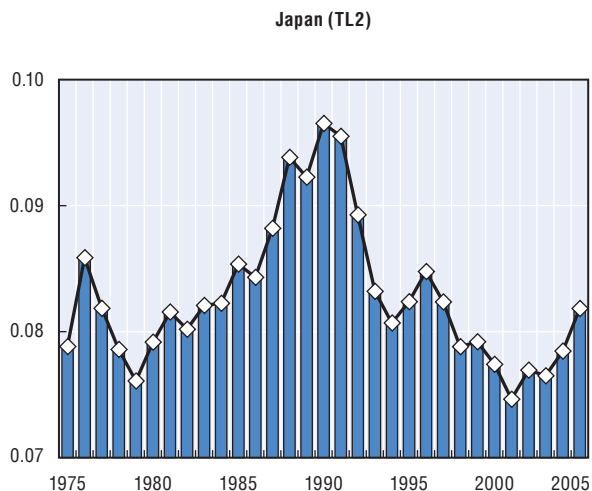


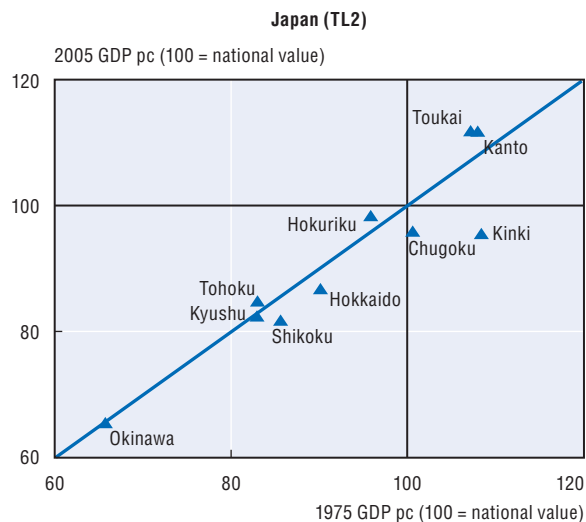
Japan

Population and territory	<ul style="list-style-type: none"> ● 127.8 million inhabitants (2007, the second most populated OECD country), 368 098 km² (the ninth largest in the OECD).
Administrative structure	<ul style="list-style-type: none"> ● Unitary country. ● Two-tiered sub-national system: <ul style="list-style-type: none"> ❖ TL2: 10 <i>Groups of prefectures</i>. ❖ TL3: 47 <i>Prefectures</i> (todōfuken), among which 12 predominantly urban regions (55% of total population, +2.7 pp over the past 26 years), 22 intermediate regions (32%, -1.3 pp) and 13 predominantly rural (13%, -1.4 pp). ❖ More than 1 800 municipalities at the local level.
Share of sub-national government in total spending/revenues	<ul style="list-style-type: none"> ● Spending: 31.9% (2006). ● Revenues: 32.9% (2006).
Concentration and inequalities	<ul style="list-style-type: none"> ● Japan's economy is more concentrated than on average in OECD countries, with 40% of national GDP being concentrated in 10% of TL3 regions as opposed to 38% in the OECD. ● Inequality in GDP per capita among TL2 regions has fluctuated over the past 30 years in Japan. From the mid-1970s to the early 1980s inequality declined although from 1974 to 1975 it increased. From the early 1980s to the early 1990s, inequality increased to its highest level in 1991, and over the next decade it declined to its lowest level in 2001. Since 2001, inequality has been increasing. ● Over the past three decades, Kinki experienced the largest change in its relative levels of GDP per capita. The underperformance of Kinki, displaying the lowest GDP per capita growth rate (0.52%) over the past decade among Japanese TL2 regions, has reduced its above average GDP per capita levels in 1975 (8% above the national average) to below average levels in 2005 (4% below the national average). ● Two of Japan's lagging regions, Okinawa and Kyushu, have outperformed the national average in GDP per capita growth rates over the past decade, recording the fourth (1.28%) and the third (1.38%) highest growth rates. In contrast, the lagging regions Shikoku (1.02%) and Hokkaido (0.85%) trail the national average (1.15%) in growth rates. ● The largest contribution to national growth was by Kanto, which contributed 51.8% of the overall national GDP growth during the past decade, followed by Toukai (12.9%), Kyushu (8.6%) and Kinki (7.9%).
Key challenges	<ul style="list-style-type: none"> ● Regional disparities (mono-axis spatial structure). ● Ageing society, decreasing population and the impact on regions. ● Response to global scale environmental problem.
Objectives of regional policy	<ul style="list-style-type: none"> ● Growth of regional blocs based on regional assets.
Legal/institutional framework for regional policy	<ul style="list-style-type: none"> ● National Spatial Planning Act (2005). ● National Spatial Strategy and Regional Spatial Strategies.
Urban policy framework	<ul style="list-style-type: none"> ● City Planning Act (1968). ● Urban Renaissance Law (2002).
Rural policy framework	<ul style="list-style-type: none"> ● Basic Plan on Food, Agriculture and Rural Development (2005).
Major regional policy tools	<ul style="list-style-type: none"> ● Regional support by the Integrated Bureau for Regional Revitalisation. ● Priority Plan for Public Infrastructure. ● Urban Renaissance Programme. ● Comprehensive Public Infrastructure Provision Grant Industrial cluster projects and Knowledge Cluster Initiative. ● Special aid to depopulated areas and other designated areas. ● Local Allocation Tax (fiscal equalisation scheme).
Policy co-ordination at central level	<ul style="list-style-type: none"> ● National Spatial Strategy (National and Regional Planning Bureau).
Multi-level governance between national and sub-national levels	<ul style="list-style-type: none"> ● National Spatial Strategy and regional spatial strategies. ● National and Regional Planning Bureau and regional planning councils.
Policy co-ordination at regional level (cross-sectoral)	<ul style="list-style-type: none"> ● Regional spatial strategies. ● Regional planning councils.
Policy co-ordination at regional level (geographic)	<ul style="list-style-type: none"> ● Regional spatial strategies. ● Regional planning councils. ● Municipality mergers.
Evaluation and monitoring	<ul style="list-style-type: none"> ● Ongoing evaluation on the National and Regional Spatial Strategies.
Future orientations of regional policy	–

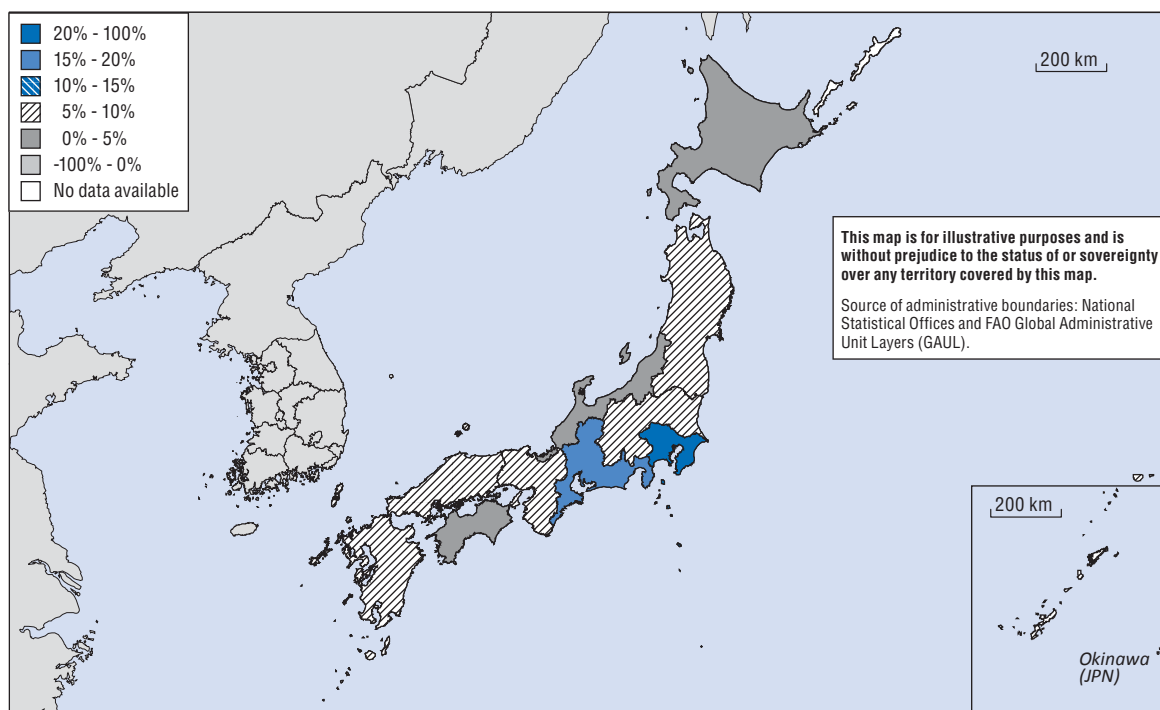
Gini index of inequality of GDP per capita across TL2 regions, 1975-2005



Regional performance in GDP per capita over time, 1975 and 2005



Regional contribution (%) to national GDP growth, 1995-2007



Source: Calculations based on data from Japan Ministry of Internal Affairs and Communications and OECD Regional Database (2009).

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