Smart Shrinking Sado: Development Strategies in Shrinking Cities

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Abstract

Rapid urbanisation has resulted in shrinking cities around the world, and Japan is no exception. This thesis endeavours to understand the causes and consequences of, and prospects for, shrinking cities in Japan through a case study: the city of Sado. Sado faces the shrinking city phenomenon following deindustrialisation, deagriculturalisation and Japan’s structure of high concentration. Within Sado, suburbanisation and peripherization is observed, draining the younger generation from the central areas they were traditionally found. For the revitalisation of Sado, this thesis proposes combined strategies of smart growth within the context of a shrinking city—potentially called ‘smart shrinkage’—and a city branding campaign.
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1. Introduction

Cities are growing at a rate which is unprecedented for humanity. Rapid urbanization is triggering localised population expansions — a phenomenon recognised across the globe. The city with the biggest population in 1900 was London, and its population was 6,480,000 (Zeigler et al, 2003, pp. 24). In 2000, after 100 years, the city with the highest population was Tokyo with 26,444,000, and there were 24 cities with higher populations than London (Zeigler et al, 2003, pp. 7). These facts indicate that many cities around the world have gained in population very rapidly.

This rise in urban population has been caused by both natural and social factors. The social element, migration, has contributed significantly. Fertility rates are very high in countries experiencing population explosions, though they are gradually lowering. Simultaneously, migration to urban areas has been phenomenal. Take Dhaka in Bangladesh, for example. Dhaka is one of the world’s most rapidly growing cities. Its population was just 417,000 in 1950 but grew with incredible speed. The population reached 2,173,000 in 1975, hit 12,519,000 in 2000, and is forecast to be 22,766,000 in 2015, which will make Dhaka the second biggest city after Tokyo (Brunn et al, 2003, pp. 521). Furthermore, it is estimated to reach 48 million by 2050, which would make it the biggest city with regards to population (Brunn and Ghose, 2003, pp. 493). The total fertility rate (TFR) in Bangladesh was 2.9 in 2007. The average annual growth rate of urban population was 7.2% between 1970 and 1990 and 3.8% between 1990 and 2007 (UNISEF). Comparing to Japan’s TFR of 1.3 in 2007 and average annual growth rate of urban population of 1.7% from 1970 to 1990 and 0.5% between 1990 and 2007 (UNISEF), this population growth rate—or urbanisation rate—has been outstanding.

On the other hand, there are many cities facing a decline in population as a result of emigration and low fertility rates. This is to be expected as rapid urbanisation of growing cities is supported by migration from rural areas and other cities that have lost hegemony. In fact, in the second half of the 20th century, more than 350 large cities experienced loss of population. In the 1990s, more than 25% of all cities around the world shrank. It is estimated that the number of shrinking cities will increase further in the future (Oswalt, 2008, pp. 3). A city which has lost its population is called a shrinking city. It is defined as “a densely populated urban area with a minimum population of 10,000 residents that has faced a population loss in large parts of it for more than 2 years and is undergoing economic transformations with some symptoms of a structural crisis” (Shrinking Cities Project, cited by Hutter, 2008, pp. 2). Study of this other side of urbanisation had been neglected until recent years, with the spotlight on urban growth. The pioneering country in the field of shrinking city research has been Germany, especially eastern Germany. In 1990s cities in eastern Germany lost 10-20% of their population due to decline in birth rates and emigration to western Germany or to suburbs to seek out job opportunity (Schetke and Haase, 2007, pp. 485) and better living conditions (Nuissl and Rink, 2005, pp. 126).
Japan has also faced serious issues related to shrinking city issues since 1950s and various laws have been implemented since 1970 to tackle such issues. The three urban agglomerations of Tokyo, Osaka and Nagoya—Tokyo especially—have drained population, especially the younger generations, from all over Japan, causing other cities outside these regions shrink. During the rapid economic growth at the beginning of the second half of the 20th century, when city shrinkage became a common phenomenon, the loss of younger population from rural areas did not cause serious impacts on the rural economy: there was little work available for them due to the improvement of agricultural technology and efficiency. Today, however, the emigration from rural areas is threatening the sustainability of societies, because the people who are migrating to urban areas are the people who would be responsible for productive and reproductive activities (Hayashi, 2009, pp. 4). This trend is estimated to continue for the next few decades, and the population distribution of Japan will become extremely unbalanced (Matsushita and Mori, 2008, pp. 20-21).

Germany and Japan started investigating these issues and have cooperated in study. The German Federal Cultural Foundation has funded the project “Shrinking City” since 2002, and the third project focussed on Japan. Furthermore, in 2008, the exhibition “Shrinking Nippon” was organized in Japan, with the collaboration of the “Shrinking City” project.

This trend of shrinkage is expected to extend even to currently growing cities. For example, Japanese national population has decreased since 2006 and it will keep decreasing. After WW2, there was a slow but a steady growth of population until 2006—from 72,147,000 in 1945 to 127,770,000 in 2006 (Statistics Bureau, 2008, p. 8). Yet it is estimated to be 125,430,000 in 2015, 119,270,000 in 2025, 110,679,000 in 2035, 100,443,000 in 2045 and, though a questionable forecast, it is estimated to be as small as 44,592,000 in 2105 (Statistics Bureau, 2008, p. 8).

This trend will even make some currently growing cities shrink. Of Japan’s 47 prefectures, 15 were growing in 2005. These were concentrated in the Tokyo region (Tokyo, Kanagawa, Chiba, Saitama, and Tochigi), the Nagoya region (Aichi, Shizuoka, and Mie), Osaka region (Osaka, Shiga, Hyogo, and Kyoto), Fukuoka, Okayama, and Okinawa. The other 32 prefectures experienced population decline between 0.1 and 3.7% in 5 years (Statistics Bureau, 2008, p. 10). This decline is forecast to accelerate with the national population decline. The number of growing prefectures would be 7 in 2010, including Tokyo, Saitama, Chiba, Kanagawa, Aichi, Shiga, and Okinawa. Even Osaka region would be forecast to start shrinking then. This trend is predicted to continue in 2015 with only 5 prefectures growing: Tokyo, Kanagawa, Aichi, Shiga and Okinawa. By 2020, only two prefectures are predicted to grow: Tokyo and Okinawa. By 2025, Okinawa alone will be growing. By 2030, even Okinawa will shrink (National Institute of Population and Social Security Research, referred in Higa, 2009, pp. 6).
The shrinking city phenomenon is usually regarded as a problem. This is because it causes difficulties in the achievement of sustainability in economical, social, cultural, and environmental spheres. Economically speaking, the decline in labour force would cause difficulty in maintaining local industries. In fact, the rate of loss in labour forces is even more serious than depopulation rate. For example, Akita prefecture is forecast to lose 26.1% of its population from 2005 to 2035, yet the decline in labour force is estimated to be 36.4% (Hayashi, 2009, pp. 4). From this perspective, it will be difficult to maintain the economic growth. Shrinkage would also threaten cultural and social spheres. The loss of younger reproductive generation results in aging societies. Such aging societies are not able to sustain themselves independently. The burden on younger people who stay in the shrinking rural areas is heavy. Likewise, the loss of younger generations would lead to the loss of successors to local traditional arts and culture. It could lead to the loss of unique local traditions in the long term. Finally, it causes unsustainable environment. Transportation is extremely dependent on self owned automobiles because the density is sparse, so that public transportation network does not develop effectively. Furthermore, the maintenance of forest and other natural environment would become awfully hard, so that it would be difficult to accomplish the healthy forest management. From these perspectives, it is inevitable that city shrinkage causes concern.

Nevertheless, although it is true that shrinking city is problematic, it is also undeniable that a shrinking city has potential for development (Minohara, 2003, pp. 24) in a different paradigm when smart strategies and creativities are implemented. A Japanese company called Brand Research Institute has ranked the most attractive municipalities every year, and 6 out of the top 20 most attractive municipalities are actually shrinking (Brand Research Institute). It does not intend to portray shrinking municipalities as attractive, yet it reveals that even shrinking cities are regarded as attractive.

From these perspectives, a thesis study to research shrinking cities is meaningful for several reasons. Firstly, because the history of study into this phenomena is short; secondly, because the number of shrinking cities is large; thirdly, because this trend is expected to expand to areas which currently thrive on growth; fourthly, because it may contribute to illustrate the potential in shrinking cities.

To deal with the problems they face, shrinking cities must attempt something different from what they did during periods of growth. They cannot dwell on past glory. At the same time, they cannot imitate the successful cases of growing cities, because they are facing totally different paths to progress. They must aim to acquire the ability to stimulate the underlying strength of the city (Katayama, 2009, pp. 3). The key for shrinking cities’ revitalisation may be the creativity, wisdom and intelligence to utilise hidden strength. This thesis will investigate the potential of
Sado, a shrinking city in Japan. Sado is selected as an excellent case study site for several reasons. Firstly, its population is declining very rapidly and the trend is estimated to continue. Secondly, it was previously an attractive destination for many tourists, yet the number of tourists is also declining very fast. Thirdly, its location in the Japan Sea as an isolated island is attractive to investigate, because it could likely face tougher challenges than shrinking cities on the mainland of Japan on the Pacific side. Finally, its history as a once-flourishing island of gold mines, and as a source of a remarkable number of important writers, scholars, artists and thinkers, appeals to the author. I believe that Sado should not be a city that does nothing but shrink—it should work toward, and realise, its many potentials.

**Aim**

To investigate the potential of shrinking cities, the research endeavours to obtain deeper insight and understanding of the characteristics and various issues related to shrinking cities. This will especially be achieved by the context of Sado. Firstly, therefore, the paper will strive to explain the causes and effects of urban shrinkage in Sado. Secondly, it will attempt to understand how smart growth and creativity could contribute to city branding in shrinking cities. City branding should be a useful tool in Sado in order to make it an attractive place. In order to carry out city branding, creativity and smart growth will be used to propose several strategies for Sado. These are helpful concepts for branding Sado because creativity is regarded as a “decisive source of competitive advantage” (Florida, 2002, pp. 5), and smart growth can enable the city to realise “sensible growth that balances our need for jobs and economic development with our desire to save our natural environment before it is forever lost (cited from Smart Growth Network, Walmsley, 2006, pp. 268).

In order to fulfil the aims of study, the paper attempts to answer following questions:

1. What are the characteristics of shrinking city phenomenon in Sado?
2. How can smart shrinkage, the smart growth concept in shrinking city, and creativity be combined to propose a development scheme for Sado, improve the image of Sado, and contribute to city branding of Sado?

Chapter 2 will introduce the methodology of the thesis. It will make clear how the research has been carried out. The chapter 3 will present the two main theoretical frameworks used in the thesis: the shrinking city and city branding. Creativity and smart growth are focused for city branding in this paper, so these will be also introduced. They are the fundamentals for the research. Chapter 4 will describe the city of Sado from various aspects, as a case study. In chapter 5, the relation between the theories and Sado will be investigated to clarify how Sado has been shrinking and its characteristics of shrinkage. In the chapter 6, the findings from the field study in
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Sado, especially the questionnaires and interviews, will be explained. Chapter 7 is devoted to proposing various strategies to Sado, in order to provide solutions of problems and to present opportunities for city branding. The data acquired during the field study at Sado is attached in an appendix.

The pictures used in the thesis were taken by the author during his field study in Sado.
2. **Methodology**

In order to write this thesis, various article reviews and a field study in Sado were conducted. The author obtained a general understanding of the theoretical frameworks of shrinking cities and city branding by article reviews in order to construct a basis for research. Plans, strategies and laws were studied to enable understanding of the characteristics of the city of Sado, the problems that Sado is facing, and the direction in which Sado is aiming.

After obtaining secondhand data from various sources, the field work in the city of Sado was carried out for 2 weeks in the middle of May, 2009. It allowed the author to gain perspective on Sado. During the stay, 128 questionnaires were collected and 24 key persons were interviewed in order to collect qualitative data. The questionnaire consisted of the following 8 questions.

1. How do you think will Sado become if it follows the existing trends?
2. What is the Strength of Sado? What do you like in Sado?
3. What is the Weakness of Sado? What do you dislike in Sado?
4. What is the external Opportunity for Sado?
5. What is the external Threat for Sado?
6. How do you want Sado to become in next 30 years? How do you make Sado to be?
7. What do you think is the problem to achieve Q6?
8. What do you think the tactics and strategies to tackle Q7 in order to achieve Q6 are?

The series of questions were inspired by the idea of backcasting and SWOT analysis. Backcasting is a method to address “a perceived societal problem with the aim of finding a real solution” (Carlsson-Kanyama, et al, 2008, pp. 36). SWOT is a useful method to study prior to a project’s implementation. It stands for Strength, Weakness, Opportunity and Threat. The first two elements measure internal characteristics, and second two elements indicate external factors (Kong, 2008, cited in Ferrer et al, 2009, pp. 1). This analytical method is used to study regional redevelopment in various institutions. For example, Mitsubishi Research Institute (MRI), one of the leading think tanks in Japan, practices it for the project of future prospect in Yamaguchi prefecture (MRI). The aim of the choice of questions was to study Sado better by SWOT analysis (Q2-Q5) and to find out what residents wish for the future of Sado (Q6), so that the local ideas could be enhanced as suggestions in the discussion part.

Q1 is to determine how local people imagine Sado’s prospects. The last 2 questions were intended to see if residents know what problems Sado faces and what is needed in Sado, yet it was unable to collect sufficient quantity of answers from the Q7 & Q8, thus they are omitted in this thesis.

The aim of interviewing 24 key persons was to determine what the people who were involved in various planning issues thought about the situation Sado is facing. The series of interviews were fortunately achieved by a snowball effect, thanks to Mr. Tsuchiya, Mr. Nakamura and Mrs.
Hashimoto. The interviews are categorized into 10 groups, such as administration and tourism, so that it is easier to grasp trends if they exist. The interviews mainly consisted of freestyle conversation in order to listen to what the interviewees wanted to say in relation to their jobs and perspectives on planning in Sado.

The field study turned out to be more or less successful because it allowed the collection of meaningful firsthand data which was not available in existing literature.

For the analysis, the author attempted to conduct a normative analysis. It was helpful to evaluate why the current situation that Sado is facing is problematic. Based on the evaluation, what Sado should do and where proposals should focus on was guided. Above all, a series of supervisions with the supervisor and casual discussions with course mates enabled the author to clarify the task for completing the thesis research.
3. Concepts

In this chapter, two main concepts used in the thesis will be explained. These are ‘the shrinking city’ and ‘city branding’. The shrinking city concept is covered because it is the main issue and interest of this thesis and the problem that Sado is facing. The city branding concept is chosen because it could play a significant role in the promotion of Sado. ‘Creativity’ and ‘smart growth’ are practical concepts for city branding, thus they are also introduced.

Shrinking City

The fact that shrinking cities exist around the world, and that the number of them is estimated to grow further in the future, has already been introduced. Yet there is no single reason for city shrinkage. Oswalt introduces four main reasons of city shrinkage: Detroit in USA lost 51% of its population during 1950 to 2004 due to suburbanization; Manchester and Liverpool in UK lost 45-49% by deindustrialization between 1930 and 2002; post-socialist change caused 7% population decline in Ivanovo in Russia, from 1990 to 2002; Leipzig and Halle in Germany lost 18-25% of population due to peripherization between 1989 to 2003 (Oswalt, 2008, pp. 3-6). But it does not mean that any of these factors individually caused shrinkage of these cities.

In the case of Sado, it lost 46% of its population between 1950 and 2005. The causes consist of “push factors”: lack of education choice and deindustrialization in the city, and “pull factors”: attractive choices in employment, education, and lifestyle in bigger cities (Matanle, 2008, pp. 43-49). This is a consequence of the “over-concentration” in the big urban areas in Japan (Matanle, 2008, pp. 46). Deindustrialization of gold mines contributed a lot. Furthermore, deagriculturalization, which is a form of deindustrialization in agricultural industries, is also a dominant reason for its shrinkage.

There are always multiple dependent reasons that affect each other to make cities shrink. Although there is no particular single reason to make cities shrink, it is useful to analyze how the various causes affect a city.

In this part, four causes mentioned by Oswalt (suburbanization, deindustrialization, postsocialism transition, and peripherization) are explained. Furthermore, “over-concentration” and deagriculturalization, which are not referred to by Oswalt but are significant causes in Sado, are also explained.

Suburbanization is a process in which inner city residents move out to its suburbs and therefore the city limit usually extends. Suburbanization and sprawl is often regarded as common process of development in a global context (Nuissl and Rink, 2005, pp. 124). It was usually led by the development of train networks, and it has been led by the popularization of private automobiles after WW2 (Onishi, 2004, pp. 55. Ohno, 2008, pp. 100). Suburbanization is not a natural
phenomenon but usually a policy driven phenomenon, either directly or indirectly. This can be recognized in the fact that the construction of new towns, the arrangement of newly organized city area and traffic network of roads (such as bypasses), and the construction of public facilities, are deliberately led by public policies (Onishi, 2004, pp. 56-57).

The trend of suburbanization can be recognized all over the world, yet there are other different reasons. For example, Detroit is notorious for its suburbanization in the USA, and its cause is “the increased mobility of a car-driven society” and “racial conflicts” (Oswalt, 2008, pp. 4). In the case of Japan, the suburbanization is still promoted by public transportation in the big cities (Ohno, 2008, pp. 100). In Leipzig in eastern Germany, its suburbanization was the incentives provided by the federal government, with the opportunity for residents to obtain decently improved housing standards as a result (Nuissl and Rink, 2005, pp. 126).

Since there are shared and unique factors driving suburbanization in these cities, consequences can similarly be shared or unique. A common consequence of suburbanization is the “hollowing” phenomenon, leading to inner city shrinkage. Many cities have experienced racial segregation caused by suburbanization as well as racial segregation as a driving force of suburbanization (Oswalt, 2008, pp. 4).

Deindustrialization is another main reason to make cities shrink. Deindustrialization is the phenomenon by which manufacturers move out from inner cities to the outskirts, causing “suburban growth and core decline and inner city decay” (Mega, 1996, pp. 137) or “a hollowing-out of their economic base” (Koistinen, 2002, pp. 483). It causes the loss of job opportunity and, accordingly, the loss of population.

There are several driving forces causing deindustrialization. The most common reason is “industrial migration.” It could happen when the demand for a certain product is still high yet its production hub is relocated from one area to another (Koistinen, 2002, pp. 484). It is caused because the owners of industry dislike “the high wages, unions, and social legislation typical of industrialized areas,” and leave to another location to open new factories “in less developed regions where cheap, tractable, generally nonunion workers are available,” called “runaway shop” (Koistinen, 2002, pp. 484).

The construction of basic infrastructure also causes deindustrialization. For example, the trend pushed out factories from inner cities in the name of “City Beautiful” projects in the beginning of the 20th Century in the USA (Vitiello, 2008, pp. 412-421). In order to achieve beautiful inner cities, boulevards and parks were planed and consequently the factories located in inner cities were pushed out.

A third reason is the change in consumption patterns caused by the rise of the substitutes. The whaling industry declined in the late 19th Century in the USA because cheaper substitutes
replaced its role (Koistinen, 2002, pp. 484). Gunkanjima in Japan was totally deserted by the breakdown of the decline in the coal industry (Saiga, 2008, pp. 54).

The three causes introduced above are the main causes of deindustrialization. Because of the loss of employment in inner cities, residents also move out to seek job opportunities. As a result, the loss of working class population and high unemployment rate follow (Oswalt, 2008, pp. 4). In order to achieve growth again, such cities often try hard to rebrand themselves in order to gain a positive image with which to attract investment.

Post-socialist shift has also lead to urban shrinkage. In such cities, the shift from socialism system to capitalism and global free trade caused the breakdown of local economy. Take Ivanovo, for example. The cause of this shrinkage is based on its weakened monostructural economic dependence on the textile industry. This is because Uzbekistan stopped sending cotton, and the sudden global competition cut sales (Oswalt, 2008, pp. 5).

In eastern Germany, the post-socialist regime has led to two other reasons of shrinkage. The first reason is the emigration to the west. In 1989 and 1990 alone, about 1 million inhabitants moved to western Germany. This happened because of the loss of industrial jobs (Nuissl and Rink, 2005, pp. 124-125).

The second reason is planned suburbanization. Compared to the other former socialist countries that were more concerned about “urban regeneration, the privatization of the housing stock, economic crisis and deindustrialization, increasing socio-spatial polarization, poverty and crime,” former eastern Germany had “an astonishingly expansionist character as soon as post-socialist transformation had taken off” (Nuissl and Rink, 2005, pp. 124).

Finally, Peripherization is the last driving force of shrinking city explained by Oswalt. This phenomenon resembles suburbanization, yet it is accompanied by the development of peripheries rather than traditional central districts. For example, in Leipzig, the spread of shopping malls and relocations of larger companies to peripheries led to the hollowed-out inner city and more developed peripheries (Oswalt, 2008, pp. 6).

Oswalt has introduced these four major driving forces causing shrinking city. Yet there are some more reasons. In the case of Japan, “an over-concentration of socio-economic opportunity and political power in two or three urban centres” (Matanle, 2008, pp. 46) could be the main cause of shrinking cities. “Over-concentration” refers to the Tokyo, Osaka and Nagoya areas, where populations are still growing (Matsushita and Mori, 2008, pp. 21), while rural regions are facing serious emigration. It is rather subjective to say whether an area is “over-concentrated”, yet it might be true. When taking the location of research and information sectors into consideration, the share of information sectors in the three regions dominates 78.8% of the whole country in
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2006, and that of research sectors is 58.6% (Higa, 2009, pp. 7). Matanle argues that this is caused by push-and-pull factors regarding to education and job opportunity.

Firstly, since Japanese society puts great importance on educational background when it comes to job prospects, schools in rural areas have to teach students what is important for universities’ entrance examination so that students can obtain urban employment. As a result, the number of children who are more interested in learning about local traditional industries is decreasing because of the lack of opportunities.

The other reason of shrinkage is deagriculturalization. Deagriculturalization is “mainly the outcome of dual processes: industrialization and off-farm entrepreneurship in the countryside, and massive migration from the rural to urban areas” (Guang and Zheng, 2005, pp. 23). When cities experience these phases, they tend to shrink. There are several outcomes of shrinkage. For example, the central parts of the cities are hollowing out; the lifestyle with cars are taken for granted so that it is inconvenient to live; farmlands are neglected; industrial areas are abandoned; shops run as family businesses are closed down (and become parking lots eventually); urban commercial functions are taken over by suburbs; people’s activities to hang out in the city centre to look for excitement or without any specific purposes decrease; and as a result, the urban environment and urban landscape are gridded (Minohara, 2003, pp. 26-28).

Combined, the shrinking city phenomenon is not a mere decline of population, rather a combination of population decline and economic and social degradation. Therefore, in this thesis a shrinking city is understood as a city that has lost its population based on several processes of transformation, such as suburbanization, deindustrialization, being left behind from centralization, and so on—causing “a decline in the economy, society and culture” (Fujii, 2008, pp. 9).

In order to understand the shrinking city concept, Leipzig from Germany will be introduced as an example. It is the city that the research of shrinking city is taken place. Then the relation between Japan and shrinkage will be briefly explained.

**Shrinking city in the context of east Germany**

Leipzig is located about 200km south from Berlin (see map 1). It is an industrial city and has played significant role in the field for long (Nuissl and Rink, 2005, pp. 127). It grew also as a trade-fair and commercial centre (Stadt Leipzig, 2009).
Its population peaked up in the early 1930s with more than 700,000 (Nuissl and Rink, 2005, pp. 127) yet it has now about 500,000 inhabitants (Stadt Leipzig, 2009). Graph 1 indicates the transition of population of Leipzig from 1950.
The depopulation can be clearly recognized. It shows the sudden increase of population between 1995 and 2000. This is because the city of Leipzig widened the boundaries of the city to include its suburban areas (Leipzig). Thus, the population growth observed is not because of the growth but because of the municipal merger. At the same time, in the second half of 1990s, inner city redevelopment was carried which enabled residents to find good standard apartments in inner city so that they did not have to move out to suburbs to find good places to live (Nuissl and Runk, 2005, pp. 129). Therefore, the population growth was carried out by the municipal merger and an improvement of built environment in inner city that has loosened the trend of suburbanization.

The main causes that have made Leipzig shrink are the combination of peripherization (Ozwalt, 2008, pp. 5-6), suburbanization and post-socialism (Nuissl and Rink, 2005, pp. 126). These driving forces have worked together to drop the population so rapidly and led to emigration and lower birth rate. From these perspectives, the case of Leipzig demonstrates that population decline does not have a single cause, but rather various factors are involved to make it happen.

• **Shrinking city in the context of Japan**

A case from Japan—the situation of shrinking city in Sado—will be analyzed and discussed in detail in the later part of the thesis, then this part will introduce how Japan is handling its shrinking cities in general.

The trend of population decline is nothing new in Japan. Until the Edo era, the population was not unevenly distributed. But this trend changed after the Meiji Restoration in 1868. With influence from the great powers, Japan went into the phase of modernization and industrialization. The new migration pattern appeared along with the industrialization; people started moving to old big cities and industrial areas in young booming cities near old big cities. This trend became bigger from 1900s and it peaked from the 1950s to 1970s during the high economic growth period. Since the 1970s especially, peripheral areas of rural cities have lost their population. In 1970, 35% of national population lived in rural areas, and it decreased to 28% in 2002 (Kawashita and Polivka, 2008, pp. 56, Fujii, 2008, pp. 9). The rural population has drained to growing regions, especially to Tokyo, and also to Nagoya and Osaka. This population concentration is caused by industrialization and urbanization. It led to thin and underdeveloped rural regions that caused shrinking cities (Fluchter, 2008, pp. 4).

A shrinking city in Japanese is referred to as kaso, meaning “too empty.” Kaso areas are defined as “the area where there is a remarkable population decline so that its societal vitality is decreased and its maintenance of productive function as well as living environment is inferior to other regions” (cited from population decline area independence promotion special treatment law.
Kaso taisaku kenkyuuukai, 2007, pp. 252). As mentioned above, a series of laws has been enacted regarding kaso from 1970, and they are renewed once in every 10 years.

The first law was “kaso regions emergent treatment law (emergent treatment law)”, which was valid from 1970 to 1980. It was aimed at preventing the further extreme loss of population, the collapse of local communities and the bankruptcy of municipal economies, by ensuring the national minimum in living conditions and organizing the foundation for industries if possible. The main result was observed in new basic infrastructure, especially in transport (Kaso taisaku kenkyuuukai, 2007, pp.242-243).

The next law was “kaso regions promotion special treatment law (promotion law),” valid between 1980 and 1990. Its implementation was based on the assumption that “the further extreme loss of population” dealt with by the emergent treatment law was somehow achieved. Its aim was the improvement of welfare of residents, the increase of employment and the loosening of inter-regional inequality, by the promotion of kaso regions (Kaso taisaku kenkyuuukai, 2007, pp. 244-245).

After the promotion law, the third law for shrinking cities, “kaso region revitalization special treatment law (revitalization law)”, was enacted in 1990. With the promotion law, the aim was to promote the development of shrinking cities, yet this law was intended to revitalize the shrinking regions.

The choice of revitalization was to utilize the regional characteristics and to put the importance on the regional planning based on regional independency and local ideas. Furthermore, it underlined the importance of comprehensive regional development not only by the improvement of so-called hard infrastructure but also by the improvement of soft infrastructure—thereby indicating the importance of private sectors (Kaso taisaku kenkyuuukai, 2007, pp. 246-248). This was the first time “soft” infrastructure was mentioned, and therefore it can be said that this was the turning point of focus in strategy for shrinking cities.

In 2000, after the expiration of the revitalization law, “kaso region independent promotion law (independent promotion law)” was enacted. The independent promotion law was aimed at the promotion of independence and as a contribution to the creation of a beautiful and stately country. Its purpose was that depopulated areas could utilize their own characteristics to be independent by recognizing the new value and purpose of shrinking cities, organized as places to realize diversified lifestyles within rich nature and big spaces; obtaining new life spaces complemented by the network to urban areas; maintaining beautiful landscape and promoting the local culture and local industries; as well as to maintain the original aim of the series of law, which ensured the national minimum living conditions (Kaso taisaku kenkyuuukai, 2007, pp. 252).
It is undeniable that the series of laws have enabled the shrinking cities to improve their basic infrastructure. However, it is also undeniable that they have not functioned effectively enough to deal with shrinkage issues.

In order to challenge the various issues associated with shrinkage, existing laws might not be enough, so that some new concepts and strategies to tackle them are needed. The author believes that the city branding concept with the use of smart growth and creativity has the potential to improve the situation. The next part will introduce these concepts.

**City Branding**

In order to deal with shrinking cities in rural areas, making these cities more attractive for residents and outsiders is necessary. In these cases, city branding could be the most applicable tool. Thus this part will discuss what city branding generally is, and how it is carried out.

City branding is used for shaping a positive and charming image of a city in order to improve the local economy by the attraction of inflow of global tourism and investment (Vanolo, 2008, pp. 3). At the same time, city branding is not only influencing the attraction among investors for economic growth but also branding cities for residents as a place to live (Merrilees, Miller and Herinton, 2008, pp. 362). It is usually carried out by the overlap of “built city” by “word city,” making a “monolithic, consumer-oriented representation” (Greenberg, 2000, cited in Jensen, 2007, pp. 213), and it should be understood metaphorically (Vanolo, 2008, pp. 3). City branding is a process intended “to influence how consumers interpret and develop their own sense of what a brand is” (Chandler and Owen, 2002, cited in Kavaratzis and Ashworth, 2006, pp. 17). Furthermore, it is not a message itself; rather it is “an attempt to influence the context in which messages are communicated” (Kavaratzis and Ashworth, 2006, pp. 17). In short, city branding is a concept to influence how consumers, both insiders and outsiders, interpret the context of a city.

City branding is spreading as a major strategy to market one city around the world. For example, “I ♥ NY” from New York (The Official New York State Tourism Website, “I amsterdam” from Amsterdam (Kavaratzis and Ashworth, 2006, pp. 17), “we choose Milwaukee” from Milwaukee (Zimmerman, 2008, pp. 233-234), “Aalborg – seize the world” from Aalborg (Jensen, 2008, pp. 225), “the live music capital of the world” from Austin (The Austin Convention & Visitors Bureau), and so on.

There are many elements that could contribute toward city branding, for example, art, culture, architecture, history, music, nature, sports, IT, quality of life, smart growth, etc. In particular, the flashy group of people called the ‘creative class’ is often the main target and tool of city branding. The examples above are also attempting to shape a charming image of a city and to attract people from the creative class. In this respect, creativity is the decisive power of city branding. This
creative discourse is mainly powered by Charles Landry and Richard Florida. Landry is a consultant contributing to create creative cities, and Florida is a professor who is the most well-known authority in the field of the creative class and creative capital theory. Then the first half of this part will explore the creativity discourse. At the same time, the smart growth concept is also playing a significant role in city branding. Then the latter part will investigate into the smart growth, which could be a supporting agent for city branding.

- **Creativity**

When a city tries to obtain a charming image by branding, creativity is often used as a strategy. Because of this, many cities around the world have been claiming themselves as creative (Landry, 2005, pp. 1. Landry, 2006, pp. 386). They are attempting to improve their image by encouraging creative industry, with the aim of making the city more attractive for investment. In creative cities, the most important component is its residents. People from the so-called “creative class” are believed to be a key player to convert existing negative images of their city into positive, charming images.

The creative cities’ idea emerged in the late 1980s, and it was seen as “aspirational; a clarion call to encourage open-mindedness and imagination” (Landry, 2005, pp. 2). Creative cities clearly require creativity and innovation. Creativity is described as “divergent processes that generate ideas, makes interesting connections and come up with new solutions.” Meanwhile innovation is “convergent processes concerned with the selection, implementation and successful exploitation of new ideas” (Landry et al, 1996, pp. 9). They also need “the spark of the alternative; the sense of place, of non-branded space; the imagination of the ‘what could be’ displayed in action; younger and older people challenging conventions in behaviour, attitudes and even dress” (Landry, 2006, pp. 340).

Creative cities usually have “an overall atmosphere that projects vistas of chance encounter, possibility, can-do, surprise, the unexpected, the challenging and the clash of the ugly and the beautiful.” In order to make it happen, “civic creativity,” the creativity to make cities better places, is needed because it applies regulations and incentive policies to change market-oriented reasoning toward a greater good (Landry, 2006, pp. 338-339). Thus, it can be argued that creative cities function not by the individual or egoistic creativity, but because of civic creativity which can bear benefits for the whole.

According to Florida, the change of society and economy is driven by human creativity (2002, pp. 4). These driving forces are represented by the creative class. In the creative cities, the role of the creative class is important (Landry. 2005, pp. 2). The creative class is introduced in the famous book of the Rise of the Creative Class by Richard Florida. The creative class is a group of people who “engage in work that creates ‘meaningful new forms’” (Florida, 2002, pp. 68. Zimmerman,
2008, pp. 231). The creative class consists of 2 groups: the core of the creative class and the creative professionals. First, the core of the creative class is a cluster of people “whose economic function is to create new ideas, new technology and/or new creative content,” including “people in science and engineering, architecture and design, education, arts, music and entertainment.” Secondly, creative professionals are the group of people who are involved with the business requiring “high level of education or human capital,” such as people in the field of “business and finance, law, health care and related” (Florida, 2002, pp. 8). These people in the creative class are more attracted to the “3T” environment: places promoting technology, talent and tolerance. This is Florida’s creative capital theory; “regional economic growth is powered by creative people, who prefer places that are diverse, tolerant and open to new ideas” (Florida, 2002, pp. 249).

Both Florida and Landry understand creativity as the key element for the growth. Creativity today is recognized as “decisive source of competitive advantage” (Florida, 2002, pp. 5). Therefore, Landry argues that “cities ought to refashion their economic development policies and planning regimes to aim to become ‘creative cities’” (cited from Waitt and Gibson, 2009, pp. 1223). From this perspective, it is reasonable that many municipalities have been claiming themselves as creative in order to improve their images and for the reason of the attraction of people from the creative class.

In order to attract creative people, city branding plays the vital role. Because people from the creative class tend to be attracted to the environment with the “3T”s and therefore careful choice of the slogan to improve an image of a city to make it creative is extremely important. It has to show that the city has a great potential in technological development, a great variety of possibilities for talented people to feel comfortable residing there, and that the city is tolerant so that diversity can be welcomed. This city branding strategy to appeal the 3T is typically observed in the branding campaign of Milwaukee. The city’s branding campaign was changed from “Milwaukee: the genuine American city” to “we choose Milwaukee” because the city authorities recognized the need for a “more forward thinking, and ‘hip’ narrative about the city” (Zimmerman, 2008, pp. 233-234). Indeed the former slogan could possibly be read to segregate non-Americans. On the other hand, the current slogan points to diversity by the use of “we.”

Although it has been argued that creativity is the key for development until now, it is also true that it is criticized as a cause of problems as well. For example, intra-city inequality and working poor issues could develop between the creative class and the others (Zimmerman, 2008, pp. 232). Although some scholars argue that inequality could lead the city to positive economic growth, this is only when people from non-creative class and in the industry serving the creative class can enjoy “a vibrant middle class” and have “sufficient opportunities for upward mobility” (Donegan and Lowe, 2008, pp. 48).
Furthermore, city branding with help of creative industry could lead to social conflict when the city being branded does not possess characteristics of the creative class. For example, in the case of Aalborg in Denmark, the construction of a fancy concert hall in a non-creative class area became an argument because the local people thought that it was not for them (Jensen, 2007, pp. 227-228). It might be true that such kind of fancy architectures as landmarks could improve the image of city for the outsiders, yet it should also make the local people satisfied.

Most of these cases of city branding seem to apply only restricted creativity, namely arts and science (Landry, 2006, pp. 403). Yet they are just some components of creativity; the misinterpretation that creativity is only about art and science limit the potential of creativity. Landry argues creativity as “applied imagination using intelligence and all kinds of mental attributes along the way in order to foster continuous learning.” It “implies a more open attitude to failure and distinguishes between competent and incompetent failure” (2006, pp. 407). Additionally, although Florida seems to distinguish creative jobs (the jobs of the core of the creative class and the creative professionals) from others, he did not eliminate potentials of creativity. He argues that the core of the creative class is the people “whose economic function is to create new ideas” (Florida, 2002, pp. 8) as mentioned earlier. In other words, no matter what kind of industry a person is involved in, as long as s/he can create new ideas to produce benefit, s/he can be a member of the creative class. From this point of view, it is doubtful that there should be any restrictions for creativity. Furthermore, it appears as if cities are afraid of making failure and therefore they always stick with the fields of arts and science by the imitation of successful examples. However, this is totally against the philosophy of creativity, which is open to failure from challenges. From this aspect, the true form of creativity should be applied.

Then what is the true form of creativity in the field of city branding? It does not have to be artistic or aesthetic. It does not have to name itself to be creative or cultural. These are just some aspects of creativity. Rather it has to make the most of local characteristics in order to improve the status quo by a careful choice of catchy phrases to overlay the physical city with the linguistic. It does not have to be creative in culture, art or high-tech industry, but it should be creative in certain industries of the location to create ‘meaningful new forms’ in their own fields.

Especially in shrinking cities, creativity should be an ability to challenge problems and threats that the cities suffer from, and utilize such issues to make the most of as opportunities and strengths. From this aspect, social entrepreneurship could play an interesting role because it emphasizes “innovation and creative problem solving” (Schlee et al, 2009, pp.5). It could contribute to the society both socially and economically when they are successful (Schlee et al, 2009, pp. 7). Social entrepreneurs create radical new solutions to social problems with the potential to revolutionize a whole sector” (Sen, 2007, pp. 539). They “most often focus on social and environmental issues that have an impact and benefit to the community or society” (Danna, 2008, pp. 751). This harmonizes with the creativity concept that Landry mentioned. From this viewpoint, the
creativity of social entrepreneurship could be the creativity needed for shrinking cities in order to obtain alternative paths to take.

It has become clear that creativity has a potential to tackle various issues related to the shrinking city phenomenon. Yet it alone may not lead to a successful outcome. Smart growth is a useful idea to backup creativity.

- **Smart Growth and Smart Shrinkage**

Besides the creative class, the smart growth concept is also useful to practice city branding. It is often formed with the creative class scheme to attract better reputation. In order to maintain the attraction of nature and to foster the appeal of the inner city, the smart growth strategy was implemented. Then this part will describe how smart growth can contribute to city branding, with the introduction of Austin as an example.

Austin is ranked to be the second most creative city in the USA, after San Francisco (Florida, 2002, pp. 246), because of both natural and urban amenities. As mentioned earlier, its branding is “the live music capital of the world” (The Austin Convention & Visitors Bureau). However, high speed influx of capital threatened “to destroy the very landscape that makes the city attractive” (McCann, 2007, pp. 189). It was a crucial issue for Austin, because the surrounding nature was one of the important elements to attract investment. Then Austin carried out “smart growth initiatives” in order to protect from the degradation of surrounding environment and sprawl (McCann, 2007, pp. 189).

This indicates that the obstinate pursuit of economic growth by attracting the influx of external capital might result, ironically, in deprivation of its main element of attraction. For the purpose of preventing such failure, smart growth could be a skilful strategy to pursue, because it enables balance between growth and environmental sustainability.

Sustainability and shrinking city issues are often combined to criticize the growth paradigm in general (Grossmann, 2004, pp. 10). The reason for this is that it could cause the degradation of natural environment as Austin faced. From this aspect, the smart growth concept is very attractive for the sustainability debate because growth and environmental protection do not contradict in this concept and it enables to create better quality of life. It emphasizes balance between economic development and ecological footprint.

Although it is more applicable for growing cities, its potential for shrinking cities cannot be ignored. The remaining parts of this chapter will explore the concept of smart growth, and discuss the potential of smart growth in the shrinking city context, in other words, smart shrinkage.
Smart growth is a concept that aims at more efficient land use and better planning practice (Edwards and Haines, 2007, pp. 49). It is a “sensible growth that balances our need for jobs and economic development with our desire to save our natural environment before it is forever lost (cited from Smart Growth Network, Walmsley, 2006, pp. 268).” It combines growth-management techniques in order to control urban growth (Walton and Ford, 2003, pp. 69). It promises and continues the development and economic growth in relevant sectors as well as the improvement of environment and greater social integration (Broussard et al., 2008, pp. 14). It focuses on reducing infrastructure costs and creating a fairer distribution of affordable housing (Wheeler and Beatley, 2004, pp. 74). Since no comprehensive guidelines for smart growth have been developed (Edwards and Haines, 2007, pp. 62), it is important for municipalities and regions to develop their own smart growth strategies.

Smart growth has a potential to reflect qualitative growth, such as social capital and the natural amenities. Such amenities, like natural environment associated with open space, are found to be of great interest for residential choice (Broussard et al., 2008, pp. 21). Then, it is possible to assume that balancing economic growth and improving natural amenities available by smart growth can be the tool for city branding.

The concept of smart growth emerged in the 1990s (Edwards and Haines, 2007, pp. 49), as a counter movement against the current development paradigm (Katz, 2002, pp. 3). It can be recognized as another paradigm aiming at the achievement of “environmental quality, urban revitalization, economic competitiveness and racial and social justice” (Katz, 2002, pp. 3). It puts the importance on 6 main elements: accessibility to various ranges and types of housings, pedestrian oriented community, sense of place and belongingness, good quality open space and environment, will of plan and connectivity by choices of transportation nodes (Edwards and Haines, 2007, pp. 56-58). It can be said that it is a new paradigm which shifts importance from the capitalist, market-oriented paradigm to a quality of life paradigm. Quality of life is understood as “a product of the interplay among social, health, economic, and environmental conditions which affect human and social development” (Bukenya et al., cited from Broussard et al., 2008, pp. 15), and “highly related to natural amenities” (Reed and Brown, cited from Broussard et al., 2008, pp. 15). Then it can be argued that smart growth has great potential to improve the quality of life.

Furthermore, it should be possible to achieve city branding by the quality of life. It has been recommended to use the management of quality of life as a fundamental basis for the local growth management policies (Miller, in Broussard et al., 2008, pp. 15). Furthermore, Landry argues that “a good quality of life is to be used as a competitive tool,” (cited from Jensen, 2007, pp. 214). Therefore it is clear that quality of life, which could be improved by smart growth, is a contributing factor for city branding. This thesis will use this idea for making strategies for shrinking Sado.
The idea of smart growth is usually more applicable in growing cities. Yet it should not mean that it is useless in shrinking cities. In fact, it does not necessarily mean that all sectors in growing cities are growing, yet it does not matter to implement smart growth. This is because smart growth aims to provide the vision how cities as a whole should grow. At the same time, it is important to clarify that not all sectors are shrinking in shrinking cities. There are some sectors and fields growing even in shrinking cities. Smart growth in shrinking cities should, therefore, aim at the stimulation of growing sectors in order to work on characteristics that other cities do not possess. Simultaneously, the shrinking sectors should be complemented by other cities. Because the concept of smart growth is applied to shrinking cities, it might be reasonable to call it as “smart shrinkage” instead. Although it is not emerged as a new concept yet, the debate of collaboration of smart growth in shrinking cities are becoming remarkable. There are many reports and articles about smart growth in shrinking cities. For example, the National Institute of Research Advancement in Japan has reported that smart growth surely plays a key role for shrinking cities (NIRA, 2008, pp. 21). The creation of smart strategies in shrinking cities has become popular discussion in Eastern Germany (Bontje, 2004, pp. 14). Furthermore, a research at Socio-economic, Sciences and Humanities at the European Commission has been working for the project of “SHRINK SMART” since May in 2009 (European Commission). From this viewpoint, is it obvious that smart shrinkage has a potential to become a new framework for shrinking cities around world.

Then how does the smart shrinkage concept function in practice? In order to investigate this question, a simple way of understanding smart growth is helpful. As mentioned earlier, smart growth is a “sensible growth that balances our need for jobs and economic development with our desire to save our natural environment before it is forever lost (cited from Smart Growth Network, Walmsley, 2006, pp. 268). In short, it is to balance the economic growth and environmental protection by practicing more efficient land use.

What shrinking cities are losing is population, economy, culture, and therefore sustainable society. It can be argued that they are losing vitality in this sense. In contrast, what they are gaining is the affordable lands and vacancies—in other words, space. Although they might be seen as abandoned and hollowed-out spaces, they could be seen for their potential when taken optimistically, because they offer opportunities that growing cities do not possess. Furthermore, the space as a resource stimulates the declining vitality to enhance the growth. From this aspect, smart shrinkage does not exclude the potential of growth. In the debate of smart shrinkage, shrinking cities can utilize its space for the growth in sectors to achieve the balanced lifestyle with urban and natural amenities in a way that is impossible in growing cities. It can regenerate the value in coexistence of human and nature which has been vanishing in growing cities (Onishi, 2004, pp. 4). This would be smart shrinkage.
Usually in the debate of smart growth, the word “balance” is used to mean balance between economic growth and ecological footprint. In the case of smart shrinkage, the word “balance” implies the idea to utilize spaces not only in vacant houses but also in farmlands and various surfaces of wilderness, including forests, lakes, rivers, plain, sea, mountains and so on. It does not utilise such spaces in a way that would harm the environment and their existence. On the contrary, it would utilise them as a potential and a partner. Therefore, citizens have to understand that they cannot spoil them. This is the “balance” in the smart shrinkage context.

- Creativity and smart shrinkage for city branding in shrinking city

For the purpose of city branding in shrinking cities, creativity and smart shrinkage have to be applied in cooperation. With regards to the creativity in this context, it is the ability to perceive problems as challenges and threats as opportunities in order to create a new value which is not based on the growth paradigm. In this aspect, the creativity to produce new value will become the most important element in shrinking cities.

Creativity can contribute to shrinking cities’ branding as a form of social entrepreneurship. It can produce job opportunities that are missing in shrinking cities. Furthermore, because of its characteristics, it would bring fewer threats for the degradation of environment that ordinary firms might bring. In short, the creativity brought by social entrepreneurship contributes toward the improvement of the image of shrinking cities by stimulating spaces as opportunities to foster economic growth.

Likewise, smart shrinkage also has to play a significant role for the branding of shrinking cities. As mentioned earlier, it aims at the growth in sectors by utilising available spaces. From this aspect, various ways to support sectors which have bigger potentials are important for smart shrinkage. In Sado, for example, the growth in the leisure sector could be improved.

Yet for the purpose of utilizing the potential of smart shrinkage, creativity has to support for it. Although the leisure sector is growing, creativity is vital to involve more people. Creativity is inevitable to make the most of the potential of smart shrinkage, but at the same time, smart shrinkage is vital for creativity to provide opportunities. It is true that creativity plays a significant role for shrinking cities, but it does not mean that all people have to be creative. The people from the creative class have to attempt to involve as many local ordinary people as possible, so that the small stream of development will become the wave of improvement. This wave will become one of the most important factors for city branding.

From these aspects, it becomes clear that creativity and smart shrinkage play important roles for city branding. More precisely, the collaboration of creativity and smart strategies contribute to city branding. It will be discussed further in the later part of the paper, with the case study of Sado. The next chapter will explain Sado briefly in various aspects.
4. Case Study: Sado

Overview

The city of Sado is located on the isolated island of Sado Island in the Japan Sea (map 2), 67km away from Niigata, the mainland of Japan. It has an area of 855.10km² and 277.5km of shoreline. The population was 67,386 in 2005 (Japan Statistics Association, 2005), making the population density 78.8 people/km². Travel guide book informs Sado as “a very popular destination because of its natural beauty and atmospheric hiking (the southern and northern mountain ranges are connected by a vast, fertile plain), as well as for the eccentric reminders of its rich, evocative history” (Lonely Planet). The rich natural environment led Sado to be known as the epitome of Japan (Sado Tourism Association).

Map 2 Sado location (Google Earth)

- Geography

Sado can be divided into three parts geographically; Oo-Sado, Kuninaka, and Ko-Sado (map 3). In north in Oo-Sado, there is a series of mountains of the Oo-Sado range, including the famous hiking area of Donden and the Mt. Kinpoku, the highest peak of Sado at 1172m high. In the south in Ko-Sado, there is the Ko-Sado Highlands with Mt. Daichi at 645m. Kuninaka Plain is located between Oo-Sado and Ko-Sado. Fifteen percent of the land is farmland, 80% is forests and fields, and 2% is built-up area (Sado, 2005, pp. 3-4).
The history of Sado is very unique. It was described in the history books of Kojiki, edited in 712 and Nihonshoki, edited in 720. After the Taika Reform in 645, the local government was established in Sado. In the first half of Nara period (710-784), it became an island of banishment, and very important people were banished, such as Retired Emperor Juntoku, a Buddhist monk Nichiren in the Kamakura period (1185-1333), and Zeami, the founder of Noh, in the Muromachi period (1336-1573). From 1601 Tokugawa Shogun started governing Sado as a gold mine was found, and many merchants immigrated to Sado to exploit gold resources. From these perspectives, Sado has developed a mixture of the characteristics of noble culture — from banishment in the Kuninaka area, samurai culture from the Tokugawa Shogun government in Aikawa, and merchant culture from the gold business in Ogi to establish a unique culture (Sado, 2005i, pp. 6).

After the Meiji Restoration in 1860s, the Sado prefecture was established and in 1876 became a part of Niigata prefecture. In 1889 Sado consisted of 58 municipalities including 7 towns and 51 villages, and in 1901 it reformed to 25 including 5 towns and 20 villages. In 1953 it reformed to 10 municipalities of 1 city: Ryotsu; 7 towns: Aikawa, Hamochi, Hatano, Kanai, Mano, Ogi, and Sawata; and 2 villages: Akadomari and Niibo (map 4). In 2004, 10 former municipalities were merged to establish the city of Sado covering whole the island.
Sado’s population is shrinking today. However there was a time Sado prospered and enjoyed population growth. Graph 2 demonstrates the transition of population of Sado. The peak of Sado’s population was 125,597 in 1950. Although the data is not comprehensive, it is said that the population in 1741 was 90,334 and that of 1872 was 106,262 (Sado Tourism Association). During the Edo era, it was said that the population was more than 50,000 in Aikawa district alone, where the gold mine brought prosperity (Sado). From this perspective it could be imagined that the population was growing until 1950. In 2005 the population of Sado was 67,386. This is the result of continuous decline in population from 1950. The decline in population recovered temporarily from 1975 to 1980, yet it has been shrinking since then. It is forecast to keep declining, and in 2035, it is estimated to be 36,590. This is 54% of the population in 2005, and as small as 29% of 1950. Furthermore, the population statistics shows the population at 67,386 in 2005, yet it was estimated to be 69,000 from the estimation made in 2002. This indicates that the forecast population can be bigger than the reality. In the other word, the real future population could be even less than 36,590 in 2035.
With regards to the age distribution, a severe aging phenomenon is observed. Graph 3 indicates the age distribution of Sado. With a glance, aging is obviously observed. This makes the aging rate in Sado higher than the regional and national average. In 2003, the aging rate in Sado was already 33.7%, which was much higher than that of Niigata prefecture’s 23.0% and Japanese average of 19.0 % (Sado, 2005ii, pp. 45). The aging rate has been increasing, and the rate is 35.9% from the population statistics from 2009 April 30th (Sado, 2009).
When taking the localized aging rate into consideration, the peripheral areas in Sado are even more serious than that of Sado in general. Many communities along the coast lines that have less accessibility are facing serious problems regarding to shrinkage and aging. The number of communities that have an aging rate of over 50% was 98 out of 714 communities in Sado (Niigata Nippou, 2007, pp. 18), and most of them were along the coast line or in the Ko-Sado Highlands (Sado). Especially in Maehama area, the aging rates of communities are extremely high, for example Awabi’s aging rate is as high as 81.8%. Furthermore, even the central areas are also facing aging issues. Aikawa-Aidumachi and Aikawa-Misoyamachi are the central part of Aikawa, and their aging rates are both 80% (Niigata Nippou, 2007, pp. 18).

**Industries**

The main characteristics of industry in Sado are its strength in primary industry. Although the number of people working in primary industry is decreasing, and the share of primary industries’ products in the island’s GDP is only about 5% in 2004 (Sado), the city of Sado places importance on it, especially on agriculture (Sado, 2005i, pp. 49). Fishery plays also important roles in various fields in Sado (Sado, 2005i, pp. 53). With regards to commerce, small local shops in the traditional commercial area have been closing down, because of the influx of big market chains to the suburb along Route 350. Furthermore, the aging shop owners are retiring (Sado, 2005i, pp. 55). With regard to manufacturing industry, Sado’s average labourers per factory and average
shipment per labourer is lower than Niigata’s average (Sado, 2005i, pp. 58). Yet since it contributes more than 20% of the GDP in Sado (Sado), it does not mean that the manufacturing is not important at all. Finally, in the field of tourism, because the number of tourists is decreasing, Sado needs to implement another strategy in this field (Sado 2005i, pp. 58). From these perspectives, it seems that primary and tourist industries are the most important in Sado. Thus, these two will be described clearly in this part.

- **Agriculture**

Agriculture is one of the most important industries in Sado. The main agricultural products are rice, persimmon, beef and other fruits (Sado, 2005i, pp. 49). Some of them are referred to as the best in Japan. For example, Sado-rice is regarded as one of the best rice brands (Sado Tourism Association). The number of people engaging in agriculture is declining. Graph 4 indicates the transition in the number of agricultural labourers. It is obvious that the number keeps decreasing.

![Graph 4 Transition of number of farmers (Sado city master plan, pp. 49)](image)

At the same time, the amount of agricultural products that Sado has produced is also declining. Graph 5 indicates the shift in the agricultural production. Although it does not show the steady shrinkage, it can be argued that the trend is rather shrinking from 1990s.
In order to deal with such issues, Sado has defined 4 challenges in the master plan: the training of people to succeed, the provision against the decline in farmlands area, the promotion of the main products, and the promotion of environmental preservative agriculture (Sado, 2005i, pp. 50).

- **Tourism**

Sado has both cultural and natural attractions for tourists. To begin with, thanks to the fact that the island was not attacked in WW2, Sado has many traditional buildings remaining and entertainment that many Japanese people have forgotten. For example, Shukunegi is the area developed as a shipbuilding village in the 17th Century when the gold business was prospering. It has 106 houses constructed in a traditional manner, and has been preserved as one of the districts of nationally-important traditional constructions (Sado Tourism Association).

Noh is also a very important cultural heritage of Sado. There are as many as more than 30 Noh stages in the island, yet there used to be even more than 200. It has been a part of people’s life in Sado. It is obvious from the fact that ordinary people such as farmers could enjoy singing Noh songs during work. From April to October, people can enjoy Noh somewhere on the island (Sado Tourism Association). There are more unique cultural heritages such as Ondeko (Damon drums) and Sado-Okesa (traditional dance). With regards to Buddhist culture, there are many temples in Sado, such as Myosenji. The five-story pagoda tower at Myosenji Temple is the only five-story pagoda tower in Niigata, and is assigned as an important national cultural asset.

Furthermore, the rich natural environment offers great variety of pleasure for visitors. Since Sado is an island with many mountains, recreation opportunities with the use of natural resources are vast. For example, Donden Highland was selected as one of the 100 best mountains in Japan in 2004, and attracts many trekking tourists (Niigata prefecture tourism guide). Ohnokame is a monolithic 167 meter high rock rising from the sea, which is described as one of the most unique
Taniguchi

rocks in Japan. From the top of the rock, it is possible to observe the whole area of Sotokaifu (Sado Tourism Association). There are many more natural sites to attract people. Nevertheless, the amount of tourists visiting Sado has been shrinking dramatically since 1991. Graph 6 shows the annual number of tourists coming to visit Sado. In 1991, the number of tourists visiting Sado peaked at 1.21 million a year, but it has become almost 0.6 million in 2004. This is due to several factors. The first reason is the late adjustment to the change in the trend of tourism. The big group tour used to be the major way for sightseeing, yet it has become more common to make individual and small group tours recently. Sado had not been able to react to the transition in trend, and this is believed to be one of the reasons that the number of tourists has declined (Sado, 2005i, pp. 58). There are other possible reasons, such as the fact that Sado could not create its specialty which overcomes the high transportation fee, which has to rely on the boat traffic, and failure to provide decent services to satisfy tourists (Sado, 2005i, pp. 58). From these perspectives, Sado’s tourist promotion is now aiming at creating a new tourism strategy by enhancing the potential of the island (Sado, 2005i, pp. 58).

![Graph 6 showing the number of tourists visiting Sado. (Sado city master plan, pp. 58).](image)

However, the problem that the tourism industry faces, with regards to the shrinking city, is not the decline of visitors. Rather, its unstable job availability could be the biggest issue. Graph 7 shows the monthly number of tourists from year 2003 to 2006. It is obvious that the number of tourists in summer is much more than that in winter. This unequal distribution of tourists makes it more difficult to create regular jobs. In fact, Fukami explained that the hotel industries can only offer seasonal jobs during the summer (Fukami, 2009-05-21). The workers cannot make their livings only by these jobs. This might contribute to the complaints of local people that they do not have job opportunities in Sado.
Network

There are three ports operating boat networking with the mainland: Ryotsu, Akadomari, and Ogi. All of them are operated by Sado-kisen. Ryotsu is connected to Niigata port, Akadomari to Teradomari, and Ogi to Naoetsu. In August, in the middle of the high season in summer, the network between Sado and the mainland can be improved dramatically. Between Ryotsu and Niigata, there are 8 car ferries and 13 express boats operating a day; between Akadomari and Teradomari, there are 3 express boats operating; and between Ogi and Naoetsu, there are 4 car ferries operating a day (Sado-kisen). From these perspectives, it might seem to have good transportation network with the mainland, yet it applies only in the summer time. In February, the number of boat traffic is reduced to 5 car ferries and 5 express boats between Ryotsu and Niigata, and they stop operating daily transportation between Akadomari and Teradomari and between Ogi and Naoetsu (Sado-kisen). What is worse, the local residents in Sado complained that the only boat traffic available in the winter time from Ryotsu could also be cancelled often because of storms.

There used to be a scheduled flight network between Niigata, but it stopped operating in 2008. Then Sado attempted connections directly to big cities (Niigata, 2003, pp. 39, Sado, 2005, pp. 9).

The internal public transportation network is operated by Niigata-Kotsu. Its bus network consists of 15 routes, and it covers Kuninaka, the shoreline, and small numbers in Ko-Sado. When taking only the number of routes into consideration, it might seem to provide sufficient services in the island. On the contrary, when taking frequency of bus traffic into consideration, there is a totally different trend observed. The map below shows the bus network of Niigata-Kotsu. It is true that some are working relatively well. For example, the Honsen, or main line, operating from Ryotsu through Kanai and Sawata to Aikawa offers 25 buses a day. The Minamisen, or south line, operating from Ryotsu through Niibo, Hatano and Mano to Sawata, offers 16 buses. The Ogisen, connecting from Ogi through Mano to Sawata, has 10 buses a day, and the Kaifusen, connecting from Aikawa along the shoreline to Iwayaguchi, near the northern edge of Oo-Sado, has 11 buses a day. With regard to these lines, although the connectivity is not necessarily good, there is reasonable public transportation available (Niigata-Kotsu, 2009). On the contrary, some other lines have only a few buses a day available. For example, Higashikaigansen, the east shoreline line, connecting from Ryotsu along the shoreline of Ko-Sado to Tada, the central part of the Ko-Sado shoreline, has 5 buses on weekdays and 4 on weekends. Uchikaifusen connecting from Ryotsu...
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along the shoreline of Oo-Sado to Iwayaguchi, near the northern edge of Oo-Sado, has 7 on weekdays and 3 on weekends. Iwakubisen, connecting from Sawata through Hatano to Kakinoura, the central part of the shoreline of Ko-Sado, has 2 buses a day (Niigata-Kotsu, 2009). The scarcely running routes are observed along the shoreline on the east side of the island and in Ko-Sado Highlands. When it comes to Oo-Sado mountains, there is no single bus running.

Map 6 Bus traffic (Niigata-Kotsu)

To sum up, with regard to inter-city networking, it cannot be said that there is sufficient transportation network provided — especially in the winter time. Likewise, when taking intra-city transportation network into consideration, it is obvious that some areas in the island are lacking enough transportation links. Such unequal accessibility is one of the reasons that the peripheral areas are shrinking even faster than the Sado as a whole. It will be discussed further in the analysis part.

Plans and strategies provided by national/regional/local level

After the establishment of Sado city, the city’s master plan was made. Furthermore, since it has been a shrinking city almost all the time since 1950s, various strategies and laws from various levels of government have been implemented.

• National Level
From the national level, Japanese government has implemented a series of laws for shrinking cities since 1970 as mentioned above, and the latest law is “kaso region independence promotion law.” It is valid between 2000 and 2010. Although it is not specially for Sado but for all depopulating areas Japanese government has specified, the law is applied to Sado as well. With these laws, Sado has carried out various plans in various fields. With the first law of the emergent treatment law from 1970, Sado organized the traffic network and foundation for industries and everyday life, which were underdeveloped compared to the urban areas. With the promotion law from 1980, Sado underlined on the promotion of industries, and it carried out the improvement of land and fishery port infrastructure, and the promotion of tourism. The revitalization law from 1990 enabled Sado to improve everyday quality of life, welfare for elderly people, treatment of communities, and so on. This bore fruit in various aspects, such as infrastructure (Sado, 2005ii, pp. 2)

- **Regional Level (Niigata Level)**

From the regional level, there is the strategy of “Sado region promotion plan” (Sado-chiiki-shinkou-keikaku) created by Niigata prefecture. It is valid between 2003 and 2011.

The plan has the aims of becoming a tourism island based on various local resources; providing job opportunities for younger generation to settle in, and to strong economic vitality; creating better natural environment and promoting the primary industry based on nature; utilizing various cultural and characteristics for town planning, and improve the charm of the whole island (Niigata, 2003, pp. 3). The plan follows three theme strategies: the island of link with history and culture; the island of environmental models; and the island of entrepreneurs (pp. 35-37).

- **Local Level (Sado city level)**

From the local level, the “Sado city master plan,” valid from 2005 to 2014, is the most important plan for Sado. Its vision is provided in the 5 pillars of the Citizen Charter, and three objectives have been created. The Citizen Charter consists of 5 parts. The first is the beautiful island with the ibis bird flying. It claims to cherish rich natural environment and to plan a city where people can live with ibis. The second is the cultural island of Okesa. It intends to preserve tradition and cultural heritage and to plan a city of wisdom. The third element of the citizen charter is the island of job opportunities. It aims to build pride and motivation to work and to plan a city of vitality with creativity. The fourth is the island of smiles and long life. It clarifies that people enjoy sports and aims to plan a city of people with good physical and mental health. And at last, the island of humanity and kindness is the fifth part of the charter. For this pillar, it aims to help residents help each other and to plan a city filled with hope and reason for life. The master plan is based on the ideal of a “new island planning with rich nature, culture and vitality” (Sado, 2005i,
There is also a specialized strategy for the shrinking city, expressed in the “Sado city caso region independence promotion plan.” It is valid from 2005 to 2009. There are three aims to achieve; to promote an attractive employment environment; to promote solid lifestyle foundation; and to promote social networks of people (pp. 8-9).

To summarize the city of Sado, it is an island with very attractive culture and natural surroundings. The self-sufficient primary industry provides high quality food. Various natural amenities enable people to enjoy many types of recreation opportunities. However, Sado has been left from the development that Japanese big cities have been enjoying. Younger people have moved away, and the aging rate has become much higher than that of Japan. Some societies are facing serious difficulties to sustain themselves. Its connection to the mainland is not sufficient, especially during the winter time, and its internal transportation network is unequally provided. Why has the shrinking city problem been serious in Sado? Why have attempted strategies not been so successful in promoting Sado? The following chapters will analyze how and why Sado has been shrinking and will discuss how its potentials can be utilized for Sado.
5. Analysis of Shrinkage in Sado

The previous chapter described the current situation of shrinkage in Sado. In this chapter, the characteristics of shrinkage in Sado will be analyzed. There are several causes triggering Sado’s shrinkage. On the macro scale, it is caused by Japan’s over-concentration, Sado’s deagriculturalization, and the deindustrialization of the gold mining industry. At the same time, when taking the micro scale population decline into consideration, suburbanization and peripheralization is observed within the island, causing unequal shrinkage. This is because the areas which used to be central parts of the island are losing population to what were formerly suburbs. Furthermore, peripheral areas have lost their population to the newly growing areas of the island. This chapter will analyse the shrinking city phenomenon in Sado as a whole and the areal issues of shrinkage.

Overall shrinkage in Sado

- **Over-concentration**

The first reason for Sado’s shrinking city phenomenon is based on Japan’s over-concentration. It could be even referred as “one-point concentration on Tokyo” (Fluchter, 2008, pp. 4), because of the capital’s dominant role in Japan. The four prefectures of Tokyo region: Tokyo, Kanagawa, Saitama and Chiba, accommodate as many as 26% of the whole population of Japan (Fujii, 2008, pp. 9). If the other nearby prefectures that host people who commute to Tokyo region, are included, the possible share of the population could be even higher. The population cannot grow by fertility because the TFR in Japan is too small to counteract the migration from rural areas including Sado. The influence of the over-concentration could be recognized especially among new high school graduates. It makes the demographic distribution nipped-in, as Graph 3 indicated earlier. In fact, the city of Sado admits that the departing younger generations and the low birth rate are the cause of the shrinkage (Sado, 2005, pp. 9). This is caused by the lack of education opportunities in Sado. In Sado, there are two polytechnics; Sado Traditional Culture and Environmental Welfare Polytechnic and Sado Nursing Polytechnic, but there are no universities. Therefore, new graduates from high school have no choice but to leave the island if they want to obtain further higher education in different fields of studies. In fact, the demographic statistics show that out of 349 high school graduates who chose to obtain further education, 342 left the island to study and only 7 stayed on the island to obtain higher education in 2007. Furthermore, out of 662 overall high school graduates in the island, 512 left the island and 150 stayed on the island (Situation of high school graduates, 2007). It indicates that as many as 77% of high school graduates tend to leave the island. Although it is not clear where they leave to, so it might not be possible to say that the over-concentration pull these students, yet “Tokyo is the primary draw for people, particularly young people, in search of employment and
education,” (Traphagan, 2008, pp.15) so that it is possible to assume that many people could be pulled to Tokyo. Even if it is not the case, the lack of education opportunities is caused by over-concentration. From this aspect, it is possible to argue that Sado is shrinking partly because of the over-concentration of Japan.

• Deagriculturalization and Deindustrialization

Job-led emigration from Sado is the other main reason to make Sado shrink. The local residents tend to believe that there are only a few job opportunities in Sado and that they have to move out to get a job. However, especially in the primary industries, there are plenty of opportunities. In the field of agriculture, forestry and fishery, Sado has difficulties to keep enough number of labourers and to train them to have leaderships in the each field. In these fields, they have difficulties in attracting younger generations to continue their businesses, and therefore the aging of the labour has been a serious issue (Sado, 2005, pp.49-55). In this respect, it could be assumed that there are many job opportunities available in Sado in the primary industries. Furthermore, when taking high school graduates who start working after their graduation into consideration, out of 169 students who started working after their graduation, 118 got a job in the island; 24 in the secondary industries and 94 in the tertiary industries (Situation of graduates, 2007). In fact, there are many job offers available on the internet (Hello Work Sado). However, the fact that there are job opportunities and whether they are attractive for younger people or not are different issues. The interview which Matanle conducted shows that there are jobs in Sado, yet just people who have moved out from the island do not want to take on these jobs, although they love Sado and they do not necessarily have good jobs outside Sado (Matanle, 2008, pp. 47-48).

Then this part will analyse how the lack of attractive jobs has led to Sado’s shrinkage. There are two phenomena that are regarded as causative elements in this aspect; deagriculturalization and deindustrialization. To begin with, deagriculturalization contributes to make Sado shrink. There are several causes that drive people to follow the trend of deagriculturalization, regardless of its many job opportunities. One of the reasons should be the change in food consumption pattern and the decline of the price of agricultural products. The average amount of rice that one Japanese person consumes is declining and it has led to the agricultural shrinkage in Sado, since its main product is rice. At the same time, the decline of price of agricultural products makes farmers lose their motivation to cultivate more (Sado, 2005i, pp. 49). It has made more difficult for agricultural labourers to make their living just by the agriculture (Oishi, 2009-05-17). As a result, the city of Sado has admitted the difficulty in making ones living by agriculture alone, and it suggests the collaboration of agriculture and tourism to develop eco-tourism as one of promotion plans for agriculture (Sado, 2005, pp. 51). Secondly there is also an internal element of deagriculturalization. This is caused by the aging of farmers, the shrinkage in farmlands area because of the abandonment caused by retiring farmers, and so on (Sado, 2005i, pp. 49).
Graph 8 indicates the number of labourers in the primary industries, the secondary industries, and the tertiary industries in Sado. It reveals that the number of secondary and tertiary industries is rather stable especially after 1980, yet the number of labours in the primary industries shows serious decline continuously from 1960. This data indicates that Sado’s deagriculturalization has been in progress for a long time. The graph also indicates that the job opportunities in secondary and tertiary industries are increasing, although the number of them is not increasing enough to subsidize the decline in the primary industry. As a result, the total level of employment in Sado is gradually decreasing, regardless of the gradual growth of employments in secondary and tertiary industries. In short, it can be argued that the lack of job opportunities that people feel is mostly led by the deagriculturalization. Simultaneously, it can also be argued that the depopulation of the city of Sado is mainly caused by the loss of agricultural labourers.

To sum up, Sado has been experiencing deagriculturalization because of the change in Japanese food consumption patterns, the drop of agricultural products’ prices, and an aging and retiring labour market.

It seems undeniable that deagriculturalization is the main reason to make Sado shrink nowadays, yet deindustrialization was a decisive reason to make Sado shrink previously — particularly the deindustrialization of gold mining industry.

When gold was found, it was said that there were more than 50,000 people living in the central district of Aikawa alone, not the former town of Aikawa. However, the prosperity and growth did not last forever. In 1952 there was a big restructuring and many miners lost their jobs (Niigata, Sado-kinzan). It maintained its business for a time but the mine was totally closed down in 1989,
due to exhaustion of gold and other minerals (Sado-kinzan). For example, a report about the gold mine in Sado made in 2006 indicates that one neighbourhood called Daikumachi, which is one of the central neighbourhoods of Aikawa, had about 2,500 residents when there were jobs related to gold mining. However, the residents moved out gradually after the shutdown, and it is now only about 20 (Niigata). This might be an exaggeration, yet it clarifies that the shutdown of the gold mine had a huge impact on Aikawa. From this aspect, it is obvious that Sado lost its population as the gold mining industry declined.

From these aspects, it has become clear that Sado has been shrinking as a result of the over-concentration of big cities especially Tokyo, the deagriculturalization of rice and other products, and the deindustrialization due to the disappearance of gold mining. This trend of urban shrinkage is quite problematic, because the depopulated society has difficulties in sustaining itself in economical, social and cultural aspects, as mentioned earlier (Fujii, 2008, pp. 9). The general effects of shrinkage have been introduced earlier, and Sado is facing all of them. For example, with regards to economy, the trend of decline of Sado’s GDP can be observed, although the decline rate is not so steady (Sado). From a cultural viewpoint, there are some areas that have difficulties in finding people to succeed local traditional festivals of Ondeko (Nakamura, 2009-05-14). Socially, it has been very difficult to sustain communities because of the aging population issues as described earlier. Environmentally, car transport is regarded as a necessity for basic activities, and it becomes extremely difficult to manage the forestry. Thus, it is clear that the shrinking city phenomenon in Sado is exhausting in various aspects and makes it difficult to achieve sustainable development. When taking these aspects alone into consideration, it is undeniable that the city’s shrinkage is negative. Yet, when taking other factors and sectors into account, city shrinkage may have positive features.

The shrinking city of Sado has aspects which growing cities cannot possess, such as low land price, land vacancy and closeness to the nature. Furthermore, the recent trend of counterurbanization, which is the movement of migration from larger scale cities or metropolises to smaller rural towns for the search of the rural lifestyle (Mitchell, 2004, pp. 18), is also a contributing factor. The newcomers who are driven by counterurbanization can potentially contribute to an increase in the economic level and local consumption, job creation, and net investment in housing stock in the area (Stockdale et al., 2000, pp. 255). From this perspective, it is natural to assume that shrinking cities have positive potential. Then how such potentials should be utilised, or should they be utilised will be considered and evaluated.

It is undeniable that new opportunities develop because of shrinkage, yet if there is no policy to regard shrinkage as an opportunity, it is reasonable to assume shrinkage as bringing nothing other than problems. Therefore, new strategies should be implemented with the use of the positive aspects of a surplus of spaces and new small influx of migration. When considering the main issue, there could be two strategies: to stimulate employment no matter what so that at least
population and economy could recover, or to leave population and economic growth aside and enjoy the slow-life in nature with rural friendly people.

In the first place, the first alternative should aim at stimulating whatever employment is available. There could be two ways to realise it; attracting firms and stimulating bigger number of tourists. First of all, for the purpose of stimulating it, companies have to be attracted to the city. In particular, the attraction of firms running large scale factories will be effective. This is because the large number of positions, and therefore employees, will result in direct growth of Sado’s population and economy. Since open spaces are everywhere, it should be very easy to offer attractive locations for constructing factories and accommodations for labour forces. This might endanger the traditional values of Sado, which have grown through its history, and its beautiful environment, which has been well preserved. However it provides a strong draw for growth in terms of population and economy. It would bring a similar kind of prosperity that Sado enjoyed during the time of gold mine business. The stimulation of further influx of tourism is also a useful method. Since Sado is a popular destination only during the summer time, spreading out tourism opportunities annually will also be a way. For example, Sado has already offered various recreation possibilities, such as the bicycle race, “Sado long ride 210”, “Sado international triathlon”, the summer festival of “Earth celebration” and so on. If these kinds of sporting and cultural events become more common annually, Sado’s recreation sector will be boosted. Furthermore, if this sector will improve the leisure opportunities for ordinary people, it will surely be a gain. Furthermore, there could be more things that Sado may offer, such as improving a golf course, organising a ski resort, hosting festivals and so on. It would increase the number of tourists especially during the low seasons, so that more stable jobs for local people could be provided.

The second alternative is to cherish Sado’s local tradition, beautiful nature, and good humanity instead of aiming at rapid economic and population recovery. With this way, people can enjoy the accessible environment and the self-sufficient food consumption pattern with agriculture and gathering edible wild plants. Indeed, it enables people to have good life, and such way of life is inexpensive so that they would not have to earn so much either. Therefore there do not have to be various job opportunities. However, it will lead to the loss of city’s competency in industry. It can be regarded as the will to do nothing for growth. Yet people who choose to stay will enjoy their way of life.

It is extremely dependent on the norms of stakeholders to choose which path Sado should follow. They both have win-lose relations. Then, instead of choosing either of them, this thesis will propose a smart shrinkage alternative in Sado. As described in the previous chapter, this strategy selects the path between the pursuit of economic growth and environmental preservation. It enables to direct the path that Sado should take by the pursuit of increase in employment and the protection of quality of life in a good environment. Instead of choosing a win-lose strategy, it will
enable Sado to obtain win-win solution for its shrinkage. The specific strategies for Sado’s smart shrinkage will be proposed in Chapter 7.

**Localized shrinkage in Sado**

The first part of this chapter has assessed why Sado should take the smart shrinkage strategy, instead of a highly growth-oriented strategy or a highly quality of life-oriented strategy, in order to solve the issues related to urban shrinkage. Then the second half of the chapter will analyse where this strategy should be implemented. In order to determine the main target for the strategy, another aspect of Sado’s shrinking city problem is clarified beforehand. This is Sado’s localised difference in shrinkage. In Sado, suburbanization and peripherization have made the traditional city centres’ functions less important, and newly developed suburbia has become more central in recent years. Then this part will first describe how the traditional central areas have shrunk and how the newly developed areas have become more important by providing the evidences of density and aging. After the description, the areas in which the smart shrinkage strategy should be encouraged in Sado will be evaluated.

- **Peripherization and Suburbanization, and emigration from rural areas to Sawata, Kanai and the Route 350**

The central part of Sado has shifted several times. When Sado was prospering due to the gold mining industry during the Edo era, Aikawa and Ogi were the central part of the city. As mentioned above, Aikawa accommodated 50,000 people, and Ogi enjoyed the flourish by the gold mining industry. After the Treaty of Amity and Commerce was concluded with the USA in 1858, the Ryotsu Port became the sub port for the Niigata Port, which was one of only five ports that were allowed to make international trades at that time, and it grew to become the main port of Sado (Sado Tourism Association). Today, Ryotsu is the premier port to the mainland of Japan (Japan, 201, pp. 267) and the port area is the economic and transportation central part of Sado (Sado), Ogi also provides a connection to the mainland, and Aikawa was declared to be “the chief town of the west side of the island” in 1914 (Terry, 1914, pp. 85) and has the office of Niigata prefecture Sado region promotion department which plays a significant role for local governance. From this viewpoint, Aikawa, Ogi and Ryotsu can be recognized as the central hubs of Sado Island.

However, when taking migration pattern into consideration, it is obvious that Sawata and the other areas along the Route 350 such as Kanai, have become more important than Ryotsu, Aikawa and Ogi, although the Route 350 connects between the Ryotsu Port and the Ogi Port, through Ryotsu, Mano and Ogi as well as Sawata and Kanai. This triggers peripherization, suburbanization, and emigration from rural areas. The central parts of Ryotsu, Aikawa and Ogi
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have lost their roles as the edge of development of the island. As a result, Sawata and Route 350 are booming, areas which are supposed to be the suburbs of Sado. This harmonizes with the cause of suburbanization mentioned earlier. Route 350 stimulated the “increased mobility of a car-driven society” (Oswalt, 2008, pp. 4). Since there is no good public transportation network available, Route 350 might have precluded it. This is the main cause of suburbanization in big cities in Japan (Ohno, 2008, pp. 100). In fact, although the Sado’s population is declining, the number of automobiles in Sado is increasing. While the rate of cars per population was 78.9% in 2001, it increased to 86.3% in 2007. This indicates that each driver’s-license holder has 1.37 cars in average. This is much higher than that of Niigata, 69.4% in 2001 and 65.3% in 2007 (Sado). It indicates that Sado is extremely automobile-oriented, and it can expect that the cars have played a significant role for suburbanization.

Graph 9 shows the shift in population of 10 former municipalities. It is obvious that all of them are shrinking. However, it is also clear that the shrinkage rate is different. The most outstanding example is Sawata and Aikawa. In 1960, its population was much smaller than that of Aikawa.
municipalities. There are only three municipalities with an increased share; Sawata, Kanai and Mano, although that of Mano is not increasing as significant as that in Sawata and Kanai.

Graph 10 Transition of share of population of 10 former municipalities. Sado.

With regard to the residential patterns of households, Sawata and Kanai are becoming the destination for settlement. Graph 11 is the transition of number of households in the 10 former municipalities in Sado. This graph clarifies how Sawata and Kanai are becoming the central hubs of the city. The number of households in Aikawa has been shrinking very rapidly after 1960, while that in Sawata is growing very fast. Likewise, that in Kanai is also growing. Combined with the transition of part of the population, this fact could indicate that Sawata and Kanai are becoming the central parts of Sado.

Graph 11 transition of number of households http://www.city.sado.niigata.jp/admin/stat/setai/index.shtml
Since the overall population of Sado is shrinking, it is obvious that Sado as a whole plays the role as rural area to push people to outside the island. However, at the same time, the suburbanization and peripherization from Ryotsu, Aikawa and Ogi and emigration from other former municipalities to Sawata, Kanai (and Mano) can be confirmed. Although neither of them is actually growing in population, each of them earns more importance than ever before. Sawata is now regarded as the commercial centre of Sado (Sado) and Kanai accommodates the city hall of Sado, the biggest hospital of Sado, and other facilities.

In particular, Sawata has become crucially important. In fact, before the merger of 10 municipalities into the city of Sado, Sawata was the only municipality which was not assigned as a semi-kaso town, since the islanders move to the commercial area of the island (Sado, 2005ii, pp. 1). Some answers from the questionnaires indicate that it has become much more convenient to live in Sawata. Sawata was becoming dominant in the field of commerce, so that the other former areas attempt to compete against it. Along with Route 350, which drives through Kanai, Sawata and Mano, the influx of capital from outside the island can be observed. Various types of big market chains are operated, such as a donut shop, hamburger shop, and supermarkets. In fact, competitive strategies were developed in order to compete against Sawata as the centre of commerce (Oda, 2009-05-22).

As a result of suburbanization and peripherization, traditional central areas have been hollowed-out (picture 1). From these viewpoints, it is obvious that peripherization is in progress to develop Sawata and the Route 350 more. The share of the population in Sawata and Kanai in Sado is increasing while that of Ryotsu and Aikawa is dropping. In other words, suburbanization is also on the way. There are two criteria which could make this trend clearer: density and aging rate.
Sado has become less dense as it lost its population. Yet it is difficult to say that it clarifies how it has shrunk. This section will analyse the density of the 10 former municipalities and density of the building lands of 10 former municipalities. Firstly, Graph 12 indicates the ordinal population density of the 10 former municipalities. This seems to uncover that Sawata has the highest population density even from 1960, and it seems to contradict to the argument until now, that Sawata has been a suburbia which is now becoming a central part of Sado.
However, it might be unfair to compare the density of the areas as a whole, because some former municipalities have more farmland, some have more mountainous areas and forests, and some have more built up areas. Graph 13 clarifies the land use of each former municipality. It is obvious that Ryotsu has much more areas for “others.” This might be because of the function as the main port of Sado. The graph also clarifies that the natural areas including woods, ponds and wilderness in Aikawa is much bigger than that in the other former municipalities. From this aspect, it might be more reasonable to analyse how densely populated in built up areas are.

Graph 12 transition in population density of the 10 former municipalities


Graph 13 land uses in the 10 former municipalities in Sado

Graph 14 indicates the transition in built up areas’ population density of the 10 former municipalities. Because the data of building lands is acquired from the statistics from 2005, it should be different in different periods of times. Yet the graph is created under the assumption that it was also the same in 1960. When taking the population density in built up areas into consideration, a totally different trend can be observed. The traditional central areas of Ryotsu, Aikawa and Ogi had much higher density in 1960s compared to the other areas. Yet their density is gradually decreasing because of the shrinking population as suburbanization and peripherization has brought the residents to Sawata. Furthermore, taking Sawata’s built up areas’ population density into consideration, it is obvious that it has been less dense compared to the traditional central areas. It reveals that it has always had a character of sprawl and low density. The same thing could be applied for Kanai. From this aspect, when taking the building lands alone into consideration to calculate population density, it reveals that three traditional centres have higher concentration.

Graph 14 transition in population density in building lands. Calculated from Graph 11 and Graph 14

It is unfortunate that the population before 1960 is not available so that it cannot clarify how rapidly Aikawa has shrank after the big restructuring of the gold mine. Simultaneously, it is also unfortunate that the population of each neighbourhood is not accessible either. That would make clearer the trend of transition in building lands’ density. From a glance, it seems that Sawata has been the densest areas for long. But the population density in built up areas clarifies that it has been a suburb of Ryotsu, Aikawa and Ogi.
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- **Aging**

The other criterion to clarify the difference of Sado’s areal shrinkage is the aging rate. Aging in shrinking cities in rural areas is the other aspect of double-faced urbanization (Motohashi, 2008, pp. 18). This is because many in the younger generation move to bigger cities, and elderly people tend to be left behind (Traphagan, 2008, pp. 16). As a result, the aging rate in shrinking cities tends to be higher than that in growing areas. This trend could be observed also in the case of Sado. As described above, Sado has higher aging rate than Niigata and Japan. This clarifies Sado’s shrinkage together with population decline. Simultaneously, when considering the aging rate of 10 former municipalities, another growing-shrinking relation can be recognised. Graph 15 indicates the share of age group of over 65 years old in the 10 former municipalities. Out of 10 former municipalities, only 3 have lower aging rate than that of Sado as a whole. These are Sawata, Kanai and Mano. Yet that in Mano is nearly same, 34.5%, so it is almost same as the average. On the contrary, the aging rate in Sawata and Kanai is quite lower compared to the other 8 former municipalities. The aging rate of Sawata is 27.7% and that of Kanai is 29.6% (calculated from Sado). Still it is higher than the national average of 19%, it is obvious that Sawata and Kanai are not aging as rapidly as the other 8 areas and Sado as a whole.

![Graph 15 transition of aging rate.](http://www.city.sado.niigata.jp/admin/stat/jinkou2/index.shtml)

This figure clarifies that there is a kind of growing-shrinking pattern within Sado. For example, the aging rate in Awabi referred above, indicates Sado’s rural shrinkage characteristics. At the
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same time, that of Aikawa-Aidumachi and Aikawa-Misoyamachi introduced above indicates Sado’s hollowed-out traditional central areas’ shrinkage. That is to say, Sawata and Kanai are becoming Sado’s urban area as a result of suburbanization and peripherization, and they have drained younger generation from the central part of Aikawa. In parallel, this new character attracts younger generation from rural areas of Sado, such as Awabi.

Thus it has become clear that Sawata and Kanai were suburbs of traditional central areas of Aikawa, Ryotsu and Ogi, and that the two are now becoming the central hub of Sado which drain population from traditional city centres and peripheral areas. Then, the location for implementation of a smart shrinkage strategy will be evaluated. There are at least two possible choices; one is to develop more in newly developing areas, and the other is to redevelop the traditional central parts of cities.

To begin with, it is more efficient to develop currently developing areas, in other words, Sawata and Kanai. This is because they have better access to the other parts of Sado due to their location, have more big markets available so that life there should be more convenient, and above all, these are attractive places for the younger islanders to live, thanks to their location and convenience. From this aspect, a new development strategy could be more easily and more realistically accepted in these areas. However, it would lead to the further gentrification of the island. This is because the investment from the new strategy will flow in to the developing areas to flourish even more, and it will leave the traditional central parts and peripheral areas of the island behind. At the same time, although they are the growing parts, they have fewer characteristics that the other parts have, such as history and natural environment. From historical perspectives, they do not have the outstanding character that other parts of Sado have. With regards to the land use, theirs are less unique than some other areas as described in graph 13. Additionally, because more households are moving in to Sawata and Kanai, the vacant space for new development is rather small. From these aspects, it is undeniable that they have many younger generations to foster new movements, but at the same time, it is also true that the locality of the two could be less outstanding.

Following this, the traditional central areas could be the target sites for new development. There are several reasons that these should be targeted. First of all, the biggest advantage of these areas is their hollowed-out districts. There are many houses available in the middle of the traditional central parts. Secondly, they have more unique histories than the newly developing areas, such as the gold mine in Aikawa and Shukunegi in Ogi. These high cultural capitals could contribute to the new strategies. The third reason is that the growth in Aikawa, Ryotsu and Ogi would enable to achieve multi-nuclei city development of Sado. The central function could remain in Sawata and Kanai, the geographically central areas, and some hubs; Aikawa in north, Ryotsu in east and Ogi in south, can contribute to the development of Sado as a whole.
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This chapter has clarified the reason and characteristics of Sado’s shrinking city phenomenon. In order to challenge Sado’s issues of shrinkage, the smart shrinkage strategy is encouraged especially in the traditional central areas of Ryotsu, Aikawa and Ogi. It is true that there are also other ways to overcome Sado’s shrinkage, yet this should be the most contributing strategy for Sado. The detail strategies’ proposal will be developed in chapter 7. The next chapter will introduce the outcomes from the field study in Sado. These will contribute in various aspects to the development of strategies for proposal.
6. Findings from field Study

The field study in Sado has inspired the thesis. During the stay in Sado in May 2009, 128 questionnaires were collected and 24 interviews were conducted. It was very helpful to obtain meaningful firsthand data that was not available from the existing literature. This chapter will summarize the findings from the study, because they will be used further. The detail lists will be found in appendix.

Questionnaire

As explained earlier, the questionnaire consisted of 8 questions. However, it was not possible to collect a sufficient number of answers for the 7th and 8th question, so they are omitted from the presentation. About half of the questionnaires were conducted face to face. The questionnaires were collected from diversified target groups, such as key stakeholders who were interviewed specifically, shop keepers from all around Sado, and pedestrians. The other half was distributed to and collected from several Administrative Service Centres in Sado, thanks to Saiga, the chief of the Niiibo Administrative Service Centre.

From the first question about Sado’s future, it becomes clear that there are three paths that Sado might take: negative, positive, and no change. Firstly, it is obvious that most of the people feel uneasy about the future of Sado. They imagine a future of Sado with more aged population and less younger generation to support elderly people. There would be less population, less job opportunities and fewer tourists, and therefore, Sado would become less energetic and vibrant. The second group of people imagines Sado will become a better place to live with more young population, although it is a very limited amount of people. This is based on the idea that there are some young people who have moved to live in Sado. The last group is the people with idea of no negative/positive answers.

The second question asked about the strengths of Sado. There are many attributes that local people like in Sado. They could be limited to four primary categories: natural resources, cultural resources, human resources, and others. Firstly, it is obvious that the natural environment in Sado is regarded as a strength. As many as 91 people out of 128 see nature as a strength of Sado. The strong primary industry producing good food and self-sufficiency is also regarded as a strength. Because of its geographic character, it is possible to have both marine and mountain leisure and food. Secondly, Sado’s unique history and traditional culture is regarded as a strength. People believe that the gold mining history gives the outsiders a positive image of Sado. Furthermore, people are very proud of their traditional local cultures. In the third place, respondents saw Sado as having good people. The high social capital makes people feel more safe and helpful. Furthermore, there are other elements making Sado attractive.

The third question was the counterpart of the second question — Sado’s weaknesses. The weakness of Sado is categorized into 5 groups: bad city networking and connections, negative
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aspects of social capital, the lack of urban amenities, the negative aspects of being an island, and others. Firstly, Sado is lacking a good public transport system connecting with other cities and within the city. There was a flight connection with Niigata, yet it has been stopped since 2008. Sado-kisen is the only ferry company operating between Sado and the mainland of Japan. In a storm, Sado can easily get disconnected from everywhere. Residents feel that the ferry fare of Sado-kisen is costly. At the same time, the inner public transportation system is not well connected either. The second weakness is the negative aspects of social capital. Residents feel uncomfortable that many things can be known by neighbours and feel annoyed by the lack of privacy. They also feel that strong social capital sometimes makes it difficult for outsiders to get in contact with the community. A lack of urban amenities is the third weakness. It is claimed that there are few places residents can go for the weekend and shopping. Fourthly, being an island is seen as a weakness. Since it is separated from the main land, with no bridges or tunnels, the transportation cost to the main land is higher compared to the cost within the main land. Insularity is also regarded as a weakness of Sado. It has a relation with the second group of being exclusive and introverted. There are other ideas islanders assume as weaknesses that cannot be assigned to any of the four categories above.

The fourth question was about the external opportunities for Sado. The opportunity for Sado is categorized into 5 groups: people oriented, information oriented, capital oriented, insiders’ activities outside, and others. The first category is based on people. Some people mean that the active newcomers to Sado provide a good influence on Sado, as well as the flow of tourists. Secondly, the media outside the island provide a good opportunity for Sado by showing ibis birds and its natural environment. The external capital flowing into the island is the third kind of good influence. Big supermarket chains have made life for residents easier, and one of the two polytechnic schools was established by newly coming investment. The activities of islanders outside the island provide good opportunity for Sado. One example is Kodo. Kodo is a Sado based Japanese drums band active all around the world. Islanders believe that Kodo has been playing a great role to promote Sado. There are other opportunities given.

The fifth question was the corresponding question to the fourth question, about its threats. The threats for Sado could be categorized into 4 groups; the disadvantages of being an island, media such as mass-communication and internet, external capitals and policy, and the decline in the number of tourists.

At first, its geographical situation as an island surrounded by the Japan Sea, with no road/tunnel connection or direct flight connection to the mainland is regarded as the biggest threat to Sado. Because of it, islanders and tourists need to depend on Sado-kisen, yet they believe the fare of it is too costly. The second threat is based on media. The islanders tend to get the idea that they have to leave the island to become successful, or they believe that they cannot do anything in Sado from watching external media. At the same time, people outside the island tend to receive
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misunderstood idea that Sado is less worthy to visit after their brief net surfing. Furthermore, the media make some people assume that Sado is left behind by the development, therefore it makes them believe that Sado has to be changed. The external capitals, policy and paradigm are the third category of the threat. Although the flow of external capital makes the lifestyle in Sado easier and convenient, they have been the big threat for local markets. The national policy is also a threat for Sado, since it does not pay attention to the situation of Sado but force Sado to follow the overall domestic policy. These are the threat because they are based on an urban paradigm, not on the Sado paradigm.

The sixth question was a matching question to the first question. It was to ask how they want Sado to be, instead of how they think it will be. The given answers can be categorized into three: the idea which Sado today is missing, such as vitality; the idea of Sado as it has been, based on nature and primary industry; and others. First, islanders want Sado to become a more attractive place for all groups of people, especially for the younger generation. Since they believe that Sado does not provide attractive jobs for young people, they want Sado to have better job opportunities. At the same time, the islanders want Sado to maintain what Sado has been cherishing, such as nature and primary industry. Furthermore, people want to become able to be more proud of Sado in the future.

To sum up, the collection of questionnaires reveals that the islanders are conscious of Sado’s shrinkage. The vast majority of them feel that Sado’s natural amenities are its strength. The bad connections to the mainland and within the island are regarded as its weakness and threats. It is interesting that people see external capitals as both positive and negative at the same time. The residents want the future of Sado to have both what it has today and what is missing today.

Interviews

It was very helpful and appreciated that many influential persons in Sado know each other, so that the diversified interviewees were appointed without difficulties. They were very eager to refer to each other and make appointments for the interviews. It is no exaggeration to say that the field study was successful thanks to their high contribution and social capital.

It was possible to conduct 24 interviews with various stakeholders concerning Sado. The 24 persons could be categorized into 10 groups: administration, tourism, entrepreneurship and production, commerce, agriculture, welfare, education, medical care, culture, and others. This part will introduce opinions of various stakeholders briefly.

To begin with, there were five people interviewed in the category of administration; two in Sado City Hall, one in Niibō Administration Service Centre and two in Niigata Sado Promotion Department. It turns out that the city of Sado collaborates with the Niigata prefecture Sado Promotion Department in order to promote Sado. However, they do not collaborate to make a
“monolithic consumer-oriented version of the urban imagery” (Greenberg, 2000, pp. 229) to enhance the image of Sado (Ohashi, 2009-05-14).

Secondly, 6 people were interviewed in the field of tourism. Two were information guides from Yoreccha Salon, two were tourism association officers, one was a coordinator of trekking, and the last person was from female hotel owner group called “Misato-kai.” It is interesting that Kato and Maeda from the Sado Tourism Association, Akatsuka, and Fukami did not mention the importance of increasing the quantity of tourists. They rather put an importance on the improvement of quality of tourism industry (Kato and Maeda, 2009-05-15, Akatsuka, 2009-05-17, Fukami, 2009-05-21). This is very different perspective from the questionnaires. It reveals that Sado is now in the transition for its path to take. The influential persons focused more on the qualitative improvement than the quantity.

In the field of entrepreneurship and promotion, two people were interviewed. Both of them were the village “U-turns” and they had been successful business people when they were in Tokyo. It was very interesting that Kanamori is more quantitative growth oriented, blaming Sado’s lack of strategies (Kanamori, 2009-05-18). On the contrary, Tsuchiya is more action oriented, involving many local people in Sado’s qualitative growth, rather than quantity (Tsuchiya, 2009-05-26).

In the field of commerce, two people were interviewed. The interview with Oda reveals that Sawata has been dominant in commerce because of the influx of external capital. Yet she argues that the individual effort and creativity to compete with them is missing in small local retail (Oda, 2009-05-26).

Two interviewees were categorized in the field of agriculture. Oishi is a former city politician concerned with the importance of rice terraces, and Kai is the president of Sado Farmers Cooperative (JA) Women’s Department. They both confirm that agriculture is the main industry in Sado, and that it has to be revitalized. However they both are conscious that there are structural problems in policy or organization of JA. Oishi claimed that the cultivation of rice alone does not enable farmers to make a living, especially for the farmers of rice terraces. This is because the cultivation at the rice terraces is less efficient than that in the plane. Kai claimed that creativity misses out utilizing the labour forces in agriculture. Because the agricultural labourers are aging, she argues the importance of micro scale agriculture instead of macro (Oishi, 2009-05-19, Kai, 2009-05-26).

There were five more interviews conducted. From the Sado General Hospital, Ogata, the chief of Nurse department, claimed that the number of medical professionals is lacking in Sado, such as doctors and nurses (2009-05-21). Kaneoka, a teacher at a polytechnic in welfare, explained that the polytechnic contributes to the provision of academic careers in Sado for high school graduates, and it functions as the hub of welfare education in Sado (2009-05-22). Hashimoto and Hashimoto explained about the welfare system in Sado. Yet Ms. Hashimoto claims that gender
equality is missing in Sado. They argue that Sado will be improved by the appointment of females in decision making processes (2009-05-18). Hashimoto and Yamada are the chiefs in organizations. They are involved in Sado’s limited ‘public participation’ where the same people are always invited. Although they are the selected members, they feel uncomfortable not being able to choose to whom to delegate the ‘public participation’ meeting, because the city always demands the chiefs to come (2009-05-21). Negishi was interviewed in order to know about the activities of KODO, the Japanese drum band which is active around the world and many islanders are proud of. Although it does not mean to contribute toward the promotion of Sado, it organizes the annual event of “Earth Celebration” to attract many tourists from all over the world (2009-05-18). From this aspect, it can be argued that KODO is contributing to the promotion of image of Sado by their work.
7. Proposal and Discussion

In chapter 7, the smart shrinkage strategy in Sado will be proposed. As mentioned earlier in chapter 5, this strategy will mainly focus on the three traditional central municipalities of Sado in order to improve the status quo of Sado as a whole. Furthermore, the concept of smart shrinkage in this thesis aims to utilize available space to improve both qualitative and quantitative elements. In order to make a proposal, the collected data from the questionnaires and interviews will be assessed. The latter part of this chapter will propose a city branding campaign in order to encourage a target audience to consider moving to Sado. The proposal of strategies will encourage and convince Sado to have different perspectives on its shrinkage. It is true that Sado in general is usually regarded as rural or countryside. In fact, many newcomers are now engaging in primary industries, which are often associated with rural employment. Furthermore, Sado’s main industry is believed to be agriculture, not only by influential persons (Oishi, 2009-05-19. Kai, 2009-05-26) but also by the city of Sado itself (Sado, 2005i, pp. 49). Yet this does not necessarily mean that Sado’s character or opportunities should be limited to rural activity such as agriculture. In fact, ‘U-turn’ islanders are unsatisfied with Sado’s limited job opportunities and miss the diverse possibilities that bigger cities have offered to them. Then, these strategies will attempt to provide opportunities which will satisfy as many people as possible. They attempt to involve the findings of the questionnaires. The following chart is the summary of the questionnaires. It will be utilised to create various strategies.

<table>
<thead>
<tr>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal</strong></td>
<td><strong>External</strong></td>
</tr>
<tr>
<td>Strength</td>
<td>Opportunity</td>
</tr>
<tr>
<td>Natural resources</td>
<td>People</td>
</tr>
<tr>
<td>Cultural resources</td>
<td>Information</td>
</tr>
<tr>
<td>Human resources</td>
<td>Capitals</td>
</tr>
<tr>
<td>others</td>
<td>Islanders’ external activities</td>
</tr>
<tr>
<td>+Spaces as opportunity</td>
<td>others</td>
</tr>
<tr>
<td>Rural, nature, mountain, sea, slow, people, tradition, food, sky, island, quiet, ibis, security, air, etc.</td>
<td>+Smart shrinkage</td>
</tr>
<tr>
<td></td>
<td>Ecology boom, new comers, U-term people, new paradigm, tourists, outsiders’ image about Sado, media, surrounded by sea, external capitals, etc.</td>
</tr>
<tr>
<td><strong>Weakness</strong></td>
<td><strong>Threat</strong></td>
</tr>
<tr>
<td>Network (internal/external)</td>
<td>Network</td>
</tr>
<tr>
<td>too much social capital</td>
<td>Information</td>
</tr>
<tr>
<td>Lack of urban recreation</td>
<td>External capitals, policy and paradigm</td>
</tr>
<tr>
<td>Island</td>
<td>Fewer tourists</td>
</tr>
<tr>
<td>others</td>
<td>+Dominant urbanization to bigger cities</td>
</tr>
<tr>
<td>+Vitality is weakening</td>
<td>Urban paradigm</td>
</tr>
<tr>
<td>Conservative, closed, few shops, no jobs, dependent, selfish, bad access, too strong social capital, giving up, urban wanna-be, etc.</td>
<td>Ferry, newcomers, outsiders meddlesome, surrounded by sea, external capitals, national policy, lifestyle &amp; perspective’s urbanisation, bad access, etc.</td>
</tr>
</tbody>
</table>

Chart 1 summary of questionnaires.
Although this thesis is about to propose several proposals, the reason strategies should be implemented is not necessarily clear. Some people might argue that shrinkage in some cities is just a process of urbanization, and such a city has lost its hegemony. In fact one of the respondents of the questionnaires estimated that Sado would become an uninhabited islet. However I believe that it would be shameful and wasteful if Sado implements nothing and just waits to become its culture and tradition to extinct. Then in order to prevent Sado from facing serious dangers of extinction of its culture and tradition, smart shrinkage strategies should be implemented. These strategies should aim at easing the main contributing factors that make have made Sado shrink, by utilising the growing sectors in Sado.

Strategies for Sado

The first part of this chapter will propose 4 strategies for 4 different types of spaces: building lands, farmland and wilderness, others, and the sea around the island. These are made based on the proposed smart shrinkage and findings from the questionnaires and interviews. The first space to be used is the building lands. In order to utilise the vacant building lands, Aikawa should be the ideal location due to several aspects. First of all, the number of households in Aikawa is dropping very rapidly and this is obviously outstanding compared to the other former municipalities. The decrease in households should refer to the increase in the vacant houses. This should offer more possibilities in building lands. Secondly, its history is also attractive. Some answers from the questionnaires indicate that Sado’s strength is its history and Sado’s opportunity will be Aikawa gold mine’s attempt for nomination for the UNESCO World Heritage.

It is true that a unique history has been inherited by many areas in Sado, and from this aspect, local people’s hope on Aikawa are rather higher than other historical areas of the city. For the utilisation of building lands, art and literature—the most common dimensions of creativity—could be the idea. In order to attract people from the creative class, the locality has to attract the “3T”s, as mentioned earlier. Yet in this respect, Sado has been already attracting artists and musicians, and it means that Sado can provide a great locality for creative inspiration. Although some of them were born and grew up in Sado and the others have friends in Sado, they are attracted by its great natural amenities and low living expenses. In this aspect, Sado has a potential to provide the 3Ts. Furthermore, Sado is the homeland for some important Japanese people: Kita Ikki, the thinker; Hasegawa Kaitaro, the writer; Ito Sekisui, the ceramic artist and
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living national treasure; and more. This might imply that Sado has a very inspiring atmosphere. Combined, the first space to be used focuses on art and literature.

In the shrinking city strategy in building lands, artists are encouraged to open their workshops, writers are encouraged to gather at literature salons, and musicians are encouraged to have mini concert occasionally and joint performances at cafes and bars. Theatre companies can be motivated to make a base. People from non-creative class could be also involved in this strategy. This is possible by being a member of service class for the creative class. It requires creativity to promote such places, yet non-creative people can work in such spaces. This strategy is rather reasonable, as some of them are already developing. For example, Tsuchiya had a workshop for his social entrepreneurship activities, although he closed it for further activities in the end of July 2009. He produced Sado-made persimmon dyeing goods there and sold them there. He engineered bamboos for lunch boxes there. It also functioned as a rental book store. Local people could come in and talk to him when it was open. Because Tsuchiya has published some books as well, he also wrote some articles there (Bottega-Sado, Tsuchiya, 2009-05-26). Let’s take another example. The Moo’talas is a Sado based three-piece band touring around Japan. It is not the most successful band, but rather a small selling band, and when they are in Sado, they run a bar (questionnaires, Moo’talas). Furthermore, KODO is an internationally active Japanese drums band and they still live in Sado while they are not touring throughout the world or in Japan (Negishi, 2009-05-18, KODO). This kind of new ways of using available spaces is spreading even for non-creative purposes. With regards to the service class, the number of cosy local restaurants and shops is gradually growing as well. Hashimoto and Hashimoto cofounded the NPO Yui for the welfare purpose, and they utilise vacant houses to open tea rooms for local people to come to chat (Hashimoto, 2009-05-18). Oda, the founder of Toki-card, is the owner of a hairdresser, and she argues that local small shop owners have to be more innovative in order to develop their shops to compete for big merchandise markets. In fact, because of her creativity, many creative professionals from all around Sado come to her salon to receive a haircut (Oda, 2009-05-22). These kinds of activities will improve the attractiveness of Sado. The vacant houses in Aikawa will be thus utilised by the new influx of the creative class and service class. Eventually, it will be possible for Aikawa to portray a new image, moving from “the town of gold mine” to “the town of gold mine, art and literature.”
The second space to be utilised is farmland and wilderness. These are the most characterising elements of Sado. As many as 91 people out of 127 regarded that Sado’s nature was the strength of Sado. Likewise, 12 people answered that its food is the strength and 9 claimed that the supply of self-sufficient food for consumption was the strength of Sado. From this point of view, it is reasonable to invest in such nature and farmland, which are the origin of food and self-sufficiency. The strategy for such areas will be the foundation of an experimental company which operates micro scale waterwheel and wind power generation, various forms of primary industries including dairy, agriculture, aquaculture, and forestry, tourism and other office work. The people who work and live there may experiment with how sustainable they can be. In order to make it work, creativity and actions of social entrepreneurs will be important. First of all, the new enterprise collaborates with a power generation company in order to practice micro scale waterwheel power generation. In Sado there are 30 rivers from short to long (Sado), and as described earlier, its geographical character is quite mountainous. From this aspect, it can be estimated that the river has steep enough currents to generate energy. At the same time, wind power generation is also experienced. Some respondents complained that devastating storms during the winter destroy some roads and cut network with the main land. It must be a big problem, yet when taking it optimistically, wind power should be utilised for more convenient purposes. The generated energy will be provided for the company’s use and to sell to other areas of Sado.

Comprehensive primary industries will be the second component of this strategy. Dairy, agriculture, aquaculture and forestry will be complexly combined. With regards to dairy, cows and horses are reared both in the wilderness and relatively plain areas. Cows’ dairy will be used to produce dairy products, and that of horses will be utilised for horse ridings for tourists and locals.
Local people would receive subsidised pricing for the horse riding activities, so that this company can be more welcomed by Sado. With regards to agriculture, rice terraces will be fully utilised to produce high quality rice. It will be sold for fancy restaurants around Japan that will purchase good rice because of its quality and for their status. Various vegetables will be cultivated as well, with micro-scale agriculture. Geographical limitations make Sado unequipped to conduct gigantic scaled agriculture. Furthermore, because such mountainous areas have more aged societies, the contribution that local people can provide is also limited. For that reason, in order to utilise the local human capital more effectively, the micro-scale agriculture should be implemented (Kai, 2009-05-26). Concerning aquaculture, loaches will be raised. This is because the city of Sado will act as a guaranteed customer for feeding them to ibis (Bottega Sado). When it comes to forestry, woods will be used to rebuild vacant abandoned houses for employees’ accommodation, the company’s office, a shop to sell products made in this company, accommodation for tourists, and other smaller products such as furniture. Edible wild plants will be collected, and mushrooms will be cultivated.

Enterprise will be involved in tourism sectors as well. Because it will be located in a mountainous area, employees will become familiar with the surrounding environment, in other words, wilderness. Then, they may also develop the experience to work as trekking guides while they are not involved with the other activities. As mentioned earlier, visitors can enjoy horse riding here, so that employees can be trainers for horses and instructors of horse riding. Furthermore, the company will accommodate tourists who want to experience agriculture and other rural activities. Lastly, various types of office work will be provided. For example, it will consist of the company’s marketing, organising tourists, shaping relations with public and customers, management, and so on. In order to effectively dispatch information about the company, it also involves media. Moreover, it will employ various workers and attract interns who are interested in agriculture and sustainable energy, employment sectors will also be an important task. Furthermore, they might have to attract sponsors for their activities. Thus, there are various possibilities of work to do. This second strategy in the space of wilderness and farmlands will attract various hard-core counterurbanism followers. For example, two respondents are newcomers in Sado, own horses, cultivate, and practice tour guides for trekking tourists to make their living. One newly-moving couple cultivate rice without pesticides, and dry under sunlight, which is a method of rice cultivation which takes much cost and effort so that farmers seldom do. They sell their productions every month which are just threshed so that the quality will maintain better, via internet, therefore, the price can be higher.
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This strategy could be possible everywhere around the Oo-Sado Mountains and the Ko-Sado Highlands. Yet it focuses implementation on Ryotsu, especially in the Iwakubi neighbourhood. Iwakubi is located in the Maehama area in the southern part of the Ko-Sado Highlands. This area is introduced as a highly aged area before in this thesis, and Iwakubi is no exception. Iwakubi is well-known for a waterfall and tremendous rice terraces (Oishi, 2009-05-19), yet is facing serious shrinkage.

The reason Iwakubi could be very suitable for this strategy is because of their geographical character in mountains, good access to a river and a waterfall, rice terraces, vacancies, and locations. The first four elements will be utilised to make economic benefit, as mentioned earlier. The last element, its location, will be very significant for the improvement of Sado in general. This is because it is located in the most aging area, and although it is in the former city of Ryotsu, it is far from the traditional centre of Ryotsu, other traditional central areas and newly developing areas. The investment in Iwakubi could contribute to the improvement of status quo of southern part of Sado. Furthermore, it could be very beneficial in contributing to the creation of job opportunities for various groups of people. It will provide not only ordinary primary industries that newcomers tend to do, but also micro scale agriculture for elderly people, non-agricultural oriented jobs for local people, and creative tasks, such as marketing, promoting and publishing, for ‘U-turn’ people and ambitious local people. Because it does not require gigantic factories or devastating constructions of new infrastructure, it would sustain Sado’s character and utilise it for economic contribution. Moreover, this experience will be the symbol of Sado’s approach to sustainable development.

The third strategy will be implemented in the spaces used for “other” purposes. It is not clear what this refers to, yet it is the area which cannot be classified to building lands, wild areas,
farmlands, water site, and so on. Its size in Ryotsu is much higher than in any other former municipalities. From this aspect, this paper assumes that “other” could be referred to the areas used for the port, both seaport and airport, facilities including parking spaces and warehouses. Then naturally, this strategy will focus on Ryotsu, especially around the Ryotsu Port.

The development of the Ryotsu Port does not necessarily have to lead to the construction of bigger bays so that huge ships can anchor. On the contrary, it has to aim at the creation of more efficient and effective networks. Many people assume Sado’s networks with other parts of Japan were negative and therefore threatening Sado. Some suggested that Sado required a gigantic bridge or tunnel to connect to the mainland. Many people felt the fees for ferry trips were overpriced, and some argued that they did not need such big ships (Questionnaires). In fact, as observed earlier, the connection with the mainland especially in the winter time is not sufficient. This strategy point will propose the improvement of efficiency and networks.

With regards to efficiency, the number of daily connections with Niigata will be decreased during the summer time. Instead, the quality of connection will be improved, especially to Niigata Airport and the Niigata Station. This is very important, because the Sado Airport runway is less than 1,000 meters, so that it should be difficult to make direct flight connections to other parts of Japan. Furthermore, this strategy aims at shortening the duration of travel and improving the cost performance. If this could be achieved, it will be even possible to commute to Niigata from Sado, as some respondents of the questionnaires have suggested (Questionnaires).

On the other hand, with regards to networks, the number of connections will be increased. As one of the respondents described in the questionnaire, the Ryotsu Port could be encouraged to become an international port (Questionnaires). The newly connecting cities would be Busan in South Korea, and Shanghai in China. Each of them would be connected once in two weeks or a month. On board, Sado’s traditional dance and music will be performed, and the performers will play the role of a caravan to market Sado. This is what Kanamori argued, although his context was that in Japan (Kanamori, 2009-05-18). Furthermore, as one of the respondents argued, a casino could be implemented aboard. The ship would be one of ships now operating between Niigata and Sado, yet it could renovate its interior and be upgraded as a whole in order to attract middle and upper class retired tourists.

The improved network will stimulate Sado’s status as an eco-island. Some of the respondents of the questionnaires argued that Sado should become a model island of ecology and environmental sustainability, and one particularly argued that Sado should become a model in the context of
East Asia (Questionnaire). If the networks between these cities will be established and Sado’s marketing in the two cities becomes successful, the chances for Korean and Chinese citizens to discover Sado will be increased.

In order to realise these opportunities, a new enterprise will be set up. It will be the research and consultant company for Ryotsu networks. It will research passengers’ behaviours after they anchor in the Niigata Port, so that it may suggest effective time to operate. At the same time, the company will market Sado in Korea and Shanghai, in order to pull new customers. Furthermore, it will collaborate with Sado Tourism Association in order to research the needs and demands of overall tourists so that Sado can supply what it should.

Finally, the last space to be utilised is the sea around Sado. Although the quality of the sea around Sado is said to provide the highest visibility in Japan, because of Sado’s location, it is not regarded as a destination of marine sports.

For this strategy, Ogi will be focused. The choice of Ogi is due to several reasons. Firstly, it has the history as the port town from the beginning of the 17th Century. Ogi is still attracting many tourists by Okesa-boats, or coracle boats. It has even a diving spot. Furthermore, Sado has developed deep-ocean water business, so that to utilise the sea is very reasonable. From these aspects, Ogi has a great potential to be the most developed ocean business district in Sado.

In order to realise the proposal, a research and development sector needs to be attracted. For example, it will attract branches of universities that research deep-ocean water. They will provide basic jobs and opportunities to learn for islanders. By the research institutes’ complex, a museum of deep sea will be opened so that it could attract curious tourists and again provide opportunities to learn for local people. Eventually, this area will attempt to become a cutting-edge region in the field of the deep-sea water research.

At the same time, it will also utilise its geographic character of unique shorelines and beautiful water, in order to develop a recreation industry here. As Ogi has the culture of Okesa-boats and diving spot, it will be marketed to be the Mecca of marine sports in northern part of Japan. By utilising its boat culture, this area will be the hub of kayaking, canoeing, sailing, rowing—in short, aquatic sports, and diving tourists will be also encouraged to visit.
What if all these four strategies in four different spaces are implemented? The overall trends of urban shrinkage might be eased but still not overcome. This is because it would still not provide diversified opportunities to study for high school graduate students. At the same time, the attraction of big cities would not decrease. Yet Sado’s attraction would become increased dramatically.

The set of four strategies would provide various job opportunities from the service sector to creative sectors. Urban amenities would be improved by newly opening cafes, bars and restaurants mainly in Aikawa, and international atmosphere would make many visitors excited about Ryotsu. Many people would start commuting to Niigata by time- and cost-efficient ferries.

The experimental agriculture/hydro power plant/dairy/marketing etc enterprise would discover various interesting sustainable ways of life, which cities all over the world would pay attention to. The cutting-edge R&D institutes of deep-sea water would develop smart and efficient ways to utilise these renewable resources, which would also demand attention. They would contribute not only economically but also from an environmental perspective. The utilisation of old houses would reduce the need for new building materials and progressive technology in Iwakubi and Ogi would contribute to the debate of sustainable development. In summary, the impact that these strategies would have on Sado would be significant, in economical, social, cultural and environmental aspects. The newly provided job opportunities would attract emigrants to return to reside in Sado once again, and attract ambitious citizens who are more concerned with their quality of life. Sado’s strengths would be maximised and weaknesses would be minimised; opportunities would bring prosperity and threats would be eased. It would contribute to the realisation of the future that the respondents of questionnaires would like to see.
The expected impact that these strategies would bring is vast. These will be first developed in the four areas. The first strategy, with art and literature, will involve approximately 30 artists constantly, some 100 people will work for newly opening bars and cafes for creative people. In the second strategy, there will be an estimated 200 jobs created. 30 people will be required for power plants, 100 will be required for agriculture/dairy/aquaculture, 40 people will be required in the tourism sector, and 30 will be required for management and promotion. The third strategy will involve the creation of 50 new jobs for researching, consulting, and communication. And the last one will involve 100 people, including 80 researchers and 20 marine sports instructors. All together, 450 jobs are directly created by these strategies. It will also stimulate indirect employment, which is estimated to be more than 1,000. The first 5 years will be spent in the development of the strategies and letting people know about these strategies. After these workers digest the tasks, they can start replicating such methods around Sado. This expansion of strategies will be vital in order to let both insiders and outsiders know that Sado is an island of creativity and innovation in order to cherish traditional lifestyles and to pursue sustainable development.

And finally, after the strategies penetrate all around the island, together with Sado’s newly gaining charm, it will gain attention from all around the world as the first successful case of smart shrinkage. All the shrinking cities around the world will envy Sado, and they try to imitate what Sado has achieved. This will be called “the Sado-Model.” It will become a charismatic symbol of shrinking city and smart shrinkage.

The strategies would counteract the origin of various problems related to shrinkage in Sado. Firstly, the strategy in Ogi to become the core of the field of deep ocean science and the strategy in Iwakubi to implement experimental agriculture and energy generation would challenge Japanese structural “over-concentration.” If these two areas can become successfully cores in their fields and be paid attention from national and global context, Sado would gain bigger share in these industries. The strategy in Iwakubi would be also challenge the deagriculturalization of Sado. Although the local people are not so happy with their rice terraces because of its inconvenience and inefficiency, the scenery of rice terraces is very attractive for outsiders (Oishi, 2009-05-19). Newcomers tend to prefer more extreme environments to convenient ones because they tend to believe that such life is the rural lifestyle (Tsuchiya, 2009-05-26), and so they would be more willing to engage with this strategy. This would be the first step to challenge Sado’s deagriculturalization.
Deindustrialization of mining industry would be transformed to newly boosting art and literature town of Aikawa. Although islanders tend to believe that the fact that gold mine was operated could improve the image of Sado (Questionnaires), the trend of emigration from Aikawa clearly reveals that Aikawa lost its attraction as a place to work and live. This contradiction would be relieved by the newly created opportunities.

It might be true that Sawata and Kanai have been developed because of suburbanization and peripherization, but these have gained importance in various fields in Sado. Then, regarding them as the central part of Sado should be more appropriate.

The transportation network is one of major weaknesses of Sado, and so public transportation network should be improved especially between the four hosting areas of these strategies and the centre. The transportation network will be connected with the boat connection from Ryotsu to the mainland, which will become much more efficient. Furthermore, the newly connected routes with Busan and Shanghai with a boat would attract outstanding influx of tourists to Sado, and the more efficient public transportation system will make them travel with ease. Furthermore, a taxi-share system will also be implemented and subsidise public transit where it cannot be operated frequently. This will allow peripheral population to obtain more equal accessibility all around the island. Moreover, car-sharing system will also be employed so that residents do not have to own their own cars.

The effective public transportation network, taxi-sharing, and car-sharing will enable Sado to become a multi-nuclei city, so that it will be convenient for people living peripheral areas. They will enable Sado to be more friendly for tourists as well.

These are the four smart shrinkage strategies, which utilise four kinds of spaces. These are the strategies to attempt to realise the question 6 of the questionnaires that people can live with nature, with diverse job opportunities, so that younger people can live in Sado.

Then, the next part of the chapter will propose the branding campaign which would attract external investments and immigration to realise these strategies, which would promote Sado’s existing characters and newly acquiring elements in order to attract further investment, and which would appeal to the global society what Sado is and what Sado could offer to them.
City branding in Sado

Before proposing the branding, this part will start with describing how Sado’s branding should be developed. As mentioned above, branding is a “monolithic consumer oriented representation” (Greenberg, 2000, cited in Jensen, 2007, pp. 213), in order to build a positive and charming image of a city in order to improve local economy by the attraction of inflows of global tourism and investment (Vanolo, 2008, pp. 3). The city branding in relation to the creative class needs a certain locality, because locality is an inspiration for aesthetics (Drake, 2003, pp. 512, 518). It is regarded that locality in big urban areas are more appreciated by the creative class usually, yet size and proximity do not matter so much (Waitt and Gibson, pp. 1232). Yet the earlier arguments have clarified that Sado has a charm to attract the creative class. From this aspect, what is needed is a catchy slogan to revitalise Sado.

With regards to city branding, the city of Sado is not producing any of it currently (Ohashi, 2009-05-14). However there are some catch phrases to describe Sado. For example, Sado Tourism Association provides information in 5 languages; English, Korean, Chinese, Russian and Japanese, and in English and Japanese languages, which contains the phrase “Pure Japan” (Sado Tourism Association). Yet it is nothing like “I ♥ NY” (the official New York State tourist website) or “I amsterdam” (the Official English language website of the City of Amsterdam) that is showing up on the very top of the page in all the languages available on the homepage. This is obvious because the webpage shows “Welcome” instead of “Pure Japan” in Chinese, Korean and Russian languages websites. Furthermore, city branding should have certain aims to choose the name of the brand. For example, “I ♥ NY” was created in 1976 to promote tourism, when New York was facing serious economic crisis in 1970s (Stohr, 2003). It generated 1.6 million additional tourists in the summer of 1977, while other North East cities in the USA recorded the decrease of 1.3 million tourists during the same period of time (Godfrey, 1984, pp. 148). That is to say, the city branding campaign was created with the aim of increasing the number of tourists to New York, and it has successfully become the brand name of New York. “I amsterdam” is the campaign launched in 2004. Its idea was that “branding needs continuity, slogans need time to be recognized and become effective” (Kavaratzis and Ashworth, 2006, pp. 23). It is not for the promotion for tourism, but “the motto that creates the brand for the city and people of Amsterdam” (I amsterdam Manifesto). It is the motto to involve people who both live in Amsterdam and visit Amsterdam, because “I amsterdam” believes that “the people of Amsterdam are Amsterdam” (I amsterdam Manifesto). In short, city branding campaign of “I amsterdam” has been aiming at involving all the residents and visitors to promote Amsterdam.
On the contrary, the slogan of “Pure Japan” does not show the same ideal or purposes that “I ♥ NY” and “I amsterdam” possess. It is rather a description of Sado. It is said that Sado has the inherent value of Japan, which is lost in the other parts of Japan after the modernization from the second half of the 19th Century. It reflects “knowledge of how to live in harmony with nature and preserve the environment” (Japanican). This is the reason that Sado is referred to as “Pure Japan.”

The branding with “I ♥ NY” influences the consumers’ image about New York to make it better. This is obvious from many people walking with T-shirts saying “I ♥ NY” — they are proud of having been in New York. Simultaneously, people who see the person with “I ♥ NY” T-shirts would instantly notice that the person has been in New York, and will probably him/herself be motivated to visit New York someday. On the contrary, it is doubtful that people would be able to imagine Sado by seeing a person with “Pure Japan” T-shirts, because of the lack of Sado on its name. Furthermore, it is even doubtful that there are any “Pure Japan” products in Sado, because the author did not find any during his stay in Sado. Therefore, it can be said that there are phrases to describe Sado, such as “Pure Japan,” yet they do not achieve to be the slogan of city branding of Sado.

Sado’s way of attract the creative class is very unique. This is because most cases of city branding are carried out in order to attract the creative class. Sado, on the contrary, as mentioned earlier, has already attracted the creative class before the branding campaign is carried out. The new trend of migration and the new resource of deep-ocean water reveal that Sado has a potential to become a branded city, although there is no specific campaign to carry out city branding by the city of Sado. It has great amenities to attract artists and great new possibilities to attract scientists in the field of research and development. In other words, Sado has an infrastructure to attract two major creative practices that are used for city branding: “arts and science” (Landry, 2006, pp. 403). Furthermore, social entrepreneurship, the other type of creativity, is gradually growing in Sado. In this respect, it seems as if Sado is just missing the clear vision to lead it towards the future. This is the reason that city branding is needed in Sado. Then, the thesis would like to propose a city brand for the final proposal of the paper.

The city branding of Sado should involve the character of nature, smart shrinkage by the new potential of social entrepreneurship by the space, and the image of “Pure Japan” that Sado is supposed to be keeping. It should be an attractive representation to make the islanders proud of Sado, to improve its already positive aspects of nature and culture, and to inspire new potentials to come.
Sado is the place where people can realize the traditional Japanese lifestyle in relation to nature and where newly coming social entrepreneurs may have the biggest challenges and opportunities. From this aspect, Sado is the place where various values that are long lost could be found. In other words, Sado is the city of rediscovery. Both residents and visitors can rediscover the “Pure Japan” characteristics where people and nature are living together, and they both can rediscover the potential of people working for the society. Although it does not have the benefit of discussion involving the local people, it might be interesting if Sado would brand itself with “ReDiscover SADO.”, as an example. The “ReDiscover SADO” refers to that it is possible to rediscover the value of Japanese way of life as “Pure Japan,” the value of spaces as opportunities, and the value that social entrepreneurs feel the biggest challenge. Furthermore, it depends on the people what to rediscover in Sado, and Sado would make them rediscover what they want to rediscover. In this sense, it could include more people. It is for now just an example; it does not have to be this slogan, yet it demonstrates that a strong message should be presented to influence the context that the consumers receive, and “ReDiscover SADO” might have the potential. No matter what the slogan actually is, if this kind of campaign is implemented, Sado could brand itself not only as a model area for shrinking cities where people can rediscover the traditional value of the Japanese way of life, but also as a milestone city which has adapted the new concept of smart shrinkage with infinite opportunities of social entrepreneurship.

Figure 1 "ReDiscover SADO"

If the city branding by “ReDiscover SADO” is implemented, it is expected to influence both external and internal attitudes toward Sado. To begin with, external capitals would flow in to Sado, because it would become an attractive place to live and work in a good harmony with nature, and people would believe that their creativity would be maximised in the island. At the same time, the islanders would stop being negative about Sado anymore. Their negative outlook would be
transformed into aspiration for challenge. They would also be proud of what they have, instead of complaining about what they miss.

The new concept of smart shrinkage would be very helpful in shrinking cities such as Sado. This is because it makes the most of the spaces as opportunities to stimulate economic growth, such as the attraction of social entrepreneurship. Furthermore, the city branding campaign that enhance the characteristics of Sado and attract further potentials of social entrepreneurship and unlimited potentials to come would be very helpful for the smart shrinkage in Sado.

It is undeniable that the shrinking city phenomenon has an impact on Sado in various aspects. However, it also provides various possibilities at the same time. The destiny of Sado might depend on the wisdom to notice how to utilize the unrealised potentials spreading all over the island.
8. Concluding Remarks

This paper has attempted to obtain deeper insights and understandings to shrinking cities, especially in the context of Sado, Japan. It has also attempted to investigate how city branding and smart shrinkage strategies can contribute to shrinking cities. Finally, it has proposed four strategies and a branding campaign for Sado.

It has become clear that Sado in general is shrinking because of the deagriculturalization, deindustrialisation and the high concentration of population in the great cities of Japan. These factors have led to the shrinking city of Sado in general. At the same time, within Sado, suburbanization and peripherization has let Sawata and Kanai, along the Route 350, develop more, attracting the younger generations from peripheral areas in Sado. The higher aging rate outside Kanai and Sawata demonstrates it. This is believed to be caused by the development of basic infrastructure and the automobile oriented society to sprawl out from the areas which traditionally played a central role on the island.

Secondly, it has also become clear that smart growth has a potential to improve various aspects in shrinking cities. While smart growth in growing cities often aims at balancing economic growth and environmental footprint, smart shrinkage aims at efficient use of vacant spaces and the improvement of growing sectors in order to obtain growth in the way which would not harm the environment. It accepts to shrink, but it does not give up developing and revitalizing. It works effectively with creativity.

Thirdly, various strategies with the use of smart shrinkage and creativity were proposed. The strategies were designed based on the questionnaires and interviews from the field study in Sado. They are estimated to provide various types of opportunities to attract diverse groups of people for different reasons. Likewise, these strategies are estimated to improve the impression of Sado as a model island of natural environment. Branding of Sado by “ReDiscover SADO” attempts to attract investments to build the foundation of these strategies, and it attempts to stimulate Sado’s charm such that people can enjoy quality of life with good access to nature and newly acquired urban style attractions.

It was unfortunate that the author could not obtain some data, although the field work helped to obtain bigger amount of information than expectation. The optimistic discussion provided various strategies that would bring solutions for the problems of Sado. Yet there are several
weaknesses involved. For example, there are no technical backups provided if some of the strategies can be realised, such as wind power plants and the micro-scale waterwheel hydro power generation system. It is also questionable if Sado can actually afford to practice these strategies. There is neither consideration to land ownership of the sites for strategies nor laws related to construction. Furthermore, the strategies are shaped in order to solve various problems that already exist. In other words, there is no provision for uncertainty in risks. The other weakness of this paper is that the concept of smart growth in the context of shrinking cities. In order to overcome these weaknesses, follow-up studies have to be employed.

Indeed, Sado has charming rural characteristics. Its primary industries and beautiful wilderness, good humanity and social capital, tradition, history and culture are surely attracting many tourists and residents. This is definitely the strength of Sado. However, it does not mean that Sado has to insist on denying change in residential behaviours. Rather, utilising its rural character the most in order to attract urban attractions is a reasonable strategy as Sado itself has been urbanised.

The argument of smart shrinkage and creativity in this thesis might not be supportive enough to make a drastic change of Sado, yet it would be very positive if this argument could lead Sado to find better perspectives on itself and contribute to make Sado to be the first successful shrinking city in the world.
Appendix 1: Questionnaires

**sex**

- Male: 59
- Female: 67
- N/A: 2

**female age**

- 10s: 16
- 20s: 15
- 30s: 15
- 40s: 7
- 50s: 3
- 60s: 6
- 70s: 4

**male age**

- 10s: 18
- 20s: 12
- 30s: 7
- 40s: 3
- 50s: 15
- 60s: 6
- 70s: 0
Q1. How do you think will Sado become if it follows the existing trends?

<table>
<thead>
<tr>
<th>Negative</th>
<th>Positive</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aging/aged society (40)</td>
<td>Become better (3)</td>
<td>No change (4)</td>
</tr>
<tr>
<td>Shrinking population (31)</td>
<td>More younger generations (2)</td>
<td>Back to nature/desert island (3)</td>
</tr>
<tr>
<td>Kaso, meaning “rural exodus, depopulation” (22)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fewer younger generation (15)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fewer children (13)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Falter (11)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less energetic island (8)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worse (7)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less job opportunities (7)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsustainable communities (5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worse tourism, less tourists (5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2nd Yuubari (4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worse primary industry (4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sink (4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uncomfortable to live (3)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

![Diagram showing responses by area]
Taniguchi

Q2, what is the Strength of Sado? What do you like in Sado?

<table>
<thead>
<tr>
<th>Natural resources</th>
<th>Cultural resources</th>
<th>Human resources</th>
<th>others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature (91)</td>
<td>History, roots (12)</td>
<td>People and Humanity (28)</td>
<td>Slow speed lifestyle (14)</td>
</tr>
<tr>
<td>Food (12)</td>
<td>Traditional culture (15)</td>
<td>Link with people, social capital (11)</td>
<td>Less costly (4)</td>
</tr>
<tr>
<td>Self-sufficiency (9)</td>
<td></td>
<td></td>
<td>Easy to live (4)</td>
</tr>
<tr>
<td>Being an island (5)</td>
<td></td>
<td></td>
<td>Security (4)</td>
</tr>
<tr>
<td>Scenery (5)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air (4)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sky (3)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Having nothing but nature (3)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Silent (3)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Both mountain and marine leisure (3)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q3, what is the Weakness of Sado? What do you dislike in Sado?

<table>
<thead>
<tr>
<th>Network</th>
<th>Social capital</th>
<th>Lack of urban amenities</th>
<th>Island</th>
<th>others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad connections to Japan mainland</td>
<td>Strong social capital provides less privacy and make rigid (11)</td>
<td>Less job opportunity (9)</td>
<td>Being an island (10)</td>
<td>Less younger people (4)</td>
</tr>
<tr>
<td>especially in winter (21)</td>
<td>Introverted, closed community (11)</td>
<td>Less amusement facilities (7)</td>
<td>Products from outside is expensive such as petro (5)</td>
<td>Bad customers’ services (4)</td>
</tr>
<tr>
<td>Expensive Sado-kisen (7)</td>
<td>Exclusive (9)</td>
<td>Less shopping facilities (3)</td>
<td>Insularity (4)</td>
<td>Self centred (4)</td>
</tr>
<tr>
<td>Bad public transportation (5)</td>
<td>Not extrovert (3)</td>
<td>Urban-wanna-be (3)</td>
<td>Giving up because of its rural condition (3)</td>
<td>Disliking changes (4)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bad medical care and welfare system (3)</td>
<td></td>
<td>Pulling ones legs each other (4)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Not noticing what is good in Sado (4)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Remain unchanged (3)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Garbage from</td>
</tr>
</tbody>
</table>
Q4, what is the Opportunity for Sado (external)

<table>
<thead>
<tr>
<th>People</th>
<th>Information</th>
<th>Capitals</th>
<th>Islanders’</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>New comers, immigrants (I-turners), U-turners (21)</td>
<td>Image of ibis (20)</td>
<td>Capitals from outside (4)</td>
<td>Kodo’s activities (4)</td>
<td>Surrounded by sea/being an island (8)</td>
</tr>
<tr>
<td>Tourism/tourists (10)</td>
<td>Environment (14)</td>
<td>Information from outside, mass-media, TV (7)</td>
<td></td>
<td>History, culture (6)</td>
</tr>
</tbody>
</table>

Q5, what is the Threat for Sado (external)

<table>
<thead>
<tr>
<th>Network</th>
<th>Information</th>
<th>External capitals, policy and paradigm</th>
<th>Fewer tourists</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fares of Sado-kisen (15)</td>
<td>Mass-communication, media, internet, TV (8)</td>
<td>Capitals from outside (6)</td>
<td>Recession (3)</td>
</tr>
<tr>
<td>Being an island surrounded by sea (15)</td>
<td></td>
<td>National policy (5)</td>
<td>Less tourists (3)</td>
</tr>
<tr>
<td>Bad accessibility with no bridges nor tunnels (15)</td>
<td></td>
<td>People outside believe their paradigm and push their idea to Sado (3)</td>
<td>Bad customers services (3)</td>
</tr>
</tbody>
</table>

Q6, how do you want Sado to become in next 30 years? How do you make Sado to be?

<table>
<thead>
<tr>
<th>To gain what Sado misses</th>
<th>To keep what Sado has</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractive place for younger generation (24)</td>
<td>Being able to live with nature (22)</td>
<td>Being able to proud of Sado (5)</td>
</tr>
<tr>
<td>Being vitalized island (17)</td>
<td>No change (8)</td>
<td>Ok by having less population (5)</td>
</tr>
<tr>
<td>More job opportunities (8)</td>
<td>Sado’s own paradigm (7)</td>
<td>Good people, good humanity (4)</td>
</tr>
<tr>
<td>More tourists (7)</td>
<td>Cherishing traditional culture</td>
<td></td>
</tr>
<tr>
<td>Attractive place for both old and young, women and men (7)</td>
<td>Model of eco-island, eco-tourism, recycling society (7)</td>
<td>Sustainable community (3)</td>
</tr>
<tr>
<td>Attractive place for children (5)</td>
<td>Better primary industries (6)</td>
<td>Self-support in the region (3)</td>
</tr>
<tr>
<td>An island people want to live (4)</td>
<td>Security (6)</td>
<td></td>
</tr>
<tr>
<td>Attractive place for elderly people (4)</td>
<td>Living with more Ibis (6)</td>
<td></td>
</tr>
<tr>
<td>Balanced population, demography (4)</td>
<td>Self-sufficient (4)</td>
<td></td>
</tr>
<tr>
<td>More immigrants (I-turners) (4)</td>
<td>Better access with Japan mainland (3)</td>
<td></td>
</tr>
<tr>
<td>(4) Better access with Japan mainland (3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More population (3)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 2: Interviews

Administration

- Sado City Hall
  - Ohashi claimed the importance of making specialties of Sado because of unity of 10 municipalities (unlike gold mines of Aikawa or ibis of Niibo). However, there is no city branding campaign to build such Sado’s monolithic representation. (2009-05-14)
  - Nakamura was concerning the sustainability of traditional culture in the peripheral areas in Sado. But he also argued that conservative generation in such areas had passed away or had become less energetic so that it had been easier for new comers from outside to be in such communities. In Nanaura district, seven small communities made a network for the development. (2009-05-14)

- Niibo Administration Service Centre
  - Saiga claimed that the importance should be put on the success of the characteristics of Niibo, not on the development. (2009-05-15)

- Niigata prefecture Sado Promotion Department
  - Osaka and Hiyama explained the role of Niigata prefecture in the promotion of Sado. According to them, the Niigata prefecture Sado Promotion Department played the role to link the various administrative departments acting individually. It collaborated with the city of Sado to promote, since there were several parts both Sado and Niigata dealing with. The promotion department would show what Niigata prefecture could offer to the city of Sado though the Sado region promotion plan. (2009-05-22)

Tourism

- Tsunoda and Kobayashi from Yorecha Salon analyzed that U-terns want urban amenities and I-terns prefer rural characters in Sado based on their experiences as a U-tern and an I-tern. (2009-05-15)

- Kato and Maeda from Sado Tourism Association claimed that now was the time for the transition of the form of tourism in Sado, such as from quantity to quality, from group tours to individual tour. They argued the importance of the improvement of toilet and shower equipment and the appeal for female tourists. (2009-05-15)

- Akatsuka called himself as a tourist association for night, meaning he could work for visitors to provide useful information even after the office hours of the official tourist
Taniguchi association. He worked for people-tourism than eco-tourism to connect local people and tourists. He insisted that the workers in tourism had to make the best effort to make the customers to stay twice longer since the number of tourists became half of the peak year. He believed that I-terms have to consider more carefully about how to involve more people than what they want to achieve. (2009-05-17)

- Fukami described that the female hotel owners group had worked to attract tourists from abroad, collaborated with the city of Sado. The group made a treatment guidebook both in Japanese and English for the labours in the tourism industry in order to improve visitors’ customer’s satisfaction, because it had been said that customer’s satisfaction in Sado is very low. She also mentioned that good devices were needed so that the visitors could stay one day longer. (2009-05-21)

Entrepreneurship and producing

- Kanamori labelled Sado as a city without strategies. He claimed that Sado should declare to be an island of tourism, and then it should aim at achieving the population of 100,000 and 1million tourists again. In order to make it come true, he claimed that the enlightenment of islanders was needed, in order to let them notice how great Sado was and what was missing to be on the list of UNESCO World Heritage sites. He suggested the smart use of Sado local cable TV intranet as the tool of the enlightenment. (2009-05-18)

- Tsuchiya established a regional firm in Sado and has playing a significant role as a producer and a planner. He has proposed several goods and events, such as Sado-lunch with the use of food and bamboos from Sado, persimmon dyeing products with the use of persimmon produced in Sado, and festivals. He mentioned that he had been trying to involve ordinary local people to promote Sado and he criticized the situation that young people, outsider people, and different people were used as the key players of the promotion strategy. Instead, he argued the importance of ordinary people playing the key roles in the promotion. In order to do it, he would attempt to grow the people who were involved in the promotional firm, and to involve the elderly people who had worked hard for the promotion yet retired from such actions in the firm. (2009-05-26)

Commerce

- Zasu is the former president of the board of trade in Sado youth department. He explained the reason of annual event called “Ondeko in Harajuku” in Tokyo had finished. He described that the festival was originally aimed at promoting Sado in Tokyo, yet it broke off since it was unclear whether it was effective to promote Sado
or not. He claimed that the festival might have been a chance for appeal, yet it was not successful as a place to make a business to promote Sado. (2009-05-16)

- Oda played the significant role to develop the network of small local markets by “Toki-card.” This network was first emerged in Niibo, Kanai, Hatano and Mano to be against Sawata, but now with two other former towns of Hamochi and Sawata, they are now developing the network to compete with big market chains from outside of Sado, which mainly concentrating along the Route 150. She argued that although it was undeniable that each individual small shop would not compete against big ones, they had to be creative to improve the profit. For example, she mentioned that there had been some critiques that the Toki-card networks did not meet the needs of customers; such as there was nothing that younger generation wanted to buy from the shops of the network, so that they had to rely on the big market chains. Nevertheless, interestingly she did not regard such big chains as a threat but a chance for small retailers to shift their tactics. (2009-05-22).

Agriculture

- Oishi is a former local politician having a great interest in the protection of rice terraces in Sado. He described two aspects of rice terraces. Firstly it was recognized as very beautiful traditional landscape which was worthy to preserve. This is the perspective from outsiders. On the contrary, the local people who had been engaged with agriculture in rice terraces had the aspect that they were mere burdens. They had to cultivate them just because the rice terraces were inherited from ancestors. They were not efficient to make money with. Then he claimed the importance of educating a person to be a producer to make other possibilities from rice terraces to start business to make enough money for farmers to make their own living only by the rice terraces. (2009-05-19).

- Kai is the president of Sado Farmers Cooperative (JA) women department. She believed that if agriculture got declined, Sado would get declined as well. Therefore, she had been working for the improvement of the condition of agricultural industry and to raise the income of farmers in order to improve the condition and income level of Sado as a whole. She admitted that the aging problem of agriculture, yet she argued that more creative ideas should be practiced such as the micro scale agriculture cultivating many products but small amounts, that elderly farmers could rustle. She also insisted the importance of the collaboration between agriculture and tourism in Sado, in order to let the tourists to consume locally produced products, not cheaper products imported from outside of the island. Furthermore, since the price of rice and the consumption of it had been dropped in Japan, she suggested making bread by rice powder as a new Japanese food to stimulate the production of rice. (2009-05-26)
Taniguchi

Welfare

- Hashimoto and Hashimoto are the couple and cofounder of NPO Yui. Through the work of Yui, they offered places to gather and meet for elderly people. Further, Yui had been working for the welfare issue for handicapped people. Especially Mrs. Hashimoto argued that Sado was a sexually discriminated place for females. It could be observed easily in the Sado city council. Among 28 posts as a city politician, there was only 1 female member elected. She claimed that Sado could be dramatically improved by utilizing female and by appointing female in various decision making processes. (2009-05-18)

Education

- Kaneoka is a teacher of care at Sado traditional culture and environmental welfare polytechnic. The polytechnic was established to offer a place for local younger generation to study in the island. Therefore, all departments have Sado studies as a compulsory program in order to enable students to obtain the understandings of local characters. The school aims at growing talents needed in Sado and Japan. As a teacher of care, she described the school had functioned as a hub of nursing network in Sado, and the students could enjoy the network. She insisted that the issues of care and welfare were the issues of the community as a whole, therefore, the community needed to collaborate with nursing system. (2009-05-22)

Medical

- Ogata is a manager of the nursing department of Sado general hospital. She is the only woman in the decision making group of the hospital. She felt the hospital’s support for female to keep them working is not sufficient enough yet to hold back. There were no dormitories or babysitting supports for nightshifts. Yet, she argued that even there were such facilities available, it was needed to create Sado that people would love to keep living. Since there were no such supporting systems, only about one third would stay 4-5 years after they started working at the hospital. According to Ogata, the problem in the field of medical services in Sado was the lack of specialists, especially doctors and nurses. Therefore, as mentioned above, Sado has to become more attractive for residents including the specialists to stay. (2009-05-21)

Culture

- Negishi is working at the general affairs department of KODO. KODO is a Japanese drums bands group performing around the world. Although it does not necessarily aiming at branding Sado, some islanders regard it as one of positive aspects of Sado. (2009-05-18)
Yamada, the former president of Sado Women’s Institute and Hashimoto, the president of Sado Consumer Association were selected as members of public participation in various planning processes. They pointed out that the local authority always assembled the president or higher ranked members from various interests groups, like women’s institute and consumer association; so that the members of arbitrary participation are often same. Furthermore, these groups could not send younger people who had stronger interests in planning but they tended to send older people who had become tolerant toward inconveniences. As a result, they were in the participation group, yet they admitted that the level of participation was not sufficient. What is worse, the local government started establishing departments specialized in certain interests that various interests groups already had had, these interests groups had been weakened because of the lack of collaboration. (2009-05-21)
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