

# New Perspectives on Regional Industrial Policy and a Future Regional Society

MATSUBARA Hiroshi

The Headquarter for the Promotion of Overcoming Population Decline and Vitalizing Local Economy in Japan was established in 2014. New policies for the next five years were announced in 2019, and the aims for regional economies were shown based on Economic Base Theory in a broad strategic view. In this paper, the author attempts to clarify new points of view on Economic Base Theory, introducing recent discussions of European economic geographers and analyzing changes in Japanese regional economy and industrial location policies.

Economic Base Theory, as a basic theory on regional economies, tries to explain regional economic development through intra-regional income circulation by industrial linkage and consumer spending.

European economic geographers have introduced new concepts such as related variety and unrelated variety since the early 2000s. They have analyzed the relationships between such new indicators and regional performance or regional innovation.

Two case studies on changes in Japanese regional economy in Sakata and Tsuruoka, Yamagata Prefecture and in Joetsu, Niigata Prefecture indicate that it is necessary to consider the dynamic transformation of basic industries and change of spatial units by merging local municipalities.

Japanese industrial location policies historically designated specialized industry. in order to attract enterprises and develop industry-university-government collaborations. However, the newest location policies implemented since 2017 have widened various industries and functions including non-manufacturing industries. It is important to enlarge policy perspectives from industrial specialization to diversification and from intra-regional circulation to wide area cooperation.