

Business-friendly **Ecosystem** as an Element of Economically **Resilient Cities** in Japan

Takashi Yamamoto

Department of Economics

Takushoku University

Tokyo, Japan

Initial phase of the 3rd stage of a research project on economically resilient cities

Measures to promote the policies

Policies to develop such characteristics

Characteristics of resilient cities

Identifying resilient cities

What is it that a city with economic resilience?

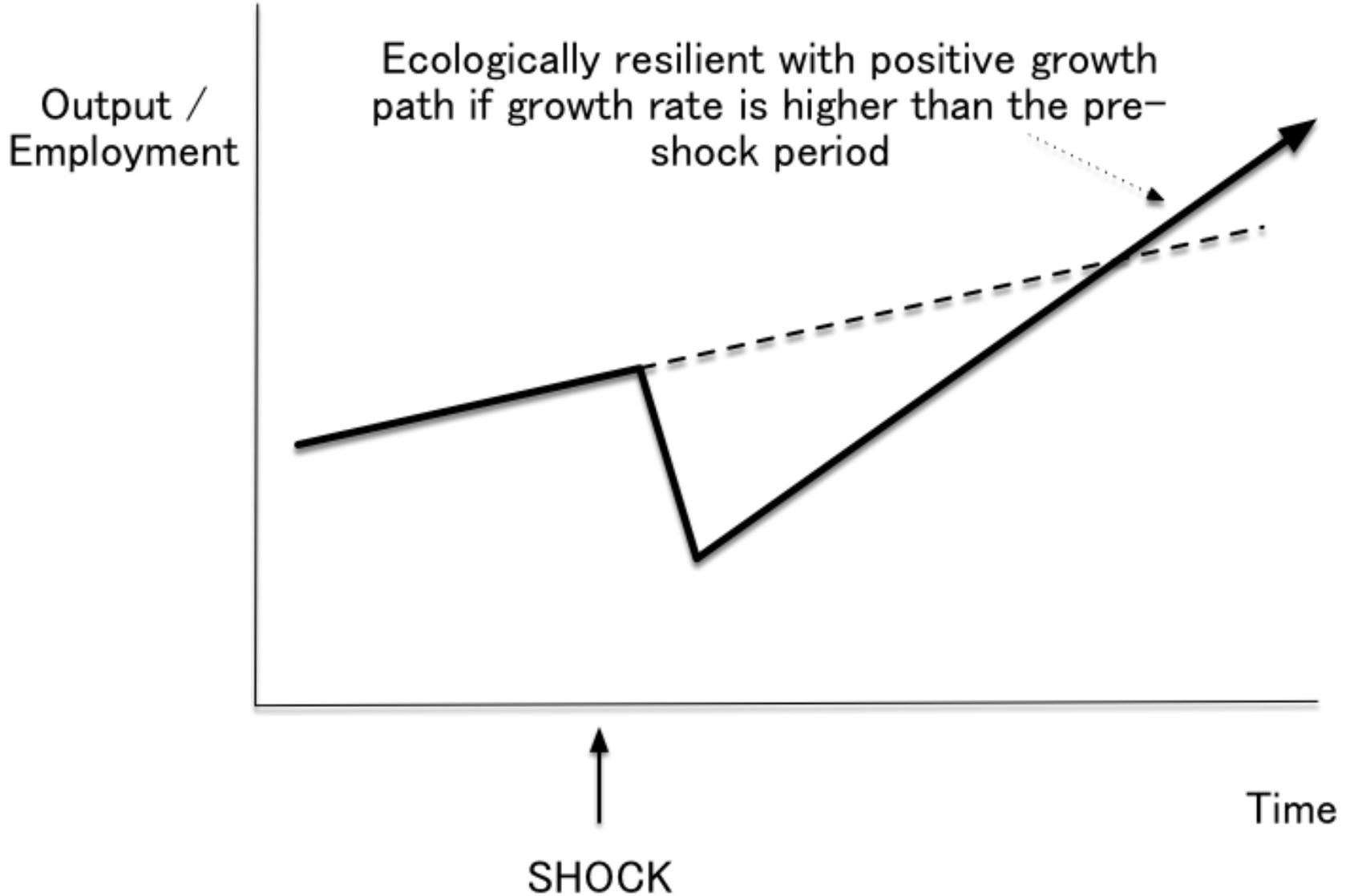
Contents

- Who I am is a “clinical economist” (Sachs, 2005)
- Concepts
 - ◆ Economic resilience
 - ◆ Business-friendly “ecosystem”
- Analysis to identify resilient cities
- Brief tale of two small cities
- Research issues

Economic resilience

- The capacity of local economy to **regain** or **exceed** the pre-shock **growth rate** in **manufacturing output** and/or **employment** after an economic shock.
 - ◆ “Capacity of a system to maintain core performances despite shocks by adapting its structure, functions and organization.”

Martin and Sunley (2015)



Simmie & Martin (2010), Martin (2012),

Business-friendly “ecosystem”

- Physical, Human, Natural, Locational Capital
- Network of entrepreneurial key individuals
- Formal & informal rules
 - ◆ Rules on which key individuals are asked to dance
- Local SMEs can be transformed into
 - ◆ Sleeping dragons & baby phoenixes 伏龙凤雏
 - ◆ Tortoises 乌龟

Comparative Analysis

- Research period: 2003-2013

- ☞ Long recession end: 2003

- ☞ GFC shock year: 2007

- ☞ Worst effect year: 2009

- ☞ “Abenomics” started: 2013

- National Census

- ☞ 2010

- Manufacturing Statistics

- ☞ 2003, 2007, 2009, 2013

- 813 cities

14 Resilient cities identified

	Resistant Resilient	Sensitive Resilient
Specialized (1-2 Industries)	<i>Shiraoka</i> <i>Tosa</i> <i>Munakata</i> (3)	<i>Osaki</i> <i>Ohta</i> <i>Takahari</i> <i>Karatsu</i> (4)
Diversified (3 or more industries)	<i>Noboribetsu</i> (1)	<i>Hidaka</i> <i>Nomi</i> <i>Awara</i> <i>Kasai</i> <i>Maniwa</i> (5)
Otherwise [SEP] (statistically ambiguous)	<i>n.a</i>	<i>Hatsukaichi</i> (1)

Maniwa City - Overview

- Pop. 48,964 (2010) ▲ 6% annually
- Diversified among **forestry-related** manufacturing
 - ☞ wood products & food products
 - ☞ electronic machinery
- Manufacturing industries share 27% of GCP
- 33% of GCI transferred in and paid out
 - ☞ Subsidies from national and prefectural governments
 - ☞ Payment for “imports”

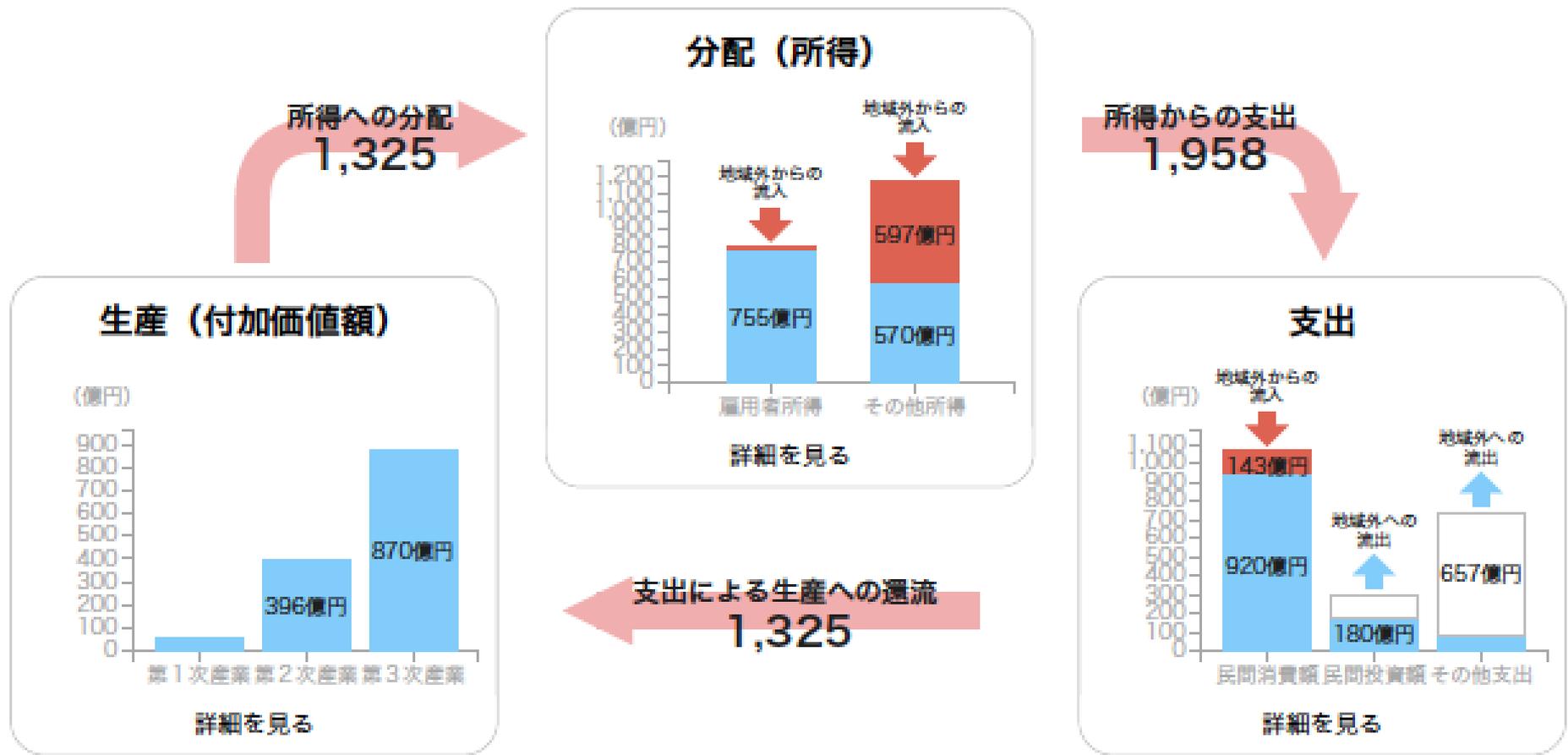
地域経済循環率

67.7%

地域経済循環図

2010年

指定地域：岡山県真庭市



Kasai City - Overview

- Pop. 47,993 (2010) ▲ 4% annually
- Diversified among **machinery** manufacturing
 - ⌘ electronic machinery
 - ⌘ general machinery
 - ⌘ transportation machinery
- Manufacturing industries share 48% of GCP
- 97.5% of GCP circulate within the city

Determinants of resilience

- Inherent economic dynamism
- Economic openness
- Sectoral structure
- Export concentration
- Competitiveness / productivity
- Technological profile
- Policy regime
- External relations and linkages

(Martin and Sunley, 2015)

Finding from Literature

	Maniwa	Kasai
Economic dynamism	Entrepreneurial	Entrepreneurial
Economic openness	Moderately open	Highly open
Sectoral structure	Forestry-related manufacturing; SMEs	Machinery manufacturing; Large firm + SMEs
Export concentration	Low	High
Competitiveness	Infant stage	Competitive
Technological profile	Biomass technology	Improved conventional technology
Policy orientation	Self-sustainability	Export orientation
External relations	?	?
Key individuals	Community businesses Public officials	SME presidents COC leaders
Ground rules	?	?

Into the Future

- Research issues
 - ◆ How do resilient cities differ with each other?
 - ◆ Classification
 - ◆ Are determinants of resilience complete?
 - ◆ Do they (really) have business-friendly ecosystem?
- Looking for collaborative research opportunities
 - ◆ Subject to funding opportunities...

Ecosystem exists, but hard to see

“What is essential is invisible to the eye.”

The Little Prince

“The thing about perfection is that its unknowable. It's impossible... but its also right in front of us all the time.”

Tron: Legacy

Thank you
谢谢
ありがとう

Takashi Yamamoto

jp.linkedin.com/in/yamamotoeg/
ytakashi@ner.takushoku-u.ac.jp