

Regional Revitalization and Circular-Economy^{*} : The Abe Administration's Experimentations and Evaluations

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<ABSTRACT>

The Abe administration started an experiment modifying policies after so-called 'extinction list' released in 2014. It was a policy shift toward a new regional revitalization connecting regeneration(purpose) through circular-economy(method). The biggest feature was that the government changed its planning, budget and evaluation from top-down to bottom-up by changing the implementation system from central initiative to local autonomy. It established a new type's grant and introduced KPI & PDCA methodologies to evaluate the specific circular-economy's achievements. Through these impacts of regional revitalization can remain in the region without being leaked. By accumulating socio-economic capital through the circular-economy and regional regeneration is considered more advantageous than the downward and uniform development of central-led. Similar to Japan, Korea has a low cost-effectiveness of regional revitalization. Therefore, it is important to learn lessons from the experiment of Japan. For regional revitalization and the circular-economy, △Various governance building △Local residents as driving force △Sustainable profit's model △Practical use of differentiated local resources △Industrial policies specializing in local communities △specific evaluation systems are typically necessary.

Key words : regional extinction, regional revitalization, circular-economy, community leads, new grant

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1. Introduction: Reasons to Reexamine the Regional Revitalization Projects

It is appropriate that the goal of regional revitalization should be adjusted to improve the life of regional residents. Accordingly, it is better to consider the interests and gains of regional residents as the top priority among the project chains spanning the entire process like project's principal actors, resource procurement, project content, and distribution of its outcome. The improvement of the life of regional residents, which is the original goal of project, is possible when the intermediate and final outputs of regional revitalization are circulated and accumulated within the region. Unfortunately, however, there have been not a few experiences that the gaps were felt between the outputs of projects and the improvement of the life of regional residents. There have been some cases where projects ended without the output of real revitalization, resulting in a waste of budget, because the projects have been repeated while the government led the entire chain of projects such as planning, funding, execution, and evaluation, and focused on building the infrastructure such as top down civil engineering and construction. Mentioned as representative cases of waste of tax money are such projects that spending a large amount of blood tax did not end with completion of projects, but tax was endlessly injected for maintenance even though the infrastructure has been turned into an idle facility. Regional residents were excluded and alienated, and existed only as bystander-like objects, but the input and output of regional revitalization projects most of the time flowed out as monopoly profits into the hands of external large-scale SOC project companies and the regional wealthy power.

Not only Japanese but also Korean regional revitalization projects were not free from related charges and experienced the side effects of fiscal deterioration and regional devastation. In fact, even though Korea and Japan implemented various policies for balanced development between urban and rural areas, there were side effects that intensified urban concentration and regional alienation. Although moving resources to “rural → urban” is a reasonable choice for individuals, it is desirable to reexamine the choice because it intensifies competition to secure resources and incurs social costs due to the widening gap. Therefore, it is important that the policies related to regional revitalization so far are to be newly planned and implemented by reflecting various

environmental factors such as growth, finance, and population change. If it is difficult to solve new problems with old methods, it is better to change the perception and the system related to regional revitalization, and to adopt a new way to operate the entire project, such as the communication system and the principal actors to drive the project. In other words, both Korea and Japan, accustomed to the regional revitalization (measures for stimulating regional economy) promoted through “regional integration to induce the interests of the power”, need a new approach for balanced real development and welfare of residents by reviewing past projects. An alternative experimental attempt is understood as adoption of a circular economy (method) to increase the practical effects of regional revitalization (purpose).

The circular economy means the real improvement of regional economy and the life of residents through the multiplier effect by taking the entire process of regional revitalization away from the central (administrative) initiative, minimizing the dependence on the outside through the participation of regional (residents) principal actors, and recirculating created value to the region's inner radius. Although it is not that the existing method did not aim at a circular economy, various fruits of revitalization predominantly flowed out of the region rather than staying in the region. Few regional residents participated in the projects. The principal actors in the region remained merely as bystanders and were excluded from the distribution of the fruits. The region was merely the project space where the projects were carried out, but planning, principal actors and resources of the projects were monopolized by external entities as a matter of fact. As we all are well aware, the results were intensifications of imbalance and polarization. Therefore, circular economy is a concept, to transfer the real benefits of project results to the relevant region, based on the revitalization projects, and thereby to ignite the related front and rear industries remaining dormant. Although the start would be a one-shot project, it is possible to self-support and sustainably revitalize the regional economy without external dependence by establishing a circulating system based on the results and experiences of the project. Therefore, proposing a circular economy as a core method of regional revitalization coincides with the original intention and purpose of project, i.e., sustainability of regional economy. As corroboration, the Japanese government is interested in circular economy and is experimenting with a new approach

that emphasizes regional ownership of project while letting down central leadership. Although its evaluation is early because the experiment is currently ongoing, some results prove the consistency of the change in the direction. It is expected to provide significant implications to the Korean society facing a similar dilemma.

This paper seeks to explore the values of linking regional revitalization and circular economy through the Japanese case. First, the change in policy of regional revitalization was studied with the focus on the policy change of the central government by linking the past limitations and the present experiment. In other words, the target point and the expected effect of the central government's policy change, not of the individual regional cases, were analyzed by linking it with circular economy. In addition, the limitations of Japan's projects were examined. Extracted were the evaluation and conditions for the completion of circular economy through the background and meaning of the policy changes in regional revitalization that the Abe government attempted to overcome the limitations. This leads to the implications for Korea, which is in a similar situation, and expands to the necessary conditions for implementation for Korea. The previous research on circular economy focusing on regional economy is summarized as follows. A case study of circular economy in public and industrial policies (植田和弘:2000, 大貝健二:2012, 山下祐介:2015, 吉田敬一:2018) and a case study of the multiplier effect in transactions relations among regions (Anto Haoichi: 2006), a case on the value creation in circular economy (小倉波子:1996, 福士正博:2005, 枝廣淳子:2018) and so on. Ultimately, this paper seeks the expected effect of international comparison by deriving the efficiency and rationality of the changes in regional revitalization policy and by connecting it to the Korean situation. However, because the analysis was centered on the background of the policy changes, other conditions were excluded. There is a limitation in that the field cases were not reflected. As a follow-up study, the connection logic between regional revitalization and circular economy will be refined and supplemented.

2. The Process and Limitation of the Regional Revitalization in Japan

Japan, which faced the problem of disintegration and alienation of regional society

from an early stage, began full-fledged regional revitalization with multiple approaches, but the results were known to be not very satisfactory. In 2002, the Japanese government pushed an extensive consolidation of regional governments in order to supply administration to confront regional extinction. There have been some remarkable achievements since the consolidation. However, there are evaluations that either the achievements were not linked to sustained long-term achievements or that many projects have been neglected halfway. This is because the projects were mostly non-standardized revitalization works. In addition, the projects were sporadic and carried out while closed to outsiders, and did not become organized into a standard model or a general type. As a result, the side effects to increase social costs such as the dependence on the central government, the logic based on the market or marketability, alienation of residents, and disconnection of information were confirmed. Although astronomical project money was injected, the warning that half of the basic regional governments (49.8%) will disappear by 2040, as announced in the extinction list in 2014, is the evidence of the desperate need for a practical and effective general-purpose model by reviewing the revitalization projects so far. This is because the ability to sustain the issues of population, to strengthen the finance of the regional government, and to promote industries, can be enhanced when the regional revitalization for the regional residents to live in health and happiness is proposed by learning the lessons from the past paths.

Meanwhile, the Japanese government has carried out various tasks to revitalize regions. The direction of the goal was a theory on balanced development of national territory. The gap between cities and agricultural regions on the issues such as urbanization and industrialization got deepened and widened. Since then, the Japanese government announced National Land Development Plans seven times beginning from 1st Grand National Development Plan in 1962 to the most recent edition of Act on National Land Building Plan (2nd, 2015). The grand plans were planned and executed in a period of every ten years. The goals, backgrounds and strategies have changed in line with the changes of the times. But the core vision of balanced land development has been held fast without change. To make a general comment, there were some good outcomes over the entire land, over half a century after the war. A few positive examples are that factories and schools were dispersed, that the central and core cities were

induced to growth, and that the rapid influx of population to large cities compared to the past slowed down. On the other hand, while the monopole and mono-axis structure towards mega cities like the capital and metropolitan area has not been corrected, the inferior regional areas face the warnings of extinction. Growing are the social problems caused by the unbalance, such as the problem of high-density population in cities, the problem of low-density population in regional areas, and the cavitation phenomenon in the center of regional cities. Therefore, even if some positive outcomes are acknowledged, the seven National Land Development Plans have not been able to cope with many complicated and difficult changes in the times. The plans not only showed very sluggish progresses, but also could not get away from the limitations that in reality, unlike their visions, the plans fell into a trap of imbalance.

From the beginning of the 1st National Development Project, Japan's theory of balanced national development has kept its focus on the regional revitalization that activated the regions that have been relatively alienated. The goal of the 1st Project was “balanced development between regions.” It was an urgent task to resolve the gap between rural and urban areas, which became the subject of discussion as a social issue in the 1960s, and to achieve the balance among different regions. Emphasized were: to focus the development on the regional centers, to disperse and decentralize major industries over the entire nation, and to maintain and improve the infrastructures between cities. The greatest feature of the 2nd Project (Create Affluent Environments) is understood as to create an environment advantageous to grow integrated economy such as heavy and chemical industries by undertaking large-scale civil and public works, as confirmed by the Shinkansen and expressways. This accelerated the influx of population to the clusters such as the Pacific Belt and the three big cities. The proposed strategy of the 3rd Project was to grow economy stably as well as to develop each and every region based on its characteristics under the slogan of ‘Regional Dispersion’. From the 3rd Project, all activities and policies to develop regional economies and to sustain the ecologies, with regional residents and organizations as cornerstones, became visible (Soon-eun Kim, 2017)³⁾.

The 4th Project, during the bubble period, focused its policy on alleviating the concentration to cities under the slogan of ‘Multi-Pole Type Land Development’. Under

the legal support (Resort Act in 1987, Regional Centers Act in 1992), central agencies were moved to regions, and regional centers were actively developed. The 5th Project (Grand Design of Nation), which began in the trying period of delayed economic growth and complex bubbles, viewpoints were shifted from ‘region to center’ at least nominally, and self-controlled responsibilities were reflected. The 6th Project deepened the trend, emphasized cooperative relationships between the center and the regions, and preferred the strategy of self-sustaining development centered in the regions to the terminology of ‘development’. In the 7th Project, regional revitalization emerges as the ultimate concern within the concept of Abenomics. Like the subtitle (人口減少社会に初めて正面から取り組む国土計画), regional revitalization stood out as the utmost top priority policy task in conjunction with the modifier, Regional Abenomics, of Abenomics 2.0's (2015). As a result, regional revitalization was absorbed as a practical solution to the population problem.

The strategies of the 1st to 7th National Land Development encompass detailed regional revitalization as a major task like the pursuit of balanced development. Although regional revitalization was not ranked in the top category at the central level like the Abe administration, the past governments emphasized revitalization of regions as a practice stage for balanced development. Regardless of practicing, the 3rd Project and later projects paid their attentions to the sub-projects of region’s own and self-controlled development as the principal actors of regional revitalization. Whereas regional decentralization and dispersion led by the central government was the main policy until the 2nd Project, it was replaced by the full-scale development of region by region itself from the 3rd Project and on. From the 4th Project, the dispersion to regions and regional employment were coupled to the full-fledged multipolar regional development. Despite being a project led by the central government, the 5th Project converts from the top-down policies centered on the central government to the bottom-up approach that emphasizes the responsibilities and choices of regions. Of course, in reality, there were many central-regional mixed projects because the strategy of the region-led bottom-up approach was partially supplemented with the strategy of the central-led top-down approach. In this process, the removal of regulations appeared paradoxically as the limitations to making outputs. Thus, pointed out were the opinions that the leadership of

regional revitalization kept in the hands of the central government was more effective. Nevertheless, in the 6th Project, the term ‘development’ was deleted, and a region-centered, self-sustaining development model was more emphasized. This was because there was a deep critical awareness that regions should establish their self-reliant development model based on the regional characteristics under the umbrella of a cooperation system between the central government and the regional governments.

Afterwards, the 7th Project, unlike the previous ones, converted to a form that emphasized both the top-down controls led by the central government and the own capabilities of regional principal actors. Of course, although the leadership and control were not completely transferred, but in order to solve the population problem, which was a huge bad news, the need to promote region-based innovation projects by emphasizing the individuality of each region was agreed. These are the result of focusing on the actual background of and the structural reasons for the widening gap, which were confirmed by the lessons learned from the negative outcomes, while keeping the system linking the central government and the regional governments. The limitations of the existing methods were recognized, and a critical posture was maintained, in reviewing the problems of continuous decline in population, concentration to Tokyo as a monopole, and the differences in economic recovery among different regions. The regional revitalization of the Abe regime stemmed from the reflection on the existing limitations, such as the administrative egoism of the central ministries that were suspected of their effectiveness, the monotonous and fragmented, top-down, customary practices of executing policies, the problem of limiting regional characteristics, and the ways of thinking preferring equal distribution to selection and concentration. In other words, practical revitalization of regions was the key to completing the convection-promoting land by promoting the inflow from city to regions rather than by merely blocking of the inflow from “regional area to city”. A differentiation, in order to focus on region and to ensure real outputs, could be seen in the goals, backgrounds, and strategies of the regional revitalization of the Abe administration. In order to promote convection (Compact City + Regional Network), proposed were the strategies to promote project planning in solidarity with the principal actors of region, along with indigenous employment and income creation using regional resources.

To summarize the Japanese government's approach to regional revitalization, it is understood as the flow of shifting the center of gravity of policy decisions from “center → region” to “region → center”. The shift originated from the experience of failures that vast amounts of blood tax were planned and executed by the central government in the name of regional revitalization and that, instead of real effects, the infrastructure for self-sustainable life was being destroyed as evidenced by alienation of regions and efflux of population. Although even the 7th Project put up the slogan to emphasize planning, searching for resources, and executing projects by the regional principal actors instead of the government-led uniform support, the reality was not much different from before. It was pointed out that, while large-scale projects related particularly to the expansion of the infrastructure for the Tokyo Olympics and to the need to replace the old infrastructure, there is a shift in viewpoints, but it is difficult to expect real effects. At the same time, the interest, will, and participation of human capital such as regional residents, which are indispensable factors, are unknown. Their ideas as well as their planning and execution capability are insufficient, so it is common to select projects lacking varieties. As usual is the customary execution by regional governments, which are accustomed to doling out project money to regional powers, without close reviews on the cost and benefits and demand analysis. Therefore, not small is the prospect that it would be difficult to achieve a circular economy, and that regional alienation will continue to intensify. For this reason, the trial of a circular economy, directly linked to enhancing effectiveness and strengthening the foundation of life in regions, is inevitably a valuable experience. Although only a few cases are only in the early stages, it is desirable to successfully complete the efforts to achieve circular economy through the project leadership by region itself, which started with the transition of the central government's point of view, and at the same time, it is very meaningful to review the key success factors. This is because it can be spread as a successful model of regional revitalization that reduces the cost but increases the effect.

<Table1> History of Policies on Region in Japan

Project	Content
1 st National Integrated Development Plan (1962)	<ul style="list-style-type: none"> - Goal: Balance the development among regions - Background: Regional imbalance emerged due to the widening gap between cities and regions - Strategy: Achieve balanced development by distributing resources properly, Concentrate development on regional hub, Disperse and relocate major industries to cities around the nation, Establish organic relations with cities by maintaining traffic and telecommunications.
New National Integrated Development Plan (1969)	<ul style="list-style-type: none"> - Goal: Create affluent environment - Background: Per capita National Income \$2,000, Concentration to cities persisted in spite of regional balance. New age variables like information, internationalization, technology innovation - Strategy: Conserve nature. Harmonize humans, Improve the conditions for national development, Upgrade the efficiency by considering regional characteristics → Promote balanced development with large scale projects (Shinkansen, Highways, etc.)
3 rd National Integrated Development Plan (1977)	<ul style="list-style-type: none"> - Goal: Improve the overall environment of human habitation - Background: Need to disperse population and industries to regions after stable economic growth - Strategy: Utilize regional characteristics as much as possible. Organize all living environments through harmonization with nature, Prevent overpopulation and depopulation, etc.
4 th National Integrated Development Plan (1987)	<ul style="list-style-type: none"> - Goal: Construct multi-pole distributed type land - Background: Per capita National Income \$25,000, Overcrowding in Tokyo-Concentration of companies, regional employment, weak economy due expensive yen, internationalization - Strategy: Prevent concentration by building multi-pole type cities, Arrange exchange of networks, Relocate central organizations to regions, Develop promotion hub areas, Revitalize regions by settlement and exchange → Multi-pole Distribution Type National Land Formation Promotion Act (1988), Resort Act (1987), Regional Hub Act (1992) etc.
21C National Land Grand Design (1998)	<ul style="list-style-type: none"> - Goal: Grand design of land (Tokyo monopole concentrations→multi-pole axis plan) - Background: Used a new title despite that it is a 5th plan, Will to change central top-down policies, Per capital national income \$37,000, Aging and deepening depopulation - Strategy: Emphasize responsibilities of regions and choices, Adopt bottom-up approaches, Accelerate regional self-reliance, Reinforce safety of national land, Preserve nature and inherit, Build economic society, Open national land, etc.
National Land Formation Plan Act (2008/ First)	<ul style="list-style-type: none"> - Goal: Convert from development oriented mind, Prepare visions in collaborations of the central and regional governments - Background: Develop regions based on characteristics and in self-reliance, Strengthen international competitiveness/ Energize the econo-society by promoting science and technology, Secure safety for citizens' life, Contribute to the earth environment and make affluent environment, Realize the partnership between the central government and regional governments with respect for autonomy by regions - Strategy: Delete the word: development, Self creating development centered in regions, Present a type of vision with central-regional cooperation
National Land Formation Plan Act (2015/ Second)	<ul style="list-style-type: none"> - Goal: Formulate convection promotion type national land (First plan to face the population declining society) - Background: Emphasize the individual characteristics of each region in response to population decrease-huge disasters-situation change and based on National Land Grand Design 2050. Create innovations by fortifying the solidarity with regions with characteristics - Strategy: Accelerate forming Compact+Network, Improve the quality of regional life after building medium size core city as small size hubs in agricultural regions, Complete two city-region regional living areas, Prevent 'region→city' inflow and promote 'city→region' inflow, Create indigenous jobs and income by utilizing regional resources, solidarity among regional government and regional companies and universities

Data : Department of National Development (<http://www.mlit.go.jp/kokudoseisaku/index.html>) Summary

3. Experiment and evaluation for circular economy

3.1. Abe Government's experiment to convert regional revitalization

The direction of regional revitalization remained the same, but the methodology has changed through various trials and errors and repeated processes of policy changes, as confirmed in the 1st to 7th National Land Formation Projects. In particular, from the Abe regime, when the consciousness of crisis such as population change reached its peak, it began to emphasize regional revitalization initiatives and decentralized governance that shifts the implementation system from the central government to the regional governments, as well as the discovery of regional resources, cohesion of the principal actors, and promotion of projects. This is because of the experience of failures and a shift in perception that the region can guarantee efficient, direct, and lasting results rather than the central government for practical regional revitalization. They seemed to have agreed that the practical achievements of preventing the regional depopulation, whether balanced growth or convection promotion, which have been emphasized so far, are achieved as a region-centered voluntary, independent and solidarity circular economy. Therefore, it is natural for the governance led by administration, such as the central government and the regional governments, to be transferred to regional units, and in particular, for the creation of sustainable value for regional revitalization, private principal actors with corporate minds are required to participate and realize both financial and social values. However, it is not possible to block the administrative intervention from the beginning, because in the initial stage, the administration has a considerable role and meaning in creating the organizations to carry out the project and planning the project. Moreover, the administrative participation is inevitable because fiscal input is prerequisite, and it is better to use it properly to maximize the positive functions. Of course, if the principal actors, led by private citizens, to drive the project are created, it is sufficient that the administration supports and assists the revitalization project at the rear end. This is because business feasibility, independence, and sustainability are strengthened to achieve circular economies led by the private sector.

The experiment for circular economy began in full scale with the announcement of the 7th National Territory Formation Plan (2015). The willingness to convert and transfer the

governance from “central to regional” expanded after the Abe administration's adoption of related policies. The “Abenomics 2.0 (Local Abenomics)”, materialized after the announcement of the extinction list in 2014 that the natural increase and decrease of the population and the social improvement (region → urban) intensified the regional depopulation, acted as a powerful turning point. In 2014, the policy shift was concretized into a long-term vision (まち・ひと・しごと創生総合戦略). As the three major support directions for regional revitalization, the central government brought out, at this time, information support (system to analyze regional economy), financial support (setting up and execution of comprehensive regional strategy), and human resource support (system to support to create regional talents, system to create regional concierge). It was emphasized that when people (ひと) and work (しごと) circulate in a virtuous cycle in the region (まち), practical revitalization is possible, and by then, the completion of settlement and circular economies are realized. The comprehensive strategy was revised every year, and the degree of completion was improved. To enhance the effectiveness of Abenomics 2.0, the 2018 revised edition emphasized further more improvement of the regional incomes via △Improve the region's money making ability, △Intensify the use of regional assets and talents, △Establish organizations to understand the realities of region, and △Strengthen the cohesion of policies. It was different from the past path in that the will to revitalize regions was strengthened and promoted rather than weakened.

Along with the introspection of the central government, the priority plan to overcome the limits is confirmed in the revision of grant system. Although the financial resources are from the central budget, a device to eliminate budget waste has been established by thoroughly revising the structure of grant. A grant with a high degree of freedom to support active regional rehabilitation was set as a revised budget in 2014, and it was mobilized as a kind of urgent economic countermeasure that provided thick support in line with the implementation of the regional version of comprehensive strategy to be implemented early and to raise the effectiveness thereby. From 2016, it was titled as New Grants (Regional Creation Promotion Grants), emphasizing that it was a policy tool that led to practical achievements in a different implementation structure from the past. This was a fiscal policy to give the grants when the central government reviewed and

evaluated the regional revitalization projects proposed by individual regional governments and to recognize the projects as leading cases. Although the basic structure was the same as that of the existing grants in the sense of flowing from top to bottom, it was not a batch distribution without large differences in the amount. But it was different in that the grants were distributed differently after the independent, self-initiating projects from the regional governments were counter proposed, evaluated, and selected. It was interpreted as a new experiment outside of the existing practice in that it selectively paid, by trying to differentiate each project by inducing a kind of competition, central finances to the regional governments with passion and ability. After it started as Grant to Create Regional Life First (its official name: grant to support urgently regional revitalization and regional residents' life) in 2015, it finally had become Grant to Promote Creation of Regional Life, via Grant to Accelerate Creation of Regional Life. However, the grants with purposes under the jurisdiction of the ministries, such as Grant to Maintain Base to Create Regional Life and Grant to Evoke Regional Consumption and Support Regional Life, were operated separately and had complementary relationships. The new grant was decided in 2015, and from 2016, the amount paid to regional governments was set at 100 billion yen. The total amount was set at 200 billion yen through the matching burden of regional governments, and the financial resources were contributed and raised by revising the regional creation-of-life related grants of the Cabinet Department or subsidies of individual provincial offices.

<Table2> Changes in subsidies related to Regional Revitalization

Year	Content
2014	- Pre subsidy for regional revitalization(ended): basic subsidy 140 million yen /increase 30 million yen * The original name 'regional revitalization · regional resident life emergency support subsidy'
2015	- Subsidy to accelerate regional revitalization(ended): 100 million yen
2016	- Subsidy to promote regional revitalization (new subsidy): 100 million yen (project money base 200 million yen) - Subsidy to maintain regional revitalization hubs: 90 million yen (project money base 180 million yen) * Initial plan 100 million yen (project money base 200 million yen)
2017	- Subsidy to promote regional revitalization: 100 million yen (project money base 200 million yen) - Subsidy to maintain regional revitalization hubs: 60 million yen (project money base 120 million yen)
2018	- Subsidy to promote regional revitalization: 100 million yen (project money base 200 million yen)

Data: 内閣府 地方倉生推進事務局 Collected and summarized related data

The new subsidy internalized the existing method of finding problems and alternative means. By overturning the structure with the vertical axis being the top-down style of the central ministries and institutions, it requested to reflect highly the regional characteristics by counter proposing for the project to be planned by the regional government, the stakeholder most knowledgeable of the regional issues, with the private sector. As a result, it gave the high scores to the projects that met the interests of the region. At the same time, it forced to reflect the items difficult to evaluate, output goals, and verification of values in order to clear the suspicion of spreading populist budgets. The purpose was to dismantle the existing method, to cling to short-term results in the face of the project outputs exiting outside the region, and to allow the relevant performance to penetrate into the region. The project areas subject to new subsidies covered the overall regional revitalization. The areas included human resource development and migration, regional industry, agriculture, forestry and fisheries, tourism, village building, and so on. Taking into account the realization of the circular economy, the evaluation structure emphasized the following: △To design the project based on the objective data such as RESAS and to evaluate performance of similar projects, △To maintain the system to connect with the regional residents interested in the project during planning and execution of the project, △Set KPI (Indicator to evaluate important output) as the outcome goals in principle, to be compatible with the main goals and to maintain the structure (PDCA) to verify the goals and modify the project. When equipped, three external experts in each field evaluated the projects, and there were five criteria: cohesiveness between policies, connection between regions, public-private cooperation, formation of principal actors to drive the project, and policy 5 principles.

<Table3> Criteria for Investing Subsidy Preceding Regional Revitalization (5 major values)

Evaluation Method	Content
Solidarity among policies	Make related policies into a one-stop package for users
Solidarity among regions	Plural regional governments covering a large area are in solidarity to work on one project
Cooperation between private and public sectors	Cooperate with private business owners and NPO to continue projects and to self-support economically
Creation of principal actors of project	Accompany effective project driving system

<p>5 Principles of policies</p>	<ul style="list-style-type: none"> • Self support: Connect regional governments-private businesses-residents towards self-support • Future potential: Regions arrange their structures with autonomous and self reliant visions • Regionality: Make it fit to the realities of each region • Directness: Carry out directly population movement-job creation-building villages • Result oriented: Set up detail goals in numbers under PDCA, Verify effects, Implement modified policies
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- Data: 内閣府 地方創生推進事務局(2015), ‘地域活性化・地域住民生活等緊急支援交付金(地方創生先行型)先駆的事業分の交付対象事業の決定について’, reconstitution of p.2.

Regarding the performance, the change in content can be confirmed by comparing Grant to Create Regional Life First (2015) and the new type grant (2018). In the case of Grant to Create Regional Life First, 1,044 cases were adopted in 2015, and a total of 2,387.4 million yen was paid as subsidies. The region whose projects were selected the most was depopulated Hokkaido which received 68 cases of subsidies of 1,322,186 million yen. The projects were mainly small projects such as education, training, counseling, research and development, branding, and participation induction, and the average amount per project was as small as 22.59 million yen. But some projects such as tourism route development and regional industrialization were subsidized hundreds of millions of yen. The new grants were divided into a pioneer type and a lateral deployment type. The project areas were △to create jobs (regional innovation, regional branding, improvement of regional service productivity, etc.) △to migrate in to the region (immigration promotion, lifelong activities, talent acquisition, nurturing, etc.) △to innovate working methods (measures for youth employment, realization of family balance, etc.) and to make villages (Compact City, small strongholds, village prosperity creation, connected hub cities, revitalization of shops). In 2018, the first (first half) project results were 318 new projects (7 billion yen) and 1,918 modified projects (53.2 billion yen) in four fields, totaling 2,236 (60.1 billion yen). In the overwhelming field, 35.9 billion yen was paid for 1,118 projects for job creation, and the amount of payment for continuing projects was far bigger than that of new projects. In particular, as a new legal grant of 100 billion yen each year, the sustenance of the performance of the continuing project emerges as a matter of concern and interest. Even at this time,

cross-verification of the output goal (KPI) and the promotion system (PDCA) is important.

3.2. Connections between regional revitalization and circular economy

Traditional society, where the entire production process of production, sales, and investment was based inside one region, achieved the effect of redistribution in the region in that the activities of income, consumption, and saving were also circulated within the region. On the other hand, because the modern society emphasized the rational economy, the economic structure of circular economy in the region became transformed, the regional communities became dissolved, and the regional economy got impoverished seriously. Moreover, because the effect of division of labor was the priority in the logic, the regional economy got much more dependent on the outside economy, and even the wealth created in the region moved out of the region. As the results of production and consumption activities moved out of the region, the economic base, money flow, and resource supply were also facing a vicious cycle.

This is why the regional revitalization looks outstanding, where the unique identity of the regional community and the resources peculiar to the region are the objects of development, and the solidarity of participation and cooperation creates indigenous industries. This is why the regional revitalization, in which the circular economy is realized by accumulating socio-economic capital and surplus and returning and utilizing them within the region, is more advantageous than the top-down and uniform regional revitalization led by the central government and based on the entire nation, not the region. There is also an analysis that thorough regionalization rather than globalization dependent on outside helps make an independent, self-supporting economy that is safe from adverse winds from outside such as the financial crisis. Yoshida (吉田敬一, 2018) calls this internal globalization (Glocalization) and distinguishes it from external globalization, which is symbolized by the advancement of transfers to overseas and international transactions. This is the case in which regional individualities, distinct from other regions, are modeled socio-economically. The restructuring to an economy, driven by internal demands, using regional resources, contributing to improve life continuously,

is bound to be regional revitalization. It is a view that focuses on the internal globalization centered on regional and small and medium-sized enterprises as principal actors to secure domestic employment and income, apart from large corporations leading the external globalization.

There are quite a few theoretical foundations linking regional revitalization and circular economy. It usually stems from the point that as an alternative to the top-down public policies with many limitations, forming the base of self-support for regional communities can be a promising solution. The asset-based view is such a view that emphasizes intrinsic, self-sustaining, and solidarity potential capacities-asset discovery-capacity enhancement rather than external support, as the principal actors to revitalize the region.

As a model to solve urban poverty, the approach logic (Kretzmann & McKnight, 1993) of “Asset Based Community Development,” which is frequently used in policies to support developing countries, is representative. Although it does not exclude external support, incentive policies, and connection of policies, the idea is to establish a cooperative project system between the public and external private principal actors and civic groups by prioritizing the discovery and development of the resident communities inside the region and indigenous assets. Famous are Community theory dealing with regions and regional development (Wilkinson, 1991, etc.), Community Driven Development (Pettit & Kingsley, 2003), Community Asset Mapping, and Strategy establishment with a more concrete ABCD approach (UNHABITAT, 2008). Concepts like Territory space on the level of geopolitical and geo-economical levels, Local Community, and Asset Capital are frequently studied.

The symbolic of the circular economy concept is the theory of “The Leaky Bucket”. The New Economics Foundation (NEF) in the UK announced the theory. It is a concept that compares a specific region to a bucket and evaluates how much money can be invested and how much money can subsist as a variable for the success of revitalization work. According to this, the input of funds so far has emphasized the inflow of money from outside, such as grants and subsidies of the central government, business attraction and tourist attraction. Nevertheless, attention was paid to the outflow of input funds as a basis for reflection that the revitalization result was not marvelous. This means that when

a significant amount of the inputted external funds flows out of the area, the funds in the area are dried up sequentially, like a bucket that leaks water. In the case of construction work, if the contractor is an external company, most of the expenses related to construction go to outside. In the case of the enterprises attracted to the region, if the money for materials and sales and general administration does not go to regional companies, the money earned hard leaks to outside of the region. A similar logic can be applied to the following case. Even though new jobs can be created, but if the income is spent at large shopping centers headquartered outside the region than at stores headquartered in the region, the revitalization effect is halved. A fully self-sufficient economy is impossible, but by preventing the outflow of regional money as much as possible, the circular economy initiated by the region can be achieved if the multiplier effect like ‘primary income → primary consumption → secondary income → secondary consumption’ is realized. In fact, there is an atmosphere that the number of research and projects are increasing to increase the multiplier effect within the region, that is, to prevent leakage points and make circular values, in some of the basic regional governments in Japan. In a word, it is an experiment to change the ways of thinking from how much money to attract to the region to how much to reduce the money moving out of the region, and to build a system suitable for this. It is because, by doing so, a self-reliant circulation system is created from the structure dependent on the outside.

An important point of view on the regional revitalization and circular economy is to present concrete evidence that the two (revitalization and circular economy) exert a chain and multiplier effect through dynamic linkage. It is desirable, by presenting concrete numbers like financial output to be measured as direct output of regional revitalization, additional outcome to be linked to the circular economy, and as well as socio-environmental non-financial social impact, to get the agreement and sympathy from the inside and to make a mechanism to persuade the outside. To be verified is the self-reliant sustainability in which newly created socioeconomic values are quantified, by comparing before and after the effort to plug the leaky holes, and coupled to the circular economy after recirculation. Of course, it is difficult to measure outputs. It is good to try to quantify in the sense that inevitable is the total evaluation spanning from quantitative economic evaluation to qualitative social evaluation, but the problem lies in the

guarantee of precision and persuasion. It is inevitably an important device for explaining the justification and efficiency of experiments to convert the policy from top-down to bottom-up.

Therefore, the Quantitative Objectives (KPI), Execution System (PDCA), and Value Measurements should be as specific, persuasive, and feasible as possible. Moreover, considering the fact that it is the restoration of the community through a circular economy, it is essential to have agreements and standards among stakeholders on how to explain the final social value. At the same time, it is difficult to recognize only the pluses as valuable. For example, population growth (natural increase due to increase in birth and social increase due to moving in from outside) is often considered as the main item of evaluation, and this needs to be corrected. Population growth is a difficult task, and in fact difficult to get the result. Since natural population growth is difficult, the probability is not so low that there would be fights with other regions to move or transfer people. The method to define a decrease in population as a failure is to stigmatize the absolute majority as losers, and as a whole nation, the population war has a side effect of promoting selfish ideology that only the outputs count. It is realistic to value the efforts to reduce minuses rather than to value only positives for revitalization performance. This is because just putting a brake on the trend of population decline could actually be an output for meaningful revitalization.

The reason that circular economy is the goal of regional revitalization is because of the multiplier effect of the regional economy. There is a need for a system to think systematically that considers not only the direct effects from the economic activities in the region but also the overall economic and social effects derived from related activities. At this time, the effective concept is the “Regional Multiplier Effect,” which indicates how many times the money invested in the revitalization project are used again in the region before the money disappeared or moved out the region. The multiple of the multiplier effect increases as the number of repetition, of the connected structure of ‘regional production (regional investment) → regional income → regional consumption → regional procurement → regional production’, increases. The way of thinking “central money flows into region” is to ensure that regional production (investment into the region) starts when the external money flows into the region. It is desirable that the

money serves as priming water to help make finally the circular economy. However, if the money flows out of the region as the interim income for outside, then the multiplier effect for the region the regional multiplier effect is bound to be limited. For this reason, it is better for the small and medium companies inside the region to take the role of principal actors, as the potential money leaking points, of the project than the large companies outside the region for independent and self-reliant self-support. If it is a company from the region, there is a high probability that regional supply chains and jobs will be created, and as a result, regional income will again lead to regional consumption, procurement, and production.⁴⁾

3.3. Condition and limitations for circular economy

In order to derive practical results of the revitalization project, the Abe government reorganized its implementation perspectives, such as changing principal actors, discovering problems, cooperation system, performance standards, and targets, from central initiatives to regional voluntary initiatives. Through a reverse proposal from “region to center,” provided was the foundation to reinforce the five principles, the emphasis on self-support, future, region, directness, and results, by presenting evaluation items and target performance by themselves and by making private-public cooperation permanent. The central budget has also begun to establish and pay new subsidies to focus on the projects to solve region-specific problems (Soft) rather than the civil engineering projects (Hard), investments familiar with the central government. This is a distinctive experiment that is different from the existing point of view for the project goal to complete a sustainable community and a circular economy. Nevertheless, it is difficult to achieve a circular economy for regional revitalization only by changing the point of view. Regional revitalization and circular economy need dynamic interaction when looking at the feedback loop. Therefore, it is necessary to have structurally connected viewpoints based on the interactions among various interconnecting resources. For example, it is reasonable to bring together the mutual multiplier effect and connected values rather than to be trapped in the structure where self-reliance and reliance confront each other. In other words, it is not wise to treat circular economy and decentralization

as extreme concepts confronting each other. Just as there is no regional government to be able to complete fiscal independence and to be responsible for its own profitability, it is almost impossible to complete linking its own industries that emphasizes regional individuality. On the contrary, it is very real that the dependence on the outside is inevitable. Therefore, the earlier the stages, the more necessary it is the financial investment by the central government. It is recommended to evaluate the experiment that has changed in order to correct the past method that deviated from the circular economy.

The prerequisites and implementation tasks of a circular economy are diverse. In order to rebuild a structure in which work and money are circulating in the region, Yoshida (吉田敬一, 2018) proposed to increase as much as possible the daily consumption by making four areas of food-housing-energy-welfare, utilizing regionality, seasonality, and culture, into characteristic industrial structures. In addition, he also proposed to resist the outflow of the money and the reliance on the outside by completing 'made in the region-sold by the region' via leaving the sales functions in the hands of local merchants rather than in the hands of outside capital thereby leaking a considerable amount of added values. Even though it is necessary to attract companies from outside and financial support, and if their relations to the regional industries are low, there is ultimately a high risk of deteriorating the regional finance and economic environment. Therefore, he proposed a scheme to explore and discover the possibilities for development in the region and to industrialize them. He recommended to search the candidates of sustainable and structured regional resources(地域のお宝探し)by enacting spontaneous regional promotion policies as an ordinance. This is because it is important to thoroughly research and study the strengths, weaknesses, and possibilities of the region to link individual regional revitalization and industrial policies.

If so, the next task can be summarized as securing independent and willing talents and organizations to drive such movements and projects. Good examples are those experienced in administration that understand the real regional economy well, have strong trust with regional companies, have rich policy-making power, and are keenly aware of the need for industrial policy. Whether it is the head of a regional government, a public official, or a retiree, administrative know-how is indispensable. As their partners, it is desirable to connect with regional business people in agriculture and commerce such

as managers of well-respected civic organizations and medium size core companies. The formation of a three-legged system with people from both private and public sectors is given the most decisive role in the initial stage of regional revitalization. Through this, human resources and organizations that emerged as the initial principal actors of regional revitalization are expanded and connected, and even the representativeness of the entire community is secured. When the principal actors of revitalization are determined, it is necessary to present a vision as a blueprint for spontaneous regional promotion. Required is a blueprint that, while rooted in regional characteristics, is not closed but open and fully reflects the unique personality of the region.

The key to the implementation strategy is to strengthen transaction functions that maximize the experiences in the private sector such as sales and marketing. This is the stage to upgrade the business model acquired through exchanges and head-to-head discussions with various stakeholders. As the blood of economic activities, money matters can be solved by establishing a regional financial model in which the money is provided to the regional group executing the project at the right place and at the right time. It is best if enough money and information are provided in one set. Subject to the financial model are organizations that originally exist within the region, such as mutual finance and cooperative finance, to commercial banks for ordinary people. A precise measurement structure is required for evaluation items and performance measurement that verify the need for circular economy. It is desirable not only to utilize existing statistics, but also to review various statistics that support the leakage limit of outflow capital and the performance of the circular economy. Representative is the table of related industries in which the successive connection processes of 'procurement → production → sales' are described. In spite of that, there are shortcomings that the tables are confirmed in only large area projects, not in small area projects, and that the accuracies are low because the government projects begin every five years. Relatively convenient is the regional trade balance, which shows the flow of goods, services, and money across regional borders, because the leak points by industry can be identified. In this regard, the Japanese government established a system (RESAS, regional economic statistics analysis system) in which related statistics were all collected to help judge the situation in conjunction with the policy shift of the revitalization project in 2015.

Of course, there are also a few pessimistic opponents of the Abe administration's policy shift. Rather than demonstrating the sincerity of problem solving, the new regional revitalization is a highly political engineering decision-making in which there is nothing to lose but only gains by carefully twisting the governance structure between the central and regional governments in order to avoid responsibility if something goes wrong. Although the Abe government approached differently by adopting the slogan of regional creation to replace the word of regional revitalization in the past government, establishing new subsidies, and applying new indicators and systems such as KPI and PDCA, etc., it is suspected that it has reinforced its central role as a beneficiary and judge by avoiding responsibility and intensifying competition after receiving regional editions of comprehensive strategy and evaluating the results, rather than considering the regions important. Also discussed is the logic of zero-sum game that because project money is allocated from tax money in one way or other, the region gains nothing if it gets its tax money back at best or it is a loss if it loses its tax money to other regions at worst. In other words, it is a reaction that the new approach deepens the dependence on the central government by distorting the basic structure of “tax payment → budget demand” and turning legitimate rights into benefits of subordination. It is a sharply criticizing evaluation that it adds new resources to the existing finances and induces regional competition in the name of volunteerism without abolishing the old habit of the central top-down policy promotion. In particular, Yamashita (山下祐介, 2015:68) pays attention to the emphasis on employment as apriority among the three axes of comprehensive strategy (まち, ひと, しごと) because, growth-oriented items, such as venture creation, robot industry, and solar power generation, took a major part in the support menu, while items related to the agriculture, forestry and fisheries industry or decentralization that were directly connected to regional revitalization were excluded. In the long-term vision, regional industries are a big keyword, but in the comprehensive strategy as an execution system, it ends with the statement that regional industries are important as well. It is an interpretation that even if the money is spread, the regional space was given as the stage for the activities of external companies equipped with capital and technology rather than regional small and medium-sized enterprises. If so, the outflow hole is still not filled, and there is a dilemma that the region does not recirculate

even though the region has received central financial resources.

4. Conclusion: Suggestions for Building a Circular Economy in Korea

Korea is also implementing various policies to improve the quality of life for regional residents and to find a way out for decline areas. Until the 1990s, top-down regional development projects, led by the central government and focused on material base and maintenance projects, were mainstream. Since the 2000s, however, various projects (to create regions and develop villages, etc.) have been undertaken that promoted regional capacities and resident participation. Nevertheless, the projects remained in a fragmented and scattered fashion, in which some residents participated in the projects led by the administration, without getting out of the old practices. Uniform projects without regional characteristics were launched competitively under the name of regional revitalization. Although some changes like formation of public spaces, guarantee of regional service, accumulation of social capital, etc. were sought after since 2010 when the social economy flagged with region and self-support was highlighted, the basic scheme did not change significantly. Rare are the cases in which circular economic achievements were created by adopting different approaches or connecting the concept of 'local production-local consumption' to regional industries. However, there is no reason to downplay the projects that attempted to revitalize regions autonomously and cooperatively with attentions on the residents and resources in the regions. They are significant as a new paradigm to overcome the past limitations. Therefore, more realistic implications for regional revitalization can be obtained if a detailed analysis of the Japanese cases and the conditions for success are reviewed. There are about six implications of the Japanese cases.

First, it is the task of establishing an overall system through division of roles and mutual cooperation among stakeholders including industry-government-residents such as administration-residents-companies-finance-university etc. to join the revitalization work. In the revitalization projects, many principal actors are combined due to the nature of their inclusiveness and interests. All individuals and organizations, including regional

governments, that utilize the area as a unit of activity, belong to the group of potential principal actors. In particular, combining with administrative resources is an essential condition in the early stages of project planning, whether it is public-private cooperation or public-private solidarity. The role of the administration (basic unit in the region) is very important in the early stage for the effect/ justification of combining the scattered and diverse human resources together because regional revitalization is very public in its nature. In spite of that, if the local administration continues to take the initiative, it becomes similar to the top-down operation by the central government. It is not good even for a small number of individuals and organizations, familiar with regional administration work, to monopolize the information and roles of the revitalization project. In order to have representation as inclusive as possible, diverse individuals and private organizations should be discovered, encouraged, and attracted as principal actors of the project. In this process, the linkage, with local universities as a potential professional group along with the market experts in companies and finance who have experiences in for-profit businesses, should be not be omitted. This can be a rather difficult and tedious task, but it is understood as an indispensable element in order to settle the differences in interests and to secure the driving force.

Second, it is desirable that the human resources to lead the business are the first priority. It is necessary to continuously discover and expand human resources centered on regional residents and regional companies as the driving force of the circular economy and to strengthen their capabilities. A decisive factor in securing the sustainability is the human resources possessing both unselfish interests in the public matter and personal interests in economy. Through regional revitalization, living spaces should be revitalized, and in that process, a certain percentage of the achievements of the project should be enjoyed with the human resources by settling direct interests and indirect interests. Most of Japan's revitalization sites, being considered relatively successful, completed the structure of 'human resources (few) -> connection resources (many)' with networks that started with a superior human resource. Thus, even if the early members moved away from the project, the outputs were continuously derived without any gap in driving the project. Therefore, it is important to consider how to secure and supply human resources who will lead planning and driving the project, after the need and will for regional

revitalization are shared. If it is in the early stages, the supply of candidate group is limited. But it is good to think carefully about the subsequent human resources, which is a real and long-term core competency while overcoming the impatience in achieving results and the conflict among the participants. The key to success is to cultivate talented people who possess passion and determination, connect the administration and the private sector, and have both public mind and business mind.

Third, the premise is to build a sustainable business model by thoroughly pursuing profits. The starting point of circular economy comes from the fact that certain projects related to regional revitalization ensure financial, profit, and profitable effectiveness. Regarding the sustainability of financial projects that depended on subsidies, it has been sufficiently confirmed in past cases that if external support was cut off, it was difficult to maintain its own business that was often neglected or closed. As a consequence, rather than achieving the effect of regional revitalization that was originally intended, it only resulted in unnecessary waste of blood tax money and a loser mindset. In order to establish a sustainable circular economy system with minimal resources, a business model with profitable operation is direly needed so that independent operation of the revitalization project can be implemented in the early stages. In other words, it is crucial to reflect the profit minds in the business model, such as minimizing invested capital, avoiding subsidies, pursuing profits with business mind, reflecting the business of market logic, securing strict sales structure and profits, and strict fund management. After all, the key to completing the flow of “profit generation → self-management → sustainability → value creation → circular economy” is inevitable in a sustainable business model through thorough pursuit of profit.

Fourth, it is the discovery of regional resources that can be specialized and differentiated. It is better to explore and utilize the resources that are different and unique to the region, at the starting point from uniform and standardized central industries to individualistic and diversified regional industries with competitive advantages, from advantages of large-scale equipment to emphasis on circulation within the region, from thorough cost reduction to connected value cycle, and from dependence on serial subcontracting to autonomous merged connections. The business of making light, thin, short, and small products is more desirable than the business of making heavy, thick,

long, and large products for which large equipment and large investment is inevitable by relying on the money from the central government. Although the economies of scale could be realized, it is because there is always a problem of uncertainty that can be swayed by uncontrollable external (overseas) bad news. At this time, the value of restoring the community is also naturally secured. Therefore, there are inseparable relations among the building of a resident network utilizing regional resources like remaining common goods, the formation of norms and trust for regional development, and democratic and autonomous participation. It is a circular economy that circulates, within the community, the benefits created through the relations. Regional resources are countless. Lee Wang-gun (2012, 4)²⁸ classifies 10 regional-specific potential assets based on five categories: natural assets, structural assets, cultural assets, social assets, and economic assets.

Fifth, it is also a key concern that industrial policies of the regional government are to be linked to the circular economy. Even if the initiative of the revitalization is transferred to “public → private,” the policy has a considerable level of influence and control through penalty and incentive. Therefore, it is crucial that not only the central government but also the regional governments should implement industrial policies that are centered on the region and united with regional revitalization. In particular, it means that regional governments should emphasize the establishment of regional identity and brand by linking the basic task and its orientation with regional revitalization when considering the structural transformation of regional industries in order to secure new explanation and competitiveness. Through this, if the economic activities and quality of life of regional residents are secured in direct forms such as production, sales, employment, and consumption, a circular economy that is reintroduced into the regional economy is achieved. It is better to change the industrial promotion of regional governments from a central map type to a region-led type and to complete the formation of regional integrated industries. In this process, it is necessary to secure and nurture key talents to establish, implement, and verify policies, as well as organizing and forming a coalition of leading companies that will open the forefront of the regional economy.

Sixth, a clear implementation goal (KPI), implementation system (PDCA), and performance evaluation of the created value are important variables that ensure the

legitimacy and objectivity of circular economy. In order for regional revitalizations to spread as a task to complete the circular economy, it is essential to persuade objectively and concretely external stakeholders such as the central government, as well as to motivate the principal actors of the project. It is easy to briefly mention business performance, but it is very difficult and complicated to quantify the created social values in numbers. In particular, it is almost impossible to fully explain the created value of the overall network included in the value chain, such as transaction relations and supply chains, which are highlighted in the process of linking a single revitalization project to a circular economy. This is the background why the Japanese government demanded KPI and PDCA to be mandatory while turning the policy direction via 'Transfer and disperse core industries like manufacturing to regions → Select and concentrate through revitalization of industrial clusters by emphasizing regional independence. Although it is still at the level of proposing and confirming direct values (Output), it is desirable to prove the derivative values (Outcome-Impact) with objective numbers in order to ensure consistency of the circular economy. This is a work that can be partially modeled in the process of evaluating the overall socio-economic impact obtained after the completion of project by some of the best practices currently being experimented.

The experiment to link regional revitalization and circular economy is not just Japan's policy agenda. It is a common experience of developed countries that the central-led top-down revitalization work made regional revitalization uniform and exhausted the economic results created in the dilemma of outflow. While regional policies have focused on securing regional industries' sales capacity, that is, 'produce in the region and sell outside the region', they did not have a great interest in controlling and reducing funds that flow from the region to the outside region ('produce in the region and sell in the region'). There is no choice but to admit such a limitation. It is a common path among European countries, especially Austria, to adopt the policies, as a route of revitalization work for circular economy, to promote food and energy that are consumption items with high proportions of outflow. Therefore, experiments with circular economy are no longer unique. While walking a similar path as Japan, it is urgent for Korea, recently paying attention to new principal actors of revitalization such as social economy, to closely analyze their prior experiences to ensure the consistency of

investment efficiency (cost-performance) of regional revitalization and community restoration. Through this, a general-purpose model of the Korean-type revitalization projects can be presented. The Japanese government's change in perception and policy changeover regional revitalization means a cooperative model that absorbs the private sector and a transition to public-private cooperation governance. It is still in the experimental stage, and it takes time to confirm the results, and it is natural that evaluations yield mixed results. However, the evaluation that it deviated from the conventional route of practice and adopted a new solution method, and tried to shift the center of gravity of monopoly, leadership and control of the central government is significant in itself. It's because it's not at all easy for the government to let go of its own power by itself.

【관련 웹 사이트 및 코퍼스】

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<요지>

지역재생과 순환경제 - 아베정부의 실험과 평가 -

전영수 (한양대)

지역소멸의 경고등이 켜졌다. 국토균형발전론의 많은 노력에도 불구하고, 과소지역의 인구 감소·경제불황·생활악화는 계속된다. 많은 예산을 투입한 것에 비하면 성과는 기대수준을 밑돈다. 그래서 아베정부는 이른바 2014년 발표된 ‘소멸리스트’를 계기로 정책을 수정하는 실험을 시작했다. 지역재생(목적)과 순환경제(방식)를 연결하는 새로운 지역활성화로 방향을 전환한 것이다. 가장 큰 특징은 추진체계를 중앙주도성에서 지역자발성으로 바꾸면서 기획·예산·평가방식을 그동안의 톱다운에서 버팀업으로 바꾼 것이다. 지역문제를 스스로 풀려는 경쟁방식을 도입해 신형교부금을 신설하고, 구체적인 순환경제 달성여부를 평가하는 KPI 및 PDCA 방법론을 도입했다.

이를 통해 지역활성화의 결과물이 유출되지 않고 지역에 잔류함으로써 생산과 소비, 투자 등이 순환되는 효과가 확보된다. 주민생활의 향상에 직접적으로 연결되는 실질적인 순환경제의 실현인 셈이다. 즉 순환경제로 사회·경제적 자본 및 잉여를 축적시킴으로써 재차 지역내부에 환원·활용하는 지역재생이 중앙주도·전국기반의 하향·일률적인 지역개발보다 유리한 것으로 기대된다. 한국도 일본과 유사하게 지역활성화의 가성비는 낮은 상황이다. 때문에 일본실험에서 교훈을 얻는 게 중요하다. 지역재생과 순환경제를 위해서는 △다양한 거버넌스 구축 △추진주체로서 지역주민 △지속가능한 영리모델 △차별화된 지역자원 활용 △지역특화의 산업정책 △구체적인 평가체계 등이 대표적이다.

주제어 : 지역소멸, 지역활성화, 순환경제, 지역주도, 신형교부금

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