

The Effects of Special Districts for Urban Regeneration Aiming at Sustainable Growth of Matured Megacity Regions in Japan

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It has become commonly accepted that promoting agglomeration in a global city-region will contribute to the nation-wide economic growth in the world since the beginning of 21st century with the escalation of intercity-interregional competition (World Bank 2009). In Japan, the national government has tried to switch from the traditional “nationwide well-balanced development,” policy to the new policies which aim at strengthening urban agglomeration, particularly in Tokyo, as the engine for national economic growth. One of the most significant examples representing the new policies has been the urban regeneration policies including the system of Special Districts for Urban Regeneration (SDUR).

This study aims at clarifying effects of SDUR established by Japanese national government in the year 2000 in order to promote structural shift of traditional urban planning policies, focusing on the examples in Tokyo and Osaka metropolitan areas. In particular, this study tried to evaluate the roles of the SDUR focusing on the aspects of new methodology based on promoting private initiative in planning proposals. Only our past papers (Kitazaki 2011, Kitazaki and Arita 2013) conducted the comprehensive surveys on the results of all the past examples of SDUR applied.

First, this study discusses the uniqueness of the SDUR compared to the generally employed Special Economic Zones (SEZ) in the world, and the significance of investigating the effects of SDUR applied to the matured megacities. Second, this paper verifies the backgrounds and objectives of establishing SDUR by Japanese national government, based on the results of exhaustive interviews on persons in charge of drawing up the SDUR related policies, and literature surveys. Next, this paper clarifies the effects of SDUR based on the statistical data analyses and interviews on local government officials in charge of operating the SDUR systems. Finally, this paper indicates the problems of SDUR, arising from the process of evaluating planning proposals in terms of contributions to the public.

Generally, emerging Megacities utilize SEZ system in order to welcome foreign investment like free trade zones, or export processing zones, or specialized zones (World Bank 2008). On the other hand, in the U.K. and the U.S., enterprise zones have been employed which intend to revitalize distressed urban areas through the provisions of tax incentives and financial grants. In comparison with these examples of SEZ, SDUR in Japan is regarded as a unique system since it does not aim at targeting depressed areas but at promoting prospective growing areas with private investments, leading to the structural shift in the urban planning policies. As one of the backgrounds of the SDUR policy, it is notable that many new mega-city-regions with over 10 million population are going to emerge in Asian countries in a short period of time. According to the United Nations (United Nations 2014), the number of urban-agglomeration areas with

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more than 10 million population in Asia was 5 in 1990, 23 in 2010 and will be 22 in 2030. On the other hand, Tokyo has been faced with issues such as structural shifts of urban policies in an era of aging society and shrinking demand, in order to cope with the new rapidly changing economic environment such as global inter-city competition or ongoing global shift into knowledge-based economy. Therefore, as a representative example of matured Megacity regions in a developed nation, the current experiences of Tokyo thus might be meaningful to other emerging Megacities in the developing countries.

Next, this study investigated the process of establishing the SDUR polices in Japan by conducting extensive interviews to the persons in charge of drawing up the SDUR related policies, including Urban Renaissance Headquarters of the Cabinet Office, Ministry of Land, Infrastructure, Transport and Tourism, and Tokyo metropolitan government. As a result, we clarified the following points. First, at the initial stage of establishing the policy, SDUR related policies were intended as a drastic measure for the disposal of bad loans. Then, in the process of formulating the contents of the new policy, the national government considered the additional issues, such as the necessity to promoting global competitiveness by strengthening the Tokyo agglomeration and the new urban regeneration policies through public new private partnership methods. Urban regeneration policies have been mostly operated by local governments in a conventional manner, and this had been regarded as a bottleneck in private sectors' investments. The national government thus took up initiative to formulate the overall framework of the new SDUR related policies, which could be properly operated by local governments. The primary objective of the SDUR policies was to promote the private sectors' investment on urban regeneration projects. Three main supportive measures, namely deregulation, tax incentives and financial assistance, were prepared.

This study also tried to verify the effects of the SDURs based on the results of analyses on the statistical data of all the SDUR areas. There were 62 Urban Regeneration Emergency Development Areas designated all over Japan, which covered 8,037 hectares. 62 SDUR areas were designated all together until July 2013 (Figure 1). For the central Tokyo area, the strategies were defined such as the formation of international business hubs and promotion of urban regeneration projects to enhance international competitiveness. Table 1 illustrates the effects of the SDUR areas comparing the indices of two points of time before and after the SDUR introduction. Figure 2 explains the effects of SDUR policies by showing the simulation results of comparing "the situation with SDUR" and "the situation without SDUR."

This study finally focused on the impacts of SDUR policy on the planning systems in Japan. The SDUR policies aimed at installing a new planning system which encourage private investors to take up own initiative to make their own planning proposals with a wider-range contents leading to contribute to the public interest. In the beginning, most of the proposals had conventional ideas such as provision of open spaces and pathways for public use. Then, proposals from private sectors increasingly came to cover eco-friendly alternatives, urban design issues, and management-operational issues leading to local contribution activities, and these proposals were accepted by the public sector as meaningful public contribution which deserves granting additional bonus of floor-area-ratio (Figure 3).

For example, in the case of SDUR in Otemachi area, the international financial village concept which included job-training facilities for financial sector professionals and medical facilities for English speaking workers was highly evaluated proposals which deserved additional bonus of floor-area-ratio.

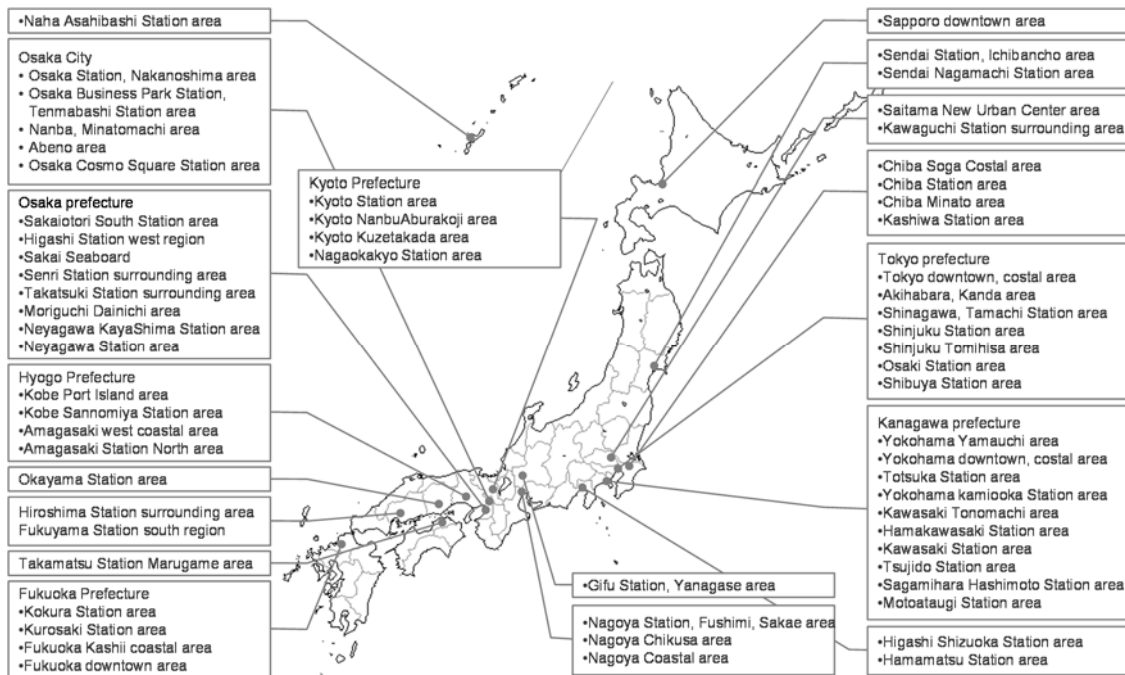


Figure 1: Urban Regeneration Emergency Development Areas (July 2013)

Table 1: Indices of Effects of Urban Regeneration Emergency Development Areas

	term	data		share ^{※1}		source
		before	after	before	After	
Population	2000⇒10	504,173	702,752	1.5%	2.0%	Ministry of Internal Affairs and Communications "Ministry "National census"
Household	2000⇒10	239,247	364,399	1.3%	1.8%	
Enterprise place	2001⇒06	216,265	211,250	10.5%	10.4%	Ministry of Internal Affairs and Communications "Economic census"
Employment (thousand)	2001⇒06	3,748	3,905	16.8%	17.8%	
Retail sales (billion yen)	2002⇒07	10,724	10,879	17.2%	16.2%	Ministry of Economy, Trade and Industry "Commerce establishment survey"
Retail space (thousand m ²)	2002⇒07	4,729	5,165	12.8%	12.7%	
The average land price (yen per m ²)	2001⇒11	1,796,137	2,505,846	650% ^{※2}	860% ^{※2}	Ministry of Land, Infrastructure, Transport and Tourism "Land price survey"
Construction investment (billion yen)	2002⇒11	—	7,043	After 5 years (8,197billion yen)		
New supply floor space (thousand m ²)	2002⇒11	—	25,680	After 5 years (31,400 thousand m ²)		Inquiry of local government

※1: Percentage of the city
 ※2: Ratio to the national average

We clarified the following problems of the SDUR policies. First, although the national government intended to create a new planning review system from scratch that enables the comprehensive review in a tailor-made manner considering each-project specific context, local governments could not easily overcome inflexible manners of reviewing each planning proposal. We thus have two opposing viewpoints in evaluating the roles of national government. On the one hand, it was necessary for the national government to demonstrate active engagement for establishing a brand new planning. On the other hand, this had been against the promotion of decentralization policies. Our findings also suggest that local governments failed to ensure transparency and accountability in operating the new SDUR policies. On the other hand, the

SDUR policy successfully expanded the possibilities of public-private partnership methods in the project-based planning by evaluating wider range of proposals concerning management-operational issues as contribution to global competitiveness.

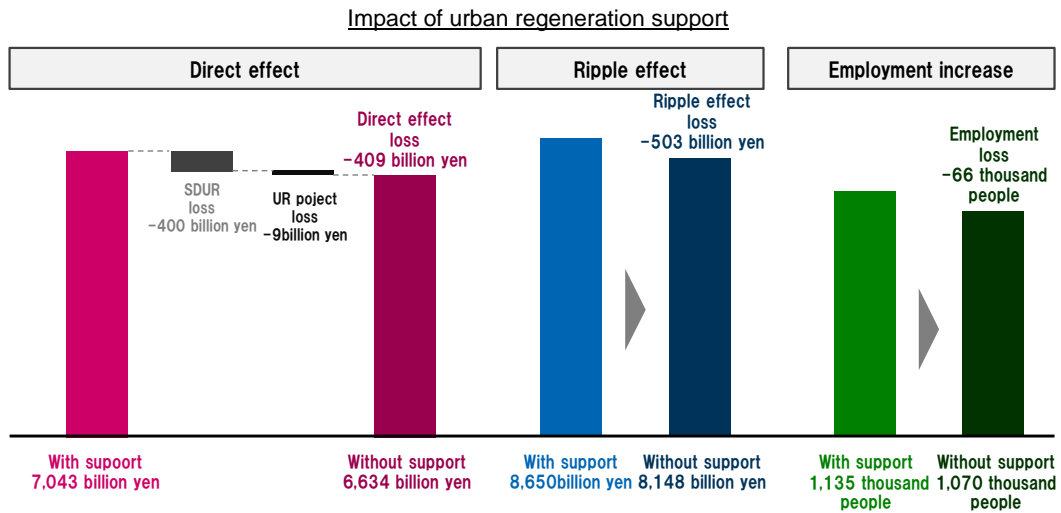


Figure 2: the effects of SDUR policies by comparing “with SDUR” and “without SDUR.”

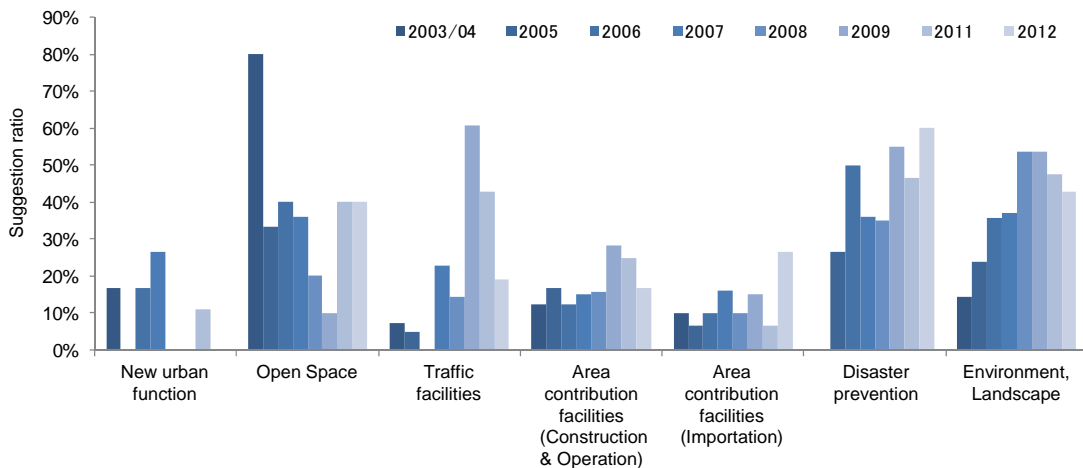


Figure 3: Change in categories of public contribution by SDUR employed in Tokyo

Keywords: Special Districts for Urban Regeneration, Tokyo, planning proposal

Reference:

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