• Predictability

*Unpublished interviews conducted by project members with Mitarai stakeholders in August 2019.*

There is limited lodging for tourists to stay overnight, as only three guest houses are currently open to tourists at very different price points and with limited capacity. Mitarai and Kure City could encourage investment in additional guest houses or other lodging. Guest houses return taxes and fees back into the community, and tourists can stay longer and spend more in other businesses. If tourist taxes can be collected from overnight stays, any revenue gained from tourism could be redistributed by local authorities to fund tourism infrastructure improvements, such as trash collection, parking areas, and public restrooms, or even fund English classes for local residents, a skill that will be increasingly useful as the number of foreign visitors increase. As there is only one public restroom near the Mitarai visitor center, additional public restrooms would support tourism growth.

The mountainous terrain surrounding the town center will be a barrier to the growth of long-term infrastructure or residential projects. City officials should consider how to better utilize vacant “brown-field” sites for redevelopment.

Residents expressed concern with the lack of labor to support growing tourism. The limited housing is also a barrier for the growth of a permanent workforce. Medical services and schools for families with children are insufficient to support an expanding labor force. The bridge tax discouraged residents from traveling back and forth to the mainland. Eliminating the bridge tax for residents or offering a yearly discounted pass could stimulate in-migration to Mitarai or other islands. Residents reported feeling less safe when the bridge was built five years ago. Some residents claimed the need to lock their doors for the first time. However, these fears have not materialized into increased crime rates. Residents could only provide one specific instance of loss: roadside fruit stands that operated on a trust payment system were sometimes short on payment for their goods.<sup>38</sup>

Throughout interviews, residents repeatedly expressed concern about cultural differences, where tourists may not respect residents' hospitality. Residents specifically mentioned noise and trash as issues.<sup>39</sup> Practical steps to discourage littering could include a short video as a part of a walking tour application or written reminders posted in public places, such as near public trash cans and on tourist maps, reminding visitors that they are walking past residences and that residents appreciate their help in keeping Mitarai's scenery pristine. Kyoto has begun using similar video applications to remind tourists to follow cultural norms that can ease tensions and communicate respect for residents. An increase in the number of public trash cans may also help.

Seasons and weather affect tourism, which peaks during holidays when relatives spend time in familial homes, reflecting Japanese cultural traditions of vacationing away from the city, as well as during the summer festival. Tourism during the off-season is difficult to predict, which makes it difficult for local businesses to hire staff, buy perishable ingredients, or stock appropriate levels of merchandise. One way to combat unpredictability is to create better mechanisms for tracking tourism and distribute that information to local businesses for planning. Promoting tourism and partnering with local ferry tour companies can help businesses be aware of expected tourism numbers. For example, using a reservation system could encourage tourism and businesses to expand their hours or service.

Mitarai may track the success of its renewed focus on tourism by measuring the annual number of visitors to the town, with data from local ferry operators. Analytical data on numbers of installations or visitor engagement could be collected from any app or website created for promotion of Mitarai tourism. Setting goals for tourism numbers and publicly sharing when visitor milestones are reached may be beneficial to increase resident and local business engagement. Advertising the growing number of tourists could communicate to potential visitors that Mitarai is a popular destination. Collecting market data on the local tourism industry and feedback on growth could focus on means for tourism promotion. Kure tourism officials could assess what is working and what is not. Quarterly town hall meetings could be held to air resident grievances and plan corrective action.

Mitarai has a potential for stimulating its economy by developing a tourism industry and supporting local entrepreneurs. The town's many assets – the *mikan*, breathtaking scenery, and rich history – can be marketed through various channels to attract domestic and international tourists. Consideration of the needs and overall experience of the tourist, from transportation,



dining, and sleeping accommodations to entertainment and enjoyment of the local community, could enable a prosperous tourism industry.

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<sup>1</sup> Robert Kodama, “Helping with the Rice Harvest in Japan,” *Inside Japan*, December 22, 2017, accessed February 10, 2020, <https://www.insidejapantours.com/blog/2017/12/22/rice-harvesting/>

<sup>2</sup> Yasuyuki Sasaki, “Kure’s battleship museum brings war technologies to life with AR,” *The Asahi Simbun*, April 11, 2019, accessed February 10, 2020, <http://www.asahi.com/ajw/articles/AJ201904110001.html>.

<sup>3</sup> “Guesthouse Kusushi,” accessed March 23, 2020, <https://hatagoya-kusushi.com>.

<sup>4</sup> Yasuyuki Sasaki, “Kure’s battleship museum brings war technologies to life with AR,” *The Asahi Simbun*, April 11, 2019, accessed February 10, 2020, <http://www.asahi.com/ajw/articles/AJ201904110001.html>.

<sup>5</sup> Yasuyuki Sasaki, “Kure’s battleship museum brings war technologies to life with AR,” *The Asahi Simbun*, April 11, 2019, accessed February 10, 2020, <http://www.asahi.com/ajw/articles/AJ201904110001.html>.

<sup>6</sup> Muneo Kaigo and Sae Okura, *Social Media and Civil Society in Japan* (Singapore: Springer Nature, 2017).

<sup>7</sup> Muneo Kaigo and Sae Okura, *Social Media and Civil Society in Japan* (Singapore: Springer Nature, 2017).

<sup>8</sup> Barrett Ishida, “Japanese Media Consumption Trends and Behavior 2019,” *Tamko*, January 10, 2019, accessed October 19, 2019, <https://tamko.co/en/blog/media-and-the-japanese-consumer-2019/>.

<sup>9</sup> Alex Martin, “Japan Tourism Group Builds Social Media Presence with New Instagram Account,” *The Japan Times*, October 4, 2017, accessed November 3, 2019, <https://www.japantimes.co.jp/news/2017/10/04/national/japan-tourism-group-builds-social-media-presence-new-instagram-account/#.XdHnnFdKg2w>.

<sup>10</sup> VisitJapanJP, Instagram, 2017, accessed November 3, 2019, <https://www.instagram.com/visitjapanjp/>.

<sup>11</sup> Tomoko Otake, “Japan launches a free smartphone app for foreign travelers amid record-breaking tourism boom,” *The Japan Times*, September 21, 2017, accessed November 3, 2019, <https://www.japantimes.co.jp/news/2017/09/21/national/japan-launches-free-smartphone-app-foreign-travelers-amid-record-breaking-tourism-boom/#.Xb8G9udKjVo>.

<sup>12</sup> “Yaddo Application Guidelines,” *Yaddo*, accessed November 16, 2019, <https://www.yaddo.org/apply/guidelines/>.

<sup>13</sup> “Kamiyama Artist in Residence,” *In-Kamiyama*, accessed November 26, 2019, <https://www.in-kamiyama.jp/en/kair/>.

<sup>14</sup> “Kamiyama Artist in Residence,” *In-Kamiyama*, accessed November 26, 2019, <https://www.in-kamiyama.jp/en/kair/>.

<sup>15</sup> “Kamiyama Artist in Residence,” *In-Kamiyama*, accessed November 26, 2019, <https://www.in-kamiyama.jp/en/kair/>.

<sup>16</sup> “Rabbit Island,” Rabbit Island Foundation, accessed November 26, 2019, <https://rabbitisland.org/art>.

<sup>17</sup> “Rabbit Island Foundation Mission Statement,” *Rabbit Island Foundation*, accessed November 26, 2019, <https://rabbitisland.org>.

<sup>18</sup> “Rabbit Island Science,” *Rabbit Island Foundation*, accessed November 26, 2019, <https://rabbitisland.org/science>.

<sup>19</sup> Tomikawa, Ko, Hayato Tanaka, Takafumi Nakano, and Ko Tomikawa, “A New Species of the Rare Genus *Priscomilitaris* from the Seto Inland Sea, Japan (Crustacea, Amphipoda, Priscomilitaridae),” *ZooKeys*, no. 607 (January 1, 2016): 25–35.

<sup>20</sup> “Chef in Residence at Food Hub Project in Kamiyama, Japan,” *Joint Venture*, January 24, 2018, accessed December 8, 2019, <http://www.jointventurenyc.com/new-events/2018/1/24/food-hub-project-in-kamiyama-japan>.

<sup>21</sup> “Culinary Arts Program,” *Craigardan*, accessed March 23, 2020, <http://www.craigardan.org/car>.

<sup>22</sup> “Montalvo Culinary Program,” *Montalvo Arts Center*, accessed November 26, 2019, <http://montalvoarts.org/programs/culinary/>.

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- <sup>23</sup> Toyonaga, Atsushi, “About Us, How SME Policies Are Implemented in Japan,” *SME SUPPORT JAPAN*, Organization for Small & Medium Enterprises and Regional Innovation, 2017, <https://www.smrj.go.jp/english/about/>.
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- <sup>25</sup> “Financial Support (English Page),” *Small and Medium Enterprise Agency, Government of Japan*, accessed January 19, 2020, [https://www.chusho.meti.go.jp/sme\\_english/outline/04/01\\_07.html](https://www.chusho.meti.go.jp/sme_english/outline/04/01_07.html).
- <sup>26</sup> “Fiscal Support (English Page),” *Small and Medium Enterprise Agency, Government of Japan*, accessed January 19, 2020, [https://www.chusho.meti.go.jp/sme\\_english/outline/04/01\\_08.html](https://www.chusho.meti.go.jp/sme_english/outline/04/01_08.html).
- <sup>27</sup> “Invest in Japan Hotline,” *JETRO*, accessed February 16, 2020, <https://www.jetro.go.jp/en/invest/hotline.html>.
- <sup>28</sup> “SME Support Japan: Activities,” *SME SUPPORT JAPAN*, Organization for Small & Medium Enterprises and Regional Innovation, 2017, <https://www.smrj.go.jp/english/activities/>.
- <sup>29</sup> “Home Page,” *J-GoodTech*, accessed February 16, 2020, <https://jgoodtech.jp/pub/en/>.
- <sup>30</sup> *Kansai Bureau of Economy Trade and Industry*. “The Law for the Promotion of Traditional Craft Industries.” METI-KANSAI (近畿経済産業局トップページ), 2004, [www.kansai.meti.go.jp/english/dentousangyou/top\\_page.html](http://www.kansai.meti.go.jp/english/dentousangyou/top_page.html).
- <sup>31</sup> “10 Appealing Themes,” *Craft Meet*, accessed February 16, 2020, <https://www.japanpage.net/featured/craftmeet/en/>.
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- <sup>35</sup> Unpublished interviews conducted by project members with Mitarai stakeholders in August 2019.
- <sup>36</sup> “Our Target,” *SME SUPPORT JAPAN*, Organization for Small & Medium Enterprises and Regional Innovation, 2017, <https://www.smrj.go.jp/english/about/target.html>.
- <sup>37</sup> Unpublished interviews conducted by project members with Mitarai stakeholders in August 2019.
- <sup>38</sup> Unpublished interviews conducted by project members with Mitarai stakeholders in August 2019.
- <sup>39</sup> Unpublished interviews conducted by project members with Mitarai stakeholders in August 2019.



## Chapter 4: Conclusion

Mitarai's population is characteristic of many rural Japanese communities. Mitarai has been hit by the combined effects of urbanization, low fertility (sub-replacement), and a stagnating national economy. Less than a thousand people claim residency in Mitarai, with only an estimated two hundred who self-identify as permanent residents. Of those residents, a large proportion are pensioners reliant on social services. Some residents have moved away from the town to find work in the cities and can no longer care for their aging parents and grandparents. Many local businesses open weekends as the aging population does not provide enough revenue to allow businesses to cover their costs throughout the week. In interviews with tourists visiting Mitarai during weekdays, multiple interviewees stated how they felt a morose atmosphere as they observed the town having an atmosphere of a "ghost town."

Mitarai has a choice: to accept the trend and watch itself deteriorate, or enact policies to reverse these trends and encourage new residents to build their lives in Mitarai. One option is for Mitarai to develop tourism. Mitarai can become a tourist destination, attracting domestic and international visitors annually. It is a National Cultural Heritage site due to its well maintained and historically significant Edo period architecture. Tourism is already a major industry for Mitarai. The majority of its businesses are curated to accommodate the interests of tourists. Mitarai's current tourism economy is not substantial enough to support the town and prevent the further reduction of the population. A Mitarai tourism industry could challenge rural decay so that the town might have a future where young families can call Mitarai home. Other Japanese communities have stimulated economic growth through tourism promotion, such as Naoshima and Tokushima. In both Naoshima and Tokushima City, tourism has not come at the expense of the cultural integrity of the settlements but instead has reinvigorated traditional crafts and cultural festivities.

Mitarai could benefit by adopting policies that enhance its authenticity and quiet nature. For example, the traditional art of ikebana (flower arrangement) is maintained in Mitarai by a dwindling community of female pensioners. Tourism provides an incentive to protect historic crafts by hosting lessons to foreign tourists to encourage younger residents and tourists to learn and celebrate traditional skills. Local tourism authorities can stimulate greater internal and international tourism by promoting cultural festivities. Greater promotion of these events would provide recognition of Mitarai's cultural heritage while stimulating the local economy.

Japanese government grants could promote tourism and entrepreneurship as well as build upon the preexisting assets of Mitarai. Private-public sector cooperation and use of digital media could promote the town more effectively. Mitarai could develop a greater digital presence to promote tourism and educate local businesses. For example, to encourage greater foreign travel, Mitarai might emulate Tokushima in its "international workcamp network." Tokushima invites approximately 200 college-age volunteers each year from 20 different nations to visit the city, where they have the unique opportunity to experience subsidized travel to Japan in return for public service. Residency programs could publicize Mitarai to the globalized economy by

inviting international experts in commercial, artistic and STEM fields to conduct research or training programs in Mitarai.

## Appendix: National Tourism Support Menu<sup>1</sup>

### I. “I WANT TO IMPROVE THE REGION’S APPEAL!”

#### **Tourism Region Consultation Service (National Tourism Agency)**

Organizations such as local governments or NPOs can consult directly with NTA officials about regional tourism strategy.

#### **Regional Revitalization Consultation Service (Ministry of Land, Infrastructure, Transport and Tourism)**

Local governments can consult directly with MLIT officials about regional revitalization strategy.

#### **Wide-Region Sightseeing Support Project (National Tourism Agency)**

NTA can coordinate local governments and DMOs across a wide region, such as the entire Seto Inland Sea, to develop strategies targeting foreign tourists.

#### **Tourism Zone-wide Sightseeing “DMO Net” Project (National Tourism Agency)**

Japanese DMOs can access NTA’s “DMO Net” to search for specialized contractors and information on foreign DMO initiatives.

#### **JAPAN Brand Development Project (Ministry of Economy, Trade and Industry)**

METI can assist small- and medium-sized enterprises in product development and branding to attract overseas buyers and promote inbound tourism.

### I. A “I ESPECIALLY WANT TO USE LOCAL RESOURCES!”

#### **Human Resource Development for Real Estate Joint Ventures (Ministry of Land, Infrastructure, Transport and Tourism)**

MLIT can coordinate local governments and businesses to rejuvenate public real estate and vacant homes.

#### **“Thematic Tourism” Support Project (National Tourism Agency)**

NTA can subsidize expenses involved in coordinating different regions with the same tourism themes (tourist surveys, information dissemination, and symposia) to spread best practices.

#### **Accommodation Facilities Support Project (National Tourism Agency)**

NTA can hold symposia to disseminate best practices among Japan’s accommodation industry and facilitates collaboration between establishment to share human resources.

#### **Traditional Craft Industry Subsidy (Ministry of Economy, Trade and Industry)**

METI can subsidize organizations operating under the Act on the Promotion of Traditional Craft Industries (up to 20 million yen).

#### **Promoting Local Cuisines Overseas Project (Ministry of Agriculture, Forestry and Fisheries)**

MAFF can disseminate information about regional cuisines abroad through the ministry’s “SAVOR JAPAN” brand.

**Sport-based Tourism Project (Japan Sports Agency)**

JSA can coordinate regional efforts to attract tourism through sports and disseminates information overseas.

**Regional Sport Commission Subsidy (Japan Sports Agency)**

JSA can subsidize the establishment and operation of regional sport commissions, which run camps and other events to promote regions' sports culture (up to 13 million yen).

**I. B “I ESPECIALLY WANT TO IMPROVE HUMAN RESOURCES!”****JET Program (Ministry of Internal Affairs and Communications)**

Japanese localities can host foreign college graduates as assistant language teachers, sports education advisors, or coordinators for international relations.

**Regional Revitalization Expert Database (regional power creation advisor) (Ministry of Internal Affairs and Communications)**

MIAC can support development of a database of experts on regional revitalization and subsidizes their activities in regions that request advice (up to 5.6 million yen per year for 3 years).

**Regional Revitalization Company Exchange Program (Ministry of Internal Affairs and Communications)**

MIAC can arrange for local governments to receive services of private company employees to work in the region to enhance its appeal to tourists.

**Regional Revitalization Cooperation Corps (Ministry of Internal Affairs and Communications)**

MIAC can subsidize rural government expenses in attracting individuals from large cities to carry out tourism promotion activities.

**Regional Tourism Expert Dispatch Project (National Tourism Agency)**

NTA maintains a registry of tourism experts and can cover expenses for dispatching experts to a DMOs or local government.

**Regional Interpreter Guide Consultation (National tourism Agency)**

Local governments can consult with NTA officials about training interpreters for foreign tourists pursuant to 2018's Interpreter Guide Act.

**Model Tourism Curriculum (National Tourism Agency)**

NTA offers a model curriculum on the tourism industry that organizations can use in developing their own tourism staff.

**Professional Human Resource Recruitment (Cabinet Office)**

Each prefecture has established “Profession Human Resource Strategy Base” to identify and support recruiting activities at businesses with growth potential.

**Regional Revitalization College Project (Cabinet Office)**

Through the “Regional Revitalization College,” CO offers e-learning courses, including one focused on how DMOs promote tourism in a region.

**I. C. “I ESPECIALLY WANT TO PROMOTE THE REGION’S CULTURE AND ART!”****Cultural Arts Base Formation Project (Agency for Cultural Affairs)**

ACA can subsidize local government efforts to promote local culture and arts (half of expenses up to 40 million yen).



**Cultural Cluster Promotion Project (Agency for Cultural Affairs)**

ACA can subsidize costs to improve museums that convey the unique culture of a region (half of expenses subject to a budget ceiling).

**International Cultural Arts Center (Agency for Cultural Affairs)**

ACA can cooperate with local governments and DMOs to promote regional culture to overseas tourists during Tokyo 2020.

**I. D “I ESPECIALLY WANT TO PROMOTE ECOTOURISM!”**

**Local Ecotourism Project (Ministry of the Environment)**

ME can support local organizations to develop a regional ecotourism strategy and subsidize its implementation (5 million yen per region).

**Biodiversity Conservation Project (Ministry of the Environment)**

ME can subsidize efforts to preserve regional biodiversity (variable depending on project).

**I. E “I ESPECIALLY WANT TO USE IT!”**

**Regional IT implementation support (Ministry of Internal Affairs and Communications)**

MIAC can formulate IT implementation strategies, subsidize implementation projects (up to 20 million yen), and dispatch advisors to local governments.

**Regional Open Data Promotion Project (Ministry of Internal Affairs and Communications)**

Local governments can consult with MIAC to improve regional data collection methods.

**DMO Data Collection and Analysis Project (National Tourism Agency)**

DMOs can consult with NTA to collect regional data and formulate marketing strategies.

**II. “I WANT TO COMMUNICATE THE APPEAL OF THE REGION!”**

**Infrastructure Tourism Portal (Ministry of Land, Infrastructure, Transport and Tourism)**

MLIT maintains an online site and ten regional offices dedicated to helping local organizations utilize infrastructure (bridges, dams, and ports) as tourist attractions.

**III. “I WANT TO IMPROVE THE ATTRACTIVENESS OF THE LOCAL INFRASTRUCTURE!”**

**Improving Tourism Resources for Foreign Tourists (National Tourism Agency)**

NTA can subsidize expenses related to improving local resources available to foreign tourists (variable depending on project).

**Public-private Partnership Project (Ministry of Land, Infrastructure, Transport and Tourism)**

MLIT can subsidize up to half of expenses for tourism revitalization projects carried out by a public-private entity collaboration.

**Remote Island Activation Grant (Ministry of Land, Infrastructure, Transport and Tourism)**

MLIT can subsidize local government efforts to revitalize remote islands (up to three-fifths of project expenses). Efforts may include disseminating tourism information, renovating vacant homes, and improving island disaster response.

**Regional Revitalization System (Cabinet Office)**

CO can accredit local governments' regional revitalization plans and offers various grants (including the Local Revitalization Grant below) and tax incentives.

**Local Revitalization Grant (Cabinet Office)**

CO can subsidize half of a local government's expenses to develop a comprehensive regional revitalization plan.

**Central City Revitalization System (Cabinet Office)**

CO can accredit revitalization plans and support implementation through coordination with a designated city revitalization system headquarters.

**Local Public Transportation Maintenance and Improvement Project (Ministry of Land, Infrastructure, Transport and Tourism)**

MLIT can coordinate with local organizations to establish and maintain sustainable local transportation systems.

**Kawamachi Development Support System (Ministry of Land, Infrastructure, Transport and Tourism)**

MLIT can assist local organizations coordinating with local business owners and residents to develop riverside and waterfront townscapes.

**Townscape Preservation Project (Ministry of Land, Infrastructure, Transport and Tourism)**

MLIT can certify local preservation groups and subsidizes their efforts to preserve historic townscapes pursuant to local improvement agreements (up to half of expenses depending on the project).

**III. A "I ESPECIALLY WANT TO IMPROVE THE NATURAL ENVIRONMENT!"****Natural Environment Improvement Grant / Environmental Conservation Facility Improvement Grant (Ministry of the Environment)**

ME can subsidize the preservation, maintenance, and renewal of places that allow people to interact with a region's natural environment (up to one-half of project expenses).

**III. B "I ESPECIALLY WANT TO MAKE USE OF HISTORY AND CULTURE!"****Historical Townscape Maintenance System (Ministry of Education, Culture, Sports, Science and Technology / Ministry of Agriculture, Forestry and Fisheries / Ministry of Land, Infrastructure, Transport and Tourism)**

MEXT, MAFF, and MLIT can accredit local government plans to maintain and preserve the historic appeal of designated districts.

**Strengthening the Foundations of Traditional Buildings (Agency for Cultural Affairs)**

ACA can coordinate with local governments to repair and maintain traditional buildings in districts designated as Preservation Districts for Groups of Traditional Buildings.

**Project for the Repair of Important Cultural Establishments (Agency for Cultural Affairs)**

ACA can coordinate with cultural property owners and administrative organizations to repair and maintain buildings considered to be national treasures.

### **III. C “I Especially Want to Utilize the Agriculture, Forestry and Fisheries Industries!”**

#### **Farming and Fishing Village Promotion Grant (Ministry of Agriculture, Forestry and Fisheries)**

MAFF offers grants and programs to increase wages and employment levels in rural towns in order to promote revitalization.

### **IV. “I WANT TO IMPROVE THE ATTRACTIVENESS OF THE REGION USING SPECIAL ZONES!”**

#### **Structural Reform: Special District System (Cabinet Office)**

CO can assist local government plans for revitalization special district classification. Special Districts, much like Tourism Zones, enjoy legal exceptions as well as access to grants to support revitalization projects.

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<sup>1</sup> “観光地域づくりに対する支援メニュー集,” *Japan Tourism Agency*, October 8, 2019, accessed October 30, 2019, <http://www.mlit.go.jp/kankocho/shisaku/kankochi/shienmenu.html>.



## **List of Abbreviations**

ACA	Agency for Cultural Affairs (Located within the Ministry of Education, Culture, Sports, Science and Technology)
CO	Cabinet Office
DMO	Destination marketing organization
JSA	Japan Sports Agency (Located within the Ministry of Education, Culture, Sports, Science and Technology)
MAFF	Ministry of Agriculture, Forestry and Fisheries
ME	Ministry of the Environment
METI	Ministry of Economy, Trade and Industry
MEXT	Ministry of Education, Culture, Sports, Science and Technology
MIAC	Ministry of Internal Affairs and Communications
MLIT	Ministry of Land, Infrastructure, Transport and Tourism
NPO	Nonprofit organization
NTA	National Tourism Agency (Located within the Ministry of Land, Infrastructure, Transport and Tourism)



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