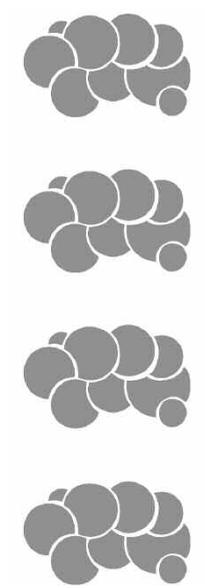


*Depopulation, Aging,  
and Rural Restructuring in Japan*



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## ***Depopulation, Aging, and Rural Restructuring in Japan***

### ***Highlights:***

1. Japan is one of the most rapidly aging and depopulating countries in the world.
2. The government informed that half of the current municipalities in Japan would disappear by 2040.
3. The government has invested considerably in depopulated municipalities over the last 50 years.
4. These depopulated municipalities have been transformed into subsidy-dependent economies.
5. The depopulated municipalities themselves have undergone reorganization since the 2000s.

*Abstract:* Rural areas in Japan have seriously suffered from problems of low fertility rates and aging population due to out-migration since the 1960s. The rapid depopulation of rural Japan has led to a collapse of local communities. Japanese scholars call these phenomena *Kaso*, which means, 'very scarce and/or too depopulated'. At around the same time, the Japanese government enacted the anti-depopulation law and started pouring funds into depopulated areas. The total amount of investment during the 1970-2018 period was about 1 trillion USD, of which almost 40 percent was used for the improvement of roads and communication networks. However, despite this huge investment, most rural municipalities in Japan have been endangered due to persistent depopulation and aging. In this process, the economic structure of depopulated areas became distorted and they have become subsidy-dependent. In this paper, the historical background of depopulation and aging in rural Japan, as well as the current situation, will be discussed in relation to the government policies of the last 50 years. Government's official statistics are analysed along with previous research conducted by Japanese scholars in the context of international comparison.

*Keywords:* Depopulation, aging, rural, subsidy, Japan.

## ***Despoblación, envejecimiento y reestructuración rural en Japón***

### ***Ideas clave:***

1. Japón es uno de los países que más envejecen y se despueblan del mundo.
2. El gobierno informó de que la mitad de los actuales municipios de Japón desaparecerían en 2040.
3. El gobierno ha invertido considerablemente en los municipios despoblados en los últimos 50 años.
4. Estos municipios despoblados se han transformado en economías dependientes de las subvenciones.
5. Los propios municipios despoblados han sufrido una reorganización desde la década de 2000.

*Resumen:* Las zonas rurales de Japón han sufrido seriamente los problemas de las bajas tasas de fertilidad y el envejecimiento de la población debido a la emigración desde la década de 1960. La rápida despoblación de las zonas rurales de Japón ha provocado el colapso de las comunidades locales. Los estudiosos japoneses llaman a este fenómeno *Kaso*, que significa "muy escaso y/o demasiado despoblado". Más o menos al mismo tiempo, el gobierno japonés promulgó la ley antidespoblación y comenzó a invertir fondos en las zonas despobladas. El importe total de la inversión durante el periodo 1970-2018 fue de aproximadamente 1 billón de dólares, de los cuales casi el 40 % se destinó a la mejora de las carreteras y las redes de comunicación. Sin embargo, a pesar de esta enorme inversión, la mayoría de los municipios rurales de Japón han estado en peligro de desaparecer debido a la persistente despoblación y al envejecimiento. En este proceso, la estructura económica de las zonas despobladas se distorsionó y han pasado a depender de las subvenciones. En este artículo se analizan los antecedentes históricos de la despoblación y el envejecimiento en las zonas rurales de Japón, así como la situación actual, en relación con las políticas gubernamentales de los últimos 50 años. Se analizan las estadísticas oficiales del gobierno junto con investigaciones anteriores realizadas por académicos japoneses en un contexto comparativo internacional.

*Palabras clave:* Despoblación, envejecimiento, rural, subvenciones, Japón.

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## *1. Introduction and justification*

Japan is one of the most rapidly aging and depopulating countries in the world. After World War II, the population in Japan steadily increased until 2008, when it reached its peak population of over 128 million. Since then, the population in Japan has been continuously declining and reached 125.9 million in 2020. According to the population projection by the National Institute of Population and Social Security Research, a government agency of Japan, the total population of Japan in 2048 will be less than 100 million. The main reasons for this rapid depopulation in Japan are the low fertility rates and its aging population in addition to its rigid immigration policies. In 1947, each woman in Japan was expected to give birth to 4.54 children during her lifetime; however, by 2019, this rate had dropped to 1.36 children per woman, well below that of the population replacement. At the same time, having undergone a period of high economic growth until the 1980s, the average life span of the Japanese people grew significantly, resulting in an increase in the elderly population in conjunction with low fertility rates. The aging rate in Japan has sharply increased from 7.9 percent in 1975 to 28.7 percent in 2020 (Table 1). Japan faces a super-aged, shrinking society as a whole, a phenomenon which has not been experienced in other parts of the world.

Table 1.

Changes in population and aging rate in Japan (1975-2020)

Year	1975	1980	1985	1990	1995	2000	2005	2010	2015	2020
Total population (million pers.)	111.94	117.06	121.05	123.61	125.57	126.93	127.77	128.06	127.09	125.88
Aged population over 65 years old (million pers.)	8.87	10.65	12.47	14.93	18.28	22.04	25.76	29.48	33.87	36.19
Aging rate* (%)	7.9	9.1	10.3	12.1	14.6	17.4	20.2	23.0	26.7	28.7

Source: Census. \*Aging rate: The rate of the population aged over 65 years.

Needless to say, the situation of low fertility and population aging differs from region to region. Rural areas in Japan, especially mountainous municipalities, have seriously suffered from low fertility and population aging due to regular out-migration since the 1960s (Kim, 1997a). Since the 1960s, Japan has experienced rapid rural depopulation leading to a collapse of local communities (Kim, 1999a). Japanese scholars call these phenomena '*Kaso*', which means 'very scarce and/or too depopulated' (Kim, 1998). At the same time, the Japanese government enacted the 'Urgent Measures for Depopulated Areas Act' (in Japanese, '*Kaso-ho*') and started to pour investments into *Kaso* areas (Kim, 1999b). The total amount of investment during the 1970-2018 period was about 110 trillion yen (about 0.85 trillion euro), and almost 40 percent of the funds were used for the improvement of roads and communication networks. Despite this huge investment in *Kaso* areas, most rural municipalities in Japan have been endangered by their subsistence, due to the long-lasting depopulation and aging. A government projection by the Masuda Report in 2014 indicated that half of the municipalities (896 of 1,727 municipalities) would disappear by 2040 (Masuda, 2014).

In general, there have been two theoretical viewpoints on depopulation in Japan. One is an optimistic viewpoint, which regards it as a process of achieving a balance in the suitable distribution of resources and labour force. The other is more pessimistic and views depopulation as a process of imbalance and/or peripheralization (Okahashi, 1996). There have been more than 60 years since rural depopulation and its aging population have become a social issue in Japan, and the balanced situation that neoclassical economists insisted on has not yet emerged (Kim, 1999a). Instead, the depopulated municipalities themselves have undergone reorganisation (Bu and Kim,

2010), thereby gaining a base for existence, even if hardly a sufficient one, by depending mainly on financial support from the central government.

In this paper, the historical background of depopulation and aging in rural Japan as well as the current situation will be discussed in relation to the government policies of the last 50 years. Due to the characteristics of policy-oriented papers, unless specified, most of the data used for this paper are based on the Japanese government's official data, especially those of the Ministry of Internal Affairs and Communications (MIAC), Japan. Moreover, the author referred to his own previous papers to interpret statistical data in the context of international comparison.

## *2. Emerging depopulation and aging in Japan and its historical background*

From the end of World War II to the first half of the 1950s, most of rural Japan experienced a population boom due to the huge influx of its citizens from the former Japanese colonies as well as veterans from the battlefields, which resulted in over-population in rural areas for a short period (Kim, 1997b; Kim, 2000). In the latter half of the 1950s, however, huge numbers of rural-to-urban migration began and Japan experienced high economic growth, which was led by the manufacturing sector in urban area; this in turn precipitated rapid rural depopulation, especially in remote mountainous areas. Moreover, charcoal production, the main livelihood in most mountainous areas until the 1960s, collapsed due to energy transition to petroleum (Okahashi, 1997). The combination of the collapse of economic bases in mountainous areas in Japan and abundance of job opportunities in urban areas until the 1970s, accelerated the rural exodus (Kim, 1995). In fact, the annual average economic growth of Japan during 1956-1973 was 9.2 percent, with the highest being 13.1 percent in 1960.

In general, tax revenue allocated to local governments in Japan has been highly dependent on the population size of each municipality. Therefore, a rapid decrease in the population of municipalities, especially for those with a small population, is a critical financial threat for their subsistence (Kajita, 2004). In the late 1960s, when the results of the Census were released, rural municipalities in Japan realised the potential risk of their subsistence and started lobbying and campaigning for the enactment of '*Kaso-ho*'. The law was first enacted in 1970. Since then, the Japanese government has

designated '*Kaso*' municipalities almost every ten years, using three indicators: depopulation rate, aging rate, and financial capability index (Kim, 2003a).

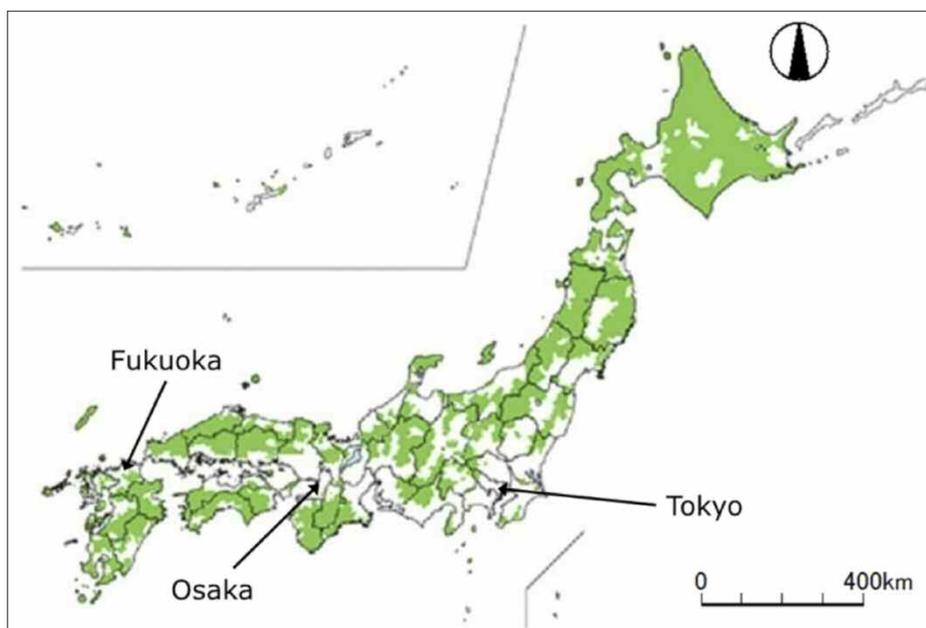
When rural depopulation first occurred in Japan it was seen as a social issue. While the proportion of the *Kaso* area population to the total population in 1960 was 21.8 percent, it dropped to 8.6 percent by 2015. At the same time, population, by age groups in *Kaso* areas, has also drastically changed over the last 60 years. The proportion of the population between 0 and 14 years of age dropped from 34.8 percent in 1960 to 10.6 percent in 2015. In contrast, the proportion of the elderly over 65 years old sharply increased from 6.7 percent to 36.6 percent during the same period. The main causes of rural depopulation in Japan have also changed from rural-to-urban migration to a natural decrease since 1989 (MIAC, 2019).

Although *Kaso* areas have significantly decreased their presence in population proportion, total acreage of *Kaso* areas still occupies 60 percent of the national territory, which accounts for about half of the total number of municipalities as of 2017 (MIAC, 2019). This imbalance between population and territories makes it more difficult for *Kaso* municipalities to maintain their administrative services, which are very costly on a per capita basis.

Looking at the financial situation of *Kaso* areas, the proportion of local tax of *Kaso* municipalities to their total budgets was 13.7 percent as of 2018, which was much lower than the national average of 32.7 percent (MIAC, 2019). In other words, most *Kaso* municipalities depend on subsidies from the central government for their financial budgets.

These vulnerable financial situations in *the Kaso* municipalities are aggravated by their weak industrial structure. Agriculture and forestry, which had been the main industrial base for mountainous areas, have declined significantly over the last 60 years. Instead, more than 80 percent of employees in *Kaso* areas are engaged in the service and manufacturing sectors (MIAC, 2019). The process of adjustment to a subsidy-dependent economy is distorted, however, most of them are employed by the public and construction sectors (Kim, 2000).

Figure 1.  
*Kaso areas in Japan*



Source: Modified by the author based on Association of Kaso municipalities.  
<http://www.kaso-net.or.jp/> (04/10/2020). \*The Kaso municipalities are coloured green.

Figure 1 shows *Kaso* municipalities in Japan. Half of the municipalities are still losing their population and transforming into a hyper-aged society. Most of the depopulated municipalities are located in mountainous areas, far from the main metropolises, such as Tokyo and Osaka.

After World War II, the Japanese government adopted an export-oriented industrialisation strategy for rapid economic growth, which led to spatial disequilibrium between industrial metropolises and rural areas (Kim, 1997a). Most industrial complexes were constructed along the coastal areas from Tokyo to Fukuoka, the so-called 'Pacific Belt Zone'. Having fewer natural resources, the Japanese government, after the war, had little choice except for selecting metropolises such as Tokyo and Osaka as the growth centres for export-oriented industrialisation, which required a huge labour force which came from the rural areas. After rural depopulation became a social issue in the 1970s, the Japanese government tried to move economic agglomerations to non-metropolitan

areas<sup>1</sup> (Okahashi, 1997). Although industrial relocation policies have contributed to severe regional disparities to some extent, they could not change the regional economic structure in Japan nor solve the problem of rural depopulation. Depopulation is now taking place at the national level, and nearly all settlements are shrinking. Consequently, depopulation can no longer be considered an unfortunate rural expression for successful national economic development (Matanle, 2014).

The transformation of most overpopulated areas to underpopulated areas within a short period had never been experienced before by the Japanese society during its long history. At the moment, the depopulation phenomenon and aging in Japan can be called an 'industrial disease' (Kim, 1995), which was induced by high economic growth after World War II.

### 3. Countermeasures against rural depopulation in Japan

Among the various countermeasures to tackle rural depopulation in Japan over the last 50 years, a series of '*Kaso-ho*' (literal meaning of the Law against depopulation) has been the main policy regarding the amounts of the budget and long-term schemes; such a measure has never been observed in other countries. After the first '*Kaso-ho*' was enacted in 1970, there have been three further revisions and additional extensions of the law. As explained before, the first '*Kaso-ho*' was enacted in 1970 and entitled 'Urgent Measures for Depopulated Areas Act'. It was initially legislated for a specified ten-year period. It was revised in 1980 and came to be known as the 'Act of Special Measures for Promoting Depopulated Regions'. The third one was passed in 1990 as the 'Law on Special Measures for Activation of Depopulated Area', and it was again revised in 2000 as the 'Act on Special Measures for Promotion for Independence for Underpopulated Areas'. Because of the critical public opinion since 1990s towards unnecessary investment in *Kaso* areas, such as low-utilized and/or duplicated public

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1• For instance, the Japanese government enacted the Industrial Relocation Promotion Law in 1972, and issued the Third Comprehensive National Development Plan in 1977 which aimed to promote the decentralization of industry and factories.

facilities, the government had to use the term 'Independence' to clarify that the revision would be the last one.

Under the above policy measures, the central government of Japan started to implement financial transfers to local governments since the 1970s (Kim, 1999a). Owing to the financial support from the central government, *Kaso* municipalities were able to continuously invest in various public works such as road construction, gymnasiums, and tourism facilities. Due to large-scale public investments during 1970-1990, infrastructure in *Kaso* areas had significantly improved, and the social environments of *Kaso* areas were not inferior to those of urban areas by the end of the 1980s. Moreover, the 'lost decade' in the 1990s, after the collapse of the bubble economy of Japan in the late 1980s, hit them hard because of the stagnation in the Japanese economy. In fact, the amounts of general account tax revenue in Japan decreased almost 36 percent, from 60.1 trillion yen (0.46 trillion euro) to 38.7 trillion yen (0.30 trillion euro) in 2009. When the new millennium began, it became obvious that the central government could not sustain *Kaso* areas with large-scale financial transfers, as before.

Despite the long-term stagnation of Japanese economy, the government considered extending the prescription of the '*Kaso-ho*' in 2010 because the situation in *Kaso* areas continued to shrink. However, since the goal of the fourth '*Kaso-ho*' was 'Independent' from the subsidies of the central government, the government could not revise it again. So, instead of a revision, the government had to choose an extension of its prescription. Revising the law with the goal of 'Independent' meant admitting their failure regarding the policy, and this was not acceptable for the bureaucrats.

The two main schemes of financial transfer to *Kaso* municipalities in Japan were the special allocated tax and various types of subsidies. Whereas the former can be used for the general account with considerable discretion of a local government, the latter has to be executed for strictly restricted purposes, if not exceptional, within a fiscal year from April to the following March. As a result, most subsidies to *Kaso* areas have been used for public construction, which has in turn contributed to the formation of a subsidy-dependent economy in *Kaso* areas (Kim, 2000).

Combined with the financial transfer schemes, 'Depopulation bond', a governmental funding measure for *Kaso* municipalities has also contributed to improving the infrastructure in *Kaso* areas, on the one hand, and to form a subsidy-dependent economy on the other (Kim, 2003a). Once a *Kaso* municipality issues the depopulation bond, 70 percent of the bond amounts are paid back by the central government, which causes a moral dilemma for *Kaso* municipalities concerning the expending of more taxes on public construction. The total amount of the

'Depopulation bond' during the last 50 years was 11.3 trillion yen (0.087 trillion euro) which is equivalent to 1.4 times the national budget (general account) of Japan as of 1970.

Table 2 shows the *Kaso* budgets for policies against depopulation during the last 50 years. The total amount invested in *the Kaso* areas was about 110 trillion yen (0.85 trillion euro), which is 14 times the national budget (general account) of Japan in 1970. The total budget increased considerably every ten years until the 1990s. The budget increased twofold, even during the 1990s, when the Japanese economy suffered from depression after the collapse of the bubble economy. Due to the advent of neoliberalism in Japan in the 2000s, coupled with the critical public opinion towards unnecessary investment in *Kaso* areas, the budgets were slashed by almost 33 percent during the next ten years.

**Table 2.**  
*Budget for the policies against depopulation (1970-2018) (billion yen %)*

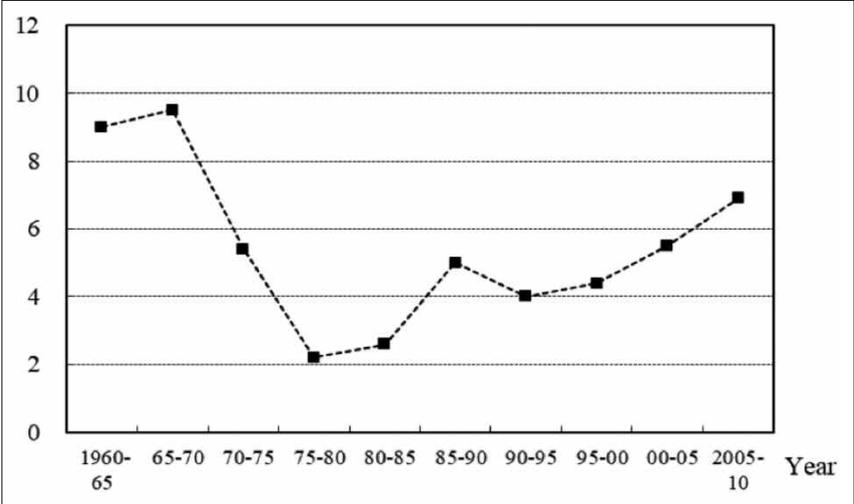
Period	Industry promotion	Road & communication network	Living environment improvement	Health & welfare for the elderly	Medical care	Education	Culture promotion	Settlement improvement	Others	Total
1970-1979	1,752.4¥ 4.37€ (22.2%)	3,919.7¥ 32.14€ (49.7%)	894.5¥ 7.33€ (11.3%)	95.3¥ 0.78€ (1.2%)	947.0¥ 0.77€ (12.0%)	1.90¥ 0.02€ (0.02%)	273.9¥ 2.25€ (3.5%)	7,884.7¥ 64.65€ (100%)		
1980-1989	4,825.7¥ 39,57€ (27.8%)	8,594.2¥ 70.47€ (49.5%)	1,798.3¥ 14.75€ (10.4%)	245.7¥ 2.01€ (1.4%)	1,708.5¥ 14.01€ (9.8%)	41.2¥ 0.34€ (0.2%)	153.4¥ 1.26€ (0.9%)	17,367.0¥ 142.41€ (100%)		
1990-1999	10,660.3¥ 87.41€ (29.3%)	14,267.3¥ 116.99€ (39.3%)	6,405.7¥ 52.53€ (17.6%)	1,130.8¥ 9.27€ (3.1)	621.1¥ 5.09€ (1.7%)	2,486.5¥ 20.39€ (6.8%)	118.6¥ 0.97€ (0.3%)	638.4¥ 5.23€ (1.8%)	36,328.7¥ 297.90€ (100%)	
2000-2009	6,962.9¥ 57.10€ (28.4%)	9,191.9¥ 75.37€ (37.5%)	4,965.7¥ 40.72€ (20.3%)	952.1¥ 7.81€ (3.9%)	533.0¥ 4.37€ (2.2%)	1,329.8¥ 10.90€ (5.4%)	214.2¥ 1.76€ (0.9%)	100.3¥ 0.82€ (0.4%)	262.9¥ 2.16€ (1.1%)	24,512.8¥ 201.00€ (100%)
2010-2018	7,219.2¥ 59.20€ (30.2%)	6,655.7¥ 54.58€ (28.0%)	4,192.1¥ 34.38€ (17.6%)	1,903.7¥ 15.61€ (8.0%)	1,050.7¥ 8.62€ (4.4%)	2,069.0¥ 16.97€ (8.7%)	277.6¥ 2.28€ (1.2%)	184.0¥ 1.51€ (0.7%)	286.2¥ 2.35€ (1.2%)	23,838.2¥ 195.47€ (100%)
Total	31,420.5¥ 257.65€ (28.4%)	42,628.8¥ 349.56€ (38.8%)	18,256.3¥ 149.70€ (16.6%)	3,986.6¥ 32.69€ (3.6%)	2,545.8¥ 20.88€ (2.3%)	8,540.8¥ 70.03€ (7.8%)	491.8¥ 4.03€ (0.4%)	463.1¥ 3.80€ (0.4%)	1,614.8¥ 13.24€ (1.5%)	109,948.5¥ 901.58€ (100%)

Source: Modified by the author based on the data in MIAC (2019). Note: The percentages are in parentheses. In 2019 1 yen ¥ = 0,0082 euros €.

Looking at the breakdown by purpose, half of the budgets had been invested in constructing roads and communication networks until the 1980s. Though the proportion has decreased since the 1990s, when more than 90 percent of *Kaso* areas could access nearby cities within an hour by car (National Land Agency, 1995), investments to construct public facilities continued. Although each budget has its own purpose, such as health and welfare for the elderly, most of the funds have been poured into the construction sector. For instance, in the case of the budget for culture promotion, most of the budget has been used to construct a cultural centre and/or other facilities.

Although countermeasures against rural depopulation in Japan have been concentrated on the investment in public construction, the depopulation rate drastically slowed down in the first decade (Figure 2). It dropped from 9.5 percent during the 1965-1970 period to 2.2 percent during the 1975-1980 period. However, it increased after 1980 due to aging and a natural decrease in the population of *Kaso* areas. More than six decades of continued depopulation resulted in a high proportion of the aged population. As of 2015, the aging rate over 65-years of age in *Kaso* areas in Japan was extremely high, at about 37 percent. After the 1990s, the depopulation rate rapidly increased again owing to the increase in mortality rather than rural-to-urban migration.

Figure 2.  
 Depopulation rates of *Kaso* Areas in Japan



Sources: Modified by the author based on the data in MIAC (2015).

The question is why the Japanese government has concentrated on public works. The answer to this question emphasises three reasons: the government's perception of depopulation, the centralised administrative framework, and the political landscape in Japan. First, the Japanese government perceived that the main reason for rural depopulation was the underdeveloped infrastructure and social environment in remote mountainous areas. Consequently, the main tasks for anti-depopulation policies have been focused on providing improved infrastructure so that the residents in *Kaso* areas could enjoy the so-called 'National minimum' of quality of life. However, these efforts could only temporarily contribute to slowing down the high speed of rural depopulation. Second, due to the highly centralised administrative framework in Japan, rural municipalities have had to depend on financial support from the central government. Moreover, most of the financial support from the central government was in the form of subsidies for projects that had to be executed for strictly restricted purposes and within a fiscal year; the municipalities had little choice other than public construction.

The central government has given priority to the fair distribution of national budgets, ignoring social aspects such as community empowerment (Kim, 2003b). Finally, the rural areas, especially the *Kaso* areas in Japan, have been strong supportive bases for the Liberal Democratic Party (LDP), the conservative ruling party in Japan for the last 70 years, except for the short periods of 1994 and 2009-2012. The LDP guaranteed a variety of subsidies to *Kaso* municipalities and secured political support in return. Combined with the former two factors, most beneficiaries from this long-term collusion between the ruling party and *Kaso* municipalities were local construction sectors (Kim, 2000).

Until the 1990s, more than ten construction businesses were operational in a standard *Kaso* municipality with ten thousand people. Only the construction sectors in *Kaso* areas grew rapidly during 1970-2000 owing to the various subsidies from the central government. As a result, the employment structure in *Kaso* areas changed the agriculture- and forestry-dominant economies before the 1970s to the subsidy-dependent construction ones thereafter. In fact, the typical employment structure of a *Kaso* municipality consists of one-third of employees in the public sector, another one-third in the construction sector, and the others in the service and agriculture sectors. Moreover, the owners of construction companies appeared as the new political elite in *Kaso* municipalities and supported needless public construction (Kim, 2003a). Once the construction sector became the major economic base of *Kaso* municipalities, they needed more subsidies to sustain the construction sector and its employees. The subsidies from the central government became the 'Bread of village' in the *Kaso* area.

Since the 1990s, most of the public works in *Kaso* areas were not to improve the social environment but to sustain the construction sector and its employees. Consequently, the meaning of the words 'for the village' has deteriorated to 'for the construction businesses' in *Kaso* areas of Japan.

In the meantime, the financial and political intervention of *Kaso* municipalities resulted in unexpected consequences, that is, the weakening the self-reliance capabilities of a community (Kim, 2004). Combined with selective out-migration and aging, most of the traditionally endogenous organisations of a community have been disorganised or reorganised under the leadership of the municipal governments, which have enough financial power owing to the support from the central government. Endogenous, self-organizations, change roles to a pseudo-organization of local municipalities (Kim, 2000). In short, this was due to their over attention to economic aspects, such as employment, while ignoring social aspects such as community empowerment.

#### 4. Concluding remarks: from government to local governance

After Japan turned to neoliberalism from the 2000s, it became obvious that the financial transfer scheme to support *Kaso* areas could not be sustainable. While the government had slashed the budgets for *Kaso* areas, it pushed small-sized *Kaso* municipalities to merge with nearby cities to reduce administrative costs. Since then, the quality of services provided to inhabitants by the local government has deteriorated, especially in depopulated areas. Prior to the merger, a small-sized rural municipality would allow its residents to receive prompt help from public services, even though it was financially inefficient from an administrative perspective. These benefits were a result of the face-to-face relationship between municipal officers and residents, which allowed municipal officers to be easily acquainted with the residents' public service needs.

However, since the administrative agglomeration, residents have had to pay high costs to access public services, as the up-scaled local municipalities are responsible for an increased number of residents, with a lower budget. These high costs for residents are exacerbated by the restricted involvement of municipal officers in com-

munity activities (Kim and Bu, 2009). Prior to the administrative agglomeration, municipal officers tended to act not only as members of the administrative system but also as community members. However, after the administrative agglomeration, it became less likely that a municipal officer would be present in community activities due to increased responsibility. As a result, it has been suggested that regional management organisations (RMOs) may play a role in the revival of local governance.

In many depopulated areas, the distance between the local government and local community has continued to grow, and this has led to the newly established local government transferring certain responsibilities, such as the maintenance of cultural heritage, to the local community. However, due to the severe depopulation over the last 60 years, most local communities in Japan have lost their ability to self-organize, while local governments have replaced many of the local communities' roles in rural societies with increased subsidies from the central government. Furthermore, most depopulated local communities with rapidly aging populations are no longer able to take charge of the responsibilities transferred from the newly established local government.

At present, rural Japan is in the midst of a dramatic shift from a subsidy-dependent government to reiving local governance. It would be based on community empowerment, which Japanese villagers have forgotten over the last couple of decades, though it doesn't seem to be optimistic in practice.

## 5. *Acknowledgements*

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