

FACT SHEET

Strategies for promoting community economy in Japan and Taiwan

1. Introduction

1.1 The Subcommittee on Poverty conducted a duty visit to Taiwan and Japan in August 2013 with the objectives to: (a) study the experience of these two places in alleviating poverty; (b) obtain first-hand information on their policies and initiatives put in place to alleviate poverty; and (c) exchange views with the relevant parties involved in the formulation, implementation and monitoring of poverty alleviation strategies. This fact sheet provides a summary of the findings on the strategies for promoting community economy in Taiwan and Japan obtained from the duty visit.

2. Strategies for promoting community economy in Japan

Policy on vitalization of city centres

2.1 The Japanese government introduced the policy on vitalization of city centres in 2000 and updated the policy in 2006 with a view to boosting economic development of city centres which have lost vitality due to aging of the local communities. City centre refers to the area in a city where there is concentration of socio-economic activities and related facilities.

2.2 Under the policy, municipal governments requiring the support of the state government in vitalizing their city centres are required to prepare a development plan based on characteristics of the local economy and needs of the local residents. The development plans are then submitted to the Cabinet Office for approval. A city centre vitalization council, comprising key stakeholders such as local residents, chambers of commerce, development companies and private businesses, may also be formed under the municipal government concerned to provide advice on formulating and implementing the development plan.

2.3 In assessing the development plans submitted by the municipal governments, the Cabinet Office will consider whether the plans are in line with the state government's policy objectives and can contribute to vitalization of the city centers concerned. For development plans that are approved by the Cabinet Office, the responsible government authorities such as the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of Internal Affairs and Communications, will provide support on development of related infrastructure and welfare facilities.

2.4 The state government may also subsidize organizations such as the city centre vitalization councils or town development companies for developing commercial facilities or new businesses under their vitalization plans. The amount of subsidy will be up to half to two-thirds of the costs incurred. For example, the state government had supported businesses that promoted development of local industries and projects for revitalizing historical buildings. In 2013, the state government budgeted ¥1 billion (HK\$79.6 million) for providing the subsidy.

2.5 City centres that have successfully been vitalized attract visitors by their distinctive characteristics. For example, the city centre of Iida City of Nagano Prefecture has been developed into a shopping centre of local produce while the city centre of Nagahama City of Shiga Prefecture has transformed itself as a centre for selling glass products and holding glass workshops.

Vitalization of the Motosumi-Bremen Street Shopping District

2.6 The Motosumi-Bremen Street Shopping District ("the Shopping District") is a leading shopping district in Kawasaki City of Kanagawa Prefecture. It has about 180 shops selling a wide range of products to the local community. The Association of Business Promotion of the Motosumi-Bremen Street Shopping District ("the Association"), which comprises retailers operating in the Shopping District, plays a leading role in planning the development of the Shopping District and promoting it to the local community.

2.7 According to the Association, there are around 17 000 shopping streets in Japan and the business of many of them has declined due to competition from large-scale shopping malls and supermarkets. The success of the Shopping District in sustaining its attraction to shoppers is largely attributable to the vitalization and promotion efforts of the Association.

2.8 The Association has conducted an exchange with the Lloyd Passage Shopping Centre in Bremen of Germany and received valuable inputs for the development of the Shopping District. To enhance shoppers' interest in the Shopping District, the Association has organized programmes and activities such as shopping festivals, bonus point scheme and band performance. To strengthen relation with the community, the Association has recruited a team of young volunteers to help maintain order of the Shopping District, deliver goods to the elderly and publish newsletters.

2.9 The Association has advised that development of the Shopping District has been financed by monthly membership fees (¥15,000 (HK\$1,124) per member) and income from activities organized by the Association.

3. Strategies for promoting community economy in Taiwan

3.1 The Darerhjieh District is a rural community in Wujie Town of Yilan County in Taiwan. It has a total area of around 2 sq km and a population of around 8 000. In 1995, representatives of the local community established the Darerhjieh Cultural and Educational Association ("DCEA") to lead the development of community building activities in the District and promote local economic development.¹

3.2 DCEA has successfully vitalized the local community by developing community building activities leveraged on the distinctive geographical, industrial and cultural characteristics of the District with educational and cultural conservation elements. These activities include:

- (a) community development and conservation projects such as construction of a new temple, development of historical buildings into cultural museums, and development of recreational facilities;
- (b) cultural activities such as religious ceremonies and cultural festivals; and
- (c) educational activities for promoting local culture.

¹ The visit of the delegation to DCEA was cancelled due to the severe tropical storm, Trami. The findings were based on information provided by DCEA.

4. Observations

4.1 Based on the findings on vitalization of community economy in Japan and Taiwan obtained from the duty visit, the following success factors for community vitalization are observed:

- (a) high involvement of the stakeholders concerned in mapping out and implementing the development plan under guidance of the community leaders;
- (b) building sustainable interest in the community by leveraging on its distinctive geographical, economic and/or cultural characteristics; and
- (c) support of the government in terms of providing financial assistance and support on infrastructural development.

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