

Interview with Toshiaki Miyajima, the Deputy Headman of Shimojo Village, Nagano Prefecture, Japan

# Self-governance by Residents in Local Communities as a Path to Happiness

By Japan SPOTLIGHT

Japan is a country where the central government keeps a firm grip on power and local governments generally have very few options in governance, having to follow central government policies and depend upon public finance. Many local governments implement only those rules and regulations adopted by the central government, from which they also receive subsidies. In comparison particularly with the United States and European countries, the divergence of local governments from the central government is much less in Japan, as is diversity among them. In addition, in such communities where administrations are dominated by the bureaucrats in the local governments, self-governance by residents is unusual, compared with the US and Europe.

Today, however, local government autonomy is considered crucial in Japan in helping the central government overcome seriously increasing budget constraints. Most Japanese have also started to think about the value of local communities, since community-wide social welfare or culture or education policy could be more relevant to their individual happiness. I believe this is because the Japanese economy has advanced to a more mature stage where people seek for sources of happiness in the individual's well-being rather than in a nation's economic or political success. Self-governance by residents would be, in this light, a more pertinent way to achieve an individual resident's happiness, as it should be residents and not bureaucrats who decide what local policies would lead to the well-being of the community.

The following interview with Toshiaki Miyajima, the deputy headman of Shimojo village in a mountainous region of Nagano Prefecture in central Japan, reveals how this village is playing a pioneering role in this important change in Japanese local governance.

(Interviewed on Feb. 22, 2018)

## Introduction

**JS:** Could you please let us know the brief history of your village?

**Miyajima:** Shimojo is a village surrounded by mountains at the southern tip of Nagano Prefecture, and was born out of the merger of quite a few old small villages that had existed since the 8th century, the Nara Period in Japanese history when the capital city of Japan was Nara. The history of this merger has two stages. The first was in 1875 when 14 small villages were integrated into two villages, and the second was in 1889 when those two villages were merged into the one village called Shimojo. Thus our village history is around 130 years old. Some 70% of our area is mountainous forest and the rest consists of the residential area and the agricultural area.



*Toshiaki Miyajima, the Deputy Headman of Shimojo Village, Nagano Prefecture, Japan*

Regarding the structure of our industries, 20% of our working population are engaged in primary industries and 30% are in secondary ones, with the remaining portion, a little less than 50%, in the tertiary sector. Recently, we have seen an increase of the population working in the service sector, which is a nationwide trend.

**JS:** Are there many among those in the service sector working in the tourism industry?

**Miyajima:** Agriculture is our principal industry. However, since we have rich tourism resources such as hot springs or Roadside Stations, in 1989 when the Japanese government initiated a "restoration of home towns or villages" program with a 100 million yen subsidy in total for all local towns and villages in Japan, we built

up a hot spring facility where you could stop by on a day trip from Tokyo. We have two inns in our village as well. About 70,000-80,000 people use our hot spring facility every year on average and around 150,000 people use our Roadside Station.

## Administrative & Fiscal Rationalization

**JS: Shimojo is well-known all over the nation for its active administrative and fiscal reform. Kihei Ito, a former headman of the village and originally a businessman running a gas station company, started this reform, according to what I have heard. What specific reforms did he start?**

**Miyajima:** Mr. Kihei Ito, having been headman for 24 years from 1992 until his retirement in 2016, was the first headman of our village from private business. He started reforms convinced that a local government should be keen on saving costs just like a private business. What he did at first was to let all the village office employees work and learn how private business works at a DIY store in our neighboring city, Iida, for a week in January and February in 1993. Such training programs in a private company for local government officials are now often held among local government offices. But at that time it was so unusual that the Japanese media highlighted it.

**JS: What is impressive for us about your village administration office is the very small number of officials per thousand residents. It is 46.1% of the average number of such officials among all Japanese local government offices. How difficult is it to achieve such a low number?**

**Miyajima:** We achieved it by not refilling the posts of officials who had reached retirement age and retired. When Mr. Ito became our headman, we had 51 officials. In 2007, we had only 34 officials and now 38. He had the view that with fewer government officials, each of them would become more competent.

**JS: Was there resistance or criticism against this rationalization?**

**Miyajima:** Yes. In the first year of this reform there was such resistance and criticism, but after the second year our village officials started to believe they can manage their jobs with fewer staff.

**JS: Another crucial reform on your side seems to be public infrastructure work designed and implemented by the residents on their own, with the provision of materials for infrastructure building by the Shimojo**

**village office. This would contribute to further reduction of administrative costs, as all village infrastructures will be designed and constructed only by residents. Was this also started in accordance with Mr. Ito's belief that a local administration should have a business mind?**

**Miyajima:** Yes, certainly. We started this program in the belief that our fiscal soundness could not be maintained under increased administration costs and thus residents should do whatever they can to save these costs. We started this in 1992 when Mr. Ito became the headman. We naturally had a conflict with local constructors who had been working on public infrastructure projects under contracts with the village administration, since they would lose their jobs. However, Mr. Ito eventually persuaded them to accept this.

On the residents' side as well, there was a view that infrastructure building should be done by the local government and not by residents. It is noteworthy, however, that until the 1960s public infrastructure building had often been done by the inhabitants of regional communities. Since 1969 when Matsudo city in Chiba Prefecture started an office in charge of all kinds of infrastructure building projects, local governments in Japan have been largely engaged in any detailed infrastructure project, as the case of Matsudo attracted much media attention.

Mr. Ito was successful in persuading the local residents and constructors opposed to this initiative, saying that large roads around 4-5 meters wide for the use of residents were to be constructed by the village administration, while small roads along which a minicar could pass for the use of agriculture were to be provided by the residents themselves as much as possible. The project was started with this consensus.

**JS: When residents wish to construct a road, does the Residents' Association apply for construction materials to the village administration?**

**Miyajima:** Yes. In the case of road construction, the Residents' Association in the district of the planned road would apply and in the case of an irrigation canal to a field for agriculture, a representative of the field would apply. After this application is received, the village officials go to the site and confirm if the construction materials listed in the application would be pertinent. After the application passes this process, the village officials order those materials from the producers. Construction work by the residents is often done on Saturdays. There is often at least one resident in the district working for a civil engineering company and thus with that person as a leader, they work on construction on weekends on their own (*Photo 1*).

Photo 1: Shimojo village, Nagano Prefecture, Japan



Construction work by residents

### JS: Are there any objections to such work on weekends among residents?

**Miyajima:** There were some at the beginning, but after implementing this construction process they found it to be much faster than otherwise. While the construction of certain infrastructure generally took a long time to be authorized by the village administration, it takes generally only three days to finish construction in the case of projects initiated by the residents. This idea has now become a routine. I think the old custom of whatever residents could do would be done by themselves, which used to be common anywhere in the country, is being revived in our village.

### JS: How much can you save in infrastructure construction costs by this initiative, compared with the old style of public infrastructure construction?

**Miyajima:** The cost of the construction materials necessary for implementing this program totaled 310 million yen up until 2015, while the cost of those construction projects had they been done by constructors under contract with the village would be estimated at around 1.5 billion yen. Thus, I believe the costs of infrastructure building would be significantly saved by this reform and that it would lead to a great amelioration of public finance.

### JS: Does your village have a high financial strength index?

**Miyajima:** No, our financial strength index is low. We do not have a large factory and we do not have large local tax revenues. The key to our fiscal reform is how to save expenditure. In line with this policy we have been achieving fiscal reform and finally our real debt service

ratio, which shows our total expenditure's dependency upon public debt, has been negative since 2009. Our performance in this regard was the best in the nation in 2014 and 2015 and the next to the best in 2016.

### JS: Shimojo has adopted a merger processing septic tank for its sewerage system in which each household has its own sewer, which is not the method recommended by the national government. Was this another way to reduce expenditure? Could you tell us how you adopted this?

**Miyajima:** Our village completed waterworks at the end of the 1980s, and in 1989 we started to study a sewerage system. At that time, the national government's recommended sewerage system cost around 4.5 billion yen and half of that amount was subsidized by the government. In our estimation, if we borrowed the remainder after getting a subsidy, around 2.25 billion yen, and repaid it over 30 years, the interest would be a huge amount of money, offsetting the merit of the subsidy. So we studied alternatives. We found a merger processing septic tank system that we could establish with a subsidy from the Ministry of Land, Infrastructure and Transport, but it would need to be managed by each household at their own risk. Though it was not strongly recommended by the national government, we adopted it and in 1990 we established it for each household. Thus the total cost was reduced to 900 million yen and we could get a subsidy from the ministry and from the Nagano prefectural government corresponding to one third of the total cost, respectively. The village administration also provided a subsidy to each household and thus eventually they have to pay only 180,000 yen a year for a tank for seven persons. This cost is paid totally in each fiscal year and we do not have to worry about additional costs to be borne in later years. In the case of a public sewerage system, we would have to worry about running costs, but these are also saved in our adopted system.

### JS: Was this adoption determined by the residents?

**Miyajima:** Yes. The Construction Committee we founded consisting of residents and members of the village assembly adopted this decision.

### JS: What kind of self-management for this septic tank system is necessary?

**Miyajima:** We had a legal inspection at its establishment and an inspection for quality of water once a year, as well as maintenance checks three times a year and elimination of mud every other year. The village wholly subsidizes the legal inspection and inspections for quality of water, and also subsidizes three-quarters of the total cost



of the maintenance checks and half of the cost of the mud elimination.

**JS: Do you think this was a good choice, with residents being responsible for the management of the tanks?**

**Miyajima:** Yes. I think it was a good choice, in particular after having seen the public sewer pipes in the mountains completely broken down by the earthquake in Niigata in 2004. In a city with high population density, as a sewer pipe is short, a public sewerage system would be best. But in a mountainous area where households are located far from each other, there is a higher risk of a collapse of a sewer pipe in the case of a disaster.

**JS: Such resident-initiated infrastructure projects would be not only useful for realizing a balanced budget but also for creating a sense of unity among residents who are working together to achieve a good living environment, would they not?**

**Miyajima:** Yes. I believe we can restore a traditional sense of community by this. Solidarity among residents is further strengthened by the dinner parties held after they have worked on an infrastructure building project.

## Tackling Population Decline

**JS: Next, I would like to ask about your policies for raising the birth rate. You have taken so many countermeasures to stop the decline in the birth rate, such as construction of residences for the young to encourage them to live permanently in Shimojo, free medical fees for students until high-school age, reduction of fees at daycare facilities, and subsidizing school meals during mandatory education. You are highly conscious of the risk of population decline, aren't you?**

**Miyajima:** Yes, certainly. The population of our village, as in the case of many other small towns or villages in Japan, continued to decline from a peak of 6,400 residents in 1950 to 3,800 in 1991. So we thought it necessary to encourage young people to settle down in our village to stop this decline, given our concern about the risk of the entire village disappearing. We built up 10 collective residences limited to young couples raising their children and young people about to get married during 1997-2006 (*Photo 2*). With this, our population began to increase. But since 2007 it has started to decline again. I think this is because after having two or three children, those young couples have no further capacity to increase the population,

Photo 2: Shimojo village, Nagano Prefecture, Japan



Residences for the young — “Maison Cosmos”

and with little capacity for the supply of new residences there would be few young people moving to our village. So we currently have no major factor to increase the population.

**JS: Nonetheless, with those countermeasures the population decline is much slower than what was expected before their introduction, isn't it?**

**Miyajima:** Yes. Looking at the birth rates, ours was 2.04 between 2003 and 2007, and 1.86 between 2008 and 2012, having exceeded significantly the average birth rate in Japan overall of 1.34. Our population started to decline again in spite of this, because more old people died than there were babies born.

**JS: Do you have any new countermeasures to tackle this?**

**Miyajima:** First, we would need to lower the percentage of unmarried youth, since 30% of our residents in their 30s are not married yet. It will also be important to have our older people live longer in good health. We are also today working hard in our promotion activities to attract residents of big cities like Tokyo, Nagoya and Osaka to our village to settle here. We are particularly targeting the young generation raising children.

**JS: Due to the success of its fiscal and administrative reform and these countermeasures to stop the population decline, Shimojo is now called the “miracle village” in the Japanese media. Is it now sufficiently well-known to attract such people?**

**Miyajima:** Thanks to media reports we enjoy a certain reputation, but we still need to raise it among citizens all over the country.

Photo 3: Shimojo village, Nagano Prefecture, Japan



A facility as a satellite hospital with medical doctors invited from Iida city — “Iki Iki Land”

## Tourism Development

**JS: How about the tourism industry? Could development of tourism lead to an increase in young people settling down in the village?**

**Miyajima:** We have developed a facility where you can enjoy Japanese soba noodle-tasting with a subsidy from the national government. We have also made a pamphlet explaining briefly about tourist spots in the village for inbound tourists, with tourists from Taiwan and other places in mind.

**JS: Would it be possible to collaborate with your neighborhood in increasing inbound tourism?**

**Miyajima:** Yes. Iida city, where a Linear Super Express station is planned to be opened in 2027, and the surrounding towns and villages, including ours, are now studying our region-wide tourism blueprint.

## Countermeasures to Deal with an Aging Society

**JS: How about measures to tackle the aging society? You have a medical facility for elderly people?**

**Miyajima:** Yes. We were concerned about being a village without any medical doctor. So we established a facility as a satellite hospital with medical doctors invited from Iida city (Photo 3). We have also been providing 120,000 yen annually these past two decades to families taking care of the elderly who would need caregiving support at home. We also pay 50% of medical expenditures not covered by public national insurance for the aged over 75 and 60% of the same for the aged over 70. While in the case of those over 75 the

expenditure not covered by insurance is only 10%, in the case of those over 70 it is 20%. We provide oil fuel for heaters during winter free of charge for the elderly living alone.

## School Education Reform

**JS: You have a special education program for overseas homestays for children. Could you please explain a bit about it?**

**Miyajima:** We started it in 1995. We organize an overseas homestay program for all first-year junior high school students. The average cost for one student is around 150,000-160,000 yen, and the village pays 80,000 yen. Until last year we had been to Guam, but this year we will go to Brunei. We would like all the students to have another culture experience.

**JS: You also have a special forum for parents and the heads of organizations in the village to discuss how to raise children, and a special seminar for senior elementary school students. What are those programs briefly?**

**Miyajima:** The first one is aimed at how to raise young people born in Shimojo to be a valuable person for the future development and prosperity of the village. We started this in the hope that these kids from our village would return to our village and contribute to our well-being even if they leave it to study at a university or college. The second is a series of lectures for kids about the distinguished adults in our village and their working experience. This has been continuing since 10 years ago. We would like those kids to remember their home village through these lectures after they leave for the city.

## Finally

**JS: Do you think the residents' participation in the administration or the public activities you have introduced in the village will revitalize regional autonomy?**

**Miyajima:** Yes, I think so. Having residents lead policy will certainly reactivate a regional economy. Initiatives by the administration might be necessary at the beginning, but its excessive intervention would be counterproductive. In this regard, I think raising a leader in a local community would be important. Without young leaders in a local economy, we would not be able to vitalize it. This must be one way of getting away from the “uncertainty of our age”. We should start this in our neighborhood.

JS

Written with the cooperation of Naoko Sakai who is a freelance writer.