



The View of Mt. Iwate (Iwate-san) from Shiroyama Park in Shiwa Town, Iwate Prefecture

The Miracle of Ogal that was Achieved Through Cooperation Between the Public and Private Sectors

Demachi Yuzuru, journalist

“The most expensive snow disposal yard in Japan”

A large empty space in front of a station was reborn into a town that attracts 950,000 visitors annually. It is Shiwa, Iwate Prefecture, which is a 30-minute drive from Morioka. The town has a population of 33,000. The Ogal Project¹, a major project implemented in cooperation between the town government and the private sector, was introduced to the town. It is evaluated nationwide as a money-making infrastructure that does not depend on subsidies.

The project was reported as a successful example of local revitalization and attracted a flood of visitors. One of these was Koizumi Shinjiro, a House of Representatives member. At the Diet, Koizumi stressed, “The project is a great local revitalization project that embodies the spirit of local revitalization,” and admired it as “the spirit of *ogal*.” The word “ogal” is a coined word combining Shiwa’s dialect word *ogaru*, which means “growth,” and the French word *gare*, which means “station.”



Demachi Yuzuru

¹ <http://ogal-shiwa.com/> (Japanese only)

This place used to be ridiculed as “the most expensive snow disposal yard in Japan.” There is a reason why it received such a dishonorable name. When its tax revenue was good, Shiwa purchased the land for 2.8 billion yen. But the town miscalculated it. When the town attempted to build a public facility, it had no money. The town had no choice but to neglect the land. It was left in mothballs as a snow disposal yard.



JR Shiwachuo Station in Shiwa Town

This land is located in front of JR Shiwa Chuo Station. It is 10.7 hectares in area, twice as large as Tokyo Dome. The land changed dramatically in just ten years. One day in September, I took the Tohoku Shinkansen to see what it looks like now.

At Morioka Station, I changed trains to the Tohoku Main Line. After 20 minutes, I got off at a small wooden unmanned station. I saw a town that reminded me of a bustling shopping street in Barcelona, Spain.

I was attracted by a grass square between buildings on the right and left. There was a space of more than 30 meters between the buildings, creating a large area. On weekends, people pitch tents in Ogal Square, and events for enjoying beer and food are held. People come to these events from many parts of the prefecture, including Shiwa.

Ogal Plaza is a building that is fronted on the left side of the square at the back of the station. This building is a public and private sector complex that was built of locally produced wood. It features a library, which is a core facility. On the first floor, there is a line-up of books about agriculture, Shiwa’s key industry. In addition, there is a section of children’s books so that people with children can enjoy reading them. If children say to their mothers, “Mom, I want to go to the library again,” it means that the town is a winner. The parents are sure to come again. That is what the project intends to achieve.

Takeo in Saga Prefecture opened a library in cooperation with Tsutaya Bookstore and attracted public attention. But Shiwa's project provides a striking contrast. The library in Shiwa is a library with the feeling of the local people, without depending on outside capital.

This library has a great service spirit. All the library staff line up and practice saying, "Welcome" before the library opens at 10 a.m. They all know that if they attract more visitors, the entire community will become richer.

At the entrance to the library is a space where events featuring food and crafts can be held. There is also a kitchen there. The glass doors of this space are directly connected to the grassy Ogal Square, and events combining the inside and outside areas can be held there.

In addition, on the second floor, there is a room where people can enjoy eating and talking. This room of the library is a room that breaks away from the concept of "No talking, no eating and no drinking." There are also large and small studios on the second floor. The large studio has a capacity of up to 150 people, and concerts can be held in this space. This large studio is also used to make presentations to the scores of visitors that come to Shiwa from many parts of the country.

There is a bar adjacent to the library. It is a popular venue that serves local food and alcoholic drinks. Next to this bar is Shiwa Marché, a marketplace for direct sales from producers to consumers. I looked at the vegetables and fruit sold there and discovered that many of them had been produced in Shiwa. Processed foods, such as bacon and sausages, as well as locally produced meat, were on display. It was inundated with customers. The marketplace enjoys annual sales of 600 million yen. This setting, where a library, a bar and a marketplace for direct sales from producers to consumers exist at the same time, was unexpected.

The tenant occupancy rate of Ogal Plaza is 100%, and it is occupied by local companies. In addition to rent, the plaza receives usage fees every time events are held. This is why the plaza is known as a money-making infrastructure.

There are other features in addition to Ogal Plaza. Within the grounds of Ogal Base, a private complex that sits across from Ogal Square, is a court exclusively for volleyball², which is rare in Japan. Its floor has the same specifications as those used for international matches. There is a business hotel in the space, and athletes from around the country use the hotel for training camps. In addition, the Iwate Football Center for soccer games, the building of the Shiwa office and a nursery school are located in the Ogal district.

Two men who brought about cooperation between the public and private sectors

It is now a location that attracts many visitors, although it used to be a snow disposal yard. Two men with "spark" drove this change.

It was 79-year old Fujiwara Takashi, an ex-town head, who took the lead in the project in the town government. After serving four terms in office, a total of sixteen years, he is enjoying his retirement. In Ogal, Fujiwara said to me, "Many town council members and citizens were opposed to the project. But a town head must be determined. If a problem occurs, I am determined to take responsibility for it. I entrusted Mr. Okazaki with the project."

Fujiwara withdrew a station area development project and shifted his policy to Ogal. Fujiwara said, "If we had continued to make huge investments, we would have ended up in the same situation as Yubari, Hokkaido." It was 45-year-old Okazaki Masanobu that Fujiwara was referring

² <https://pregamestraining.tokyo2020.jp/en/module/camp/facilities/7ca0c760bf2edbbb1df0f80e4059ebd1>

to, with his eyes half-closed. Okazaki is not a town official. He is the oldest son of a man who founded a local construction company.

Mr. Okazaki made strikingly strong remarks, saying, "I did not participate in the Ogal Project out of a sense of justice to do something for this town. That is a story that came later. I just had to do something for my construction company. We have entered an age where the economy is shrinking due to depopulation. If the town is not vibrant, my construction company will have difficulty surviving. What is important to me is the happiness of our employees. It is important for our employees to receive proper salaries and be proud of their work."

Okazaki said, "Many people come to our town, which will make it a money-making area. It is important to ensure that real estate prices increase as a result." Okazaki repeatedly stressed that an increase in land prices is the barometer of local revitalization.

The key phrase "cooperation between the public and private sectors" is important when looking at the miracle of the Ogal Project. The cooperation between the public and private sectors is a method of using private sector capital and knowhow without depending on subsidies in providing public services and social infrastructures, and this method is becoming more common in the United States and the United Kingdom.

On the stage of the "snow disposal yard" in Shiwa, Fujiwara participated in the project from the public side and Okazaki participated in the project from the private side. The miracle cannot be discussed without these two men with "spark."

A system for the independence of public facilities

Okazaki, who appeared in front of me, was a man who seemed to be strong-minded. He was theory oriented.

Okazaki said, "An increase in population will lead to an increase in investments in social capital, and eventually to an increase in public works projects. The construction industry, in which I am involved, is closely associated with an increase in population. But in the current era, when the population is decreasing, we need to change our conventional method."

There were many cases in which conventional public facilities ended when they were completed. The heads of local governments and the chairmen of chambers of commerce cut tapes cheerfully in celebration of the completion of public facilities. Okazaki thinks that this style is not suited to the era of depopulation.

Okazaki said, "Public facilities start when they are completed. The most important thing is how to make money. It is important to build a system of facilitating stable incomes in the long term, as well as dependence. How can you boost sales? The concept of promotion is required for public facilities as well."

But for the Ogal Project, Okazaki Construction Co., Ltd. did not receive any orders. Another construction company received all the orders. Okazaki said with a laugh, "If people think that we are acting for our own benefit, we will lose public confidence. Okazaki Construction Co., Ltd. earns money in other areas."

Because Okazaki is the oldest son of a man who founded a construction company, you could assume that he has been rich since he was a boy. But this is not true. His father was from Yamagata and established a construction company when he was in junior high school, but he was not very rich.

Okazaki was not paid regular pocket money. He removed snow from around his house and

polished his father's shoes. He went ahead of thinking about necessary work and did jobs. He received pocket money as a reward for doing those jobs. Okazaki has been keenly aware of earning money since he was a boy.

Okazaki graduated from university in Tokyo and joined the Japan Regional Development Corporation (now the Urban Renaissance Agency). He was transferred temporarily to the Ministry of Construction. He was involved in station area development projects in major cities. He saw cases where large-scale development projects that depended on subsidies failed all over the country.

Okazaki said, "I cannot understand how regional promotion is defined. In the end, regional promotion is just a magic word used by central government officials. On the other hand, local people want to build large structures to create Little Tokyos. This is the cause of failure. Even if there are structures, the local people will lead unhappy lives."

This man who had seen the "outside world" returned to Shiwa at the age of 29. At that time, the construction industry was in a tough situation. Public works projects that were carried out as part of economic stimulus packages had begun to decrease due to the collapse of the bubble economy. Many construction companies were considering petitioning the central government to implement public works projects.

Okazaki felt extremely uncomfortable about this idea. It was clear from his experience of working in Tokyo that the central government, which was saddled with huge fiscal debts, could not afford to order public works projects. It was just like asking a man without money to give them money.

Okazaki held numerous discussions with his friends at Junior Chamber International Morioka, running the company as the executive director of Okazaki Construction Co., Ltd. When he strongly felt that the management conditions were tough and was thinking about the future course of his company, he learned that the Graduate School of Toyo University was offering a course on cooperation between the public and private sectors.

Okazaki applied to the Graduate School of Toyo University immediately afterward. Starting from October 2006, he traveled to Tokyo during the weekends. He went to Tokyo on Fridays and attended two course lectures at night. He stayed in a nearby hotel and attended five course lectures on Saturday mornings.

Withdrawing a conventional construction project

On the other hand, Fujiwara was originally an apple farmer. But he became injured and switched to a career in the transportation industry. He commenced business with one truck and developed his company into one of the leading transportation companies in Tohoku. The competent corporate manager was elected as a member of the city council and then took office as mayor in 1998 at the age of 59.

The largest political challenge for Fujiwara was how to utilize the land in front of the station. The land was twice as large as Tokyo Dome. The former mayor decided to buy the land for 2.8 billion yen. It was a project that would involve investing a total of 13.4 billion yen in the land to build structures such as town offices, a library and a cultural facility.

But from the perspective of Fujiwara, a corporate manager, it was too reckless to try to build structures according to the project in terms of Shiwa's financial capacity. The taxes would just end up leaving a price for the future. In this situation, Fujiwara withdrew from the conventional construction project and decided to think about how to use the land. The town had no money, but

the land could not be left as it was.

Fujiwara originally thought that the private sector should be utilized, but he was unable to come up with a good idea. There was no point building and developing uniform facilities as other local governments did.

Just at that time, Fujiwara learned that the eldest son of Okazaki Construction Co., Ltd. had begun to attend graduate school. Fujiwara met Okazaki at the mayor's office to ask him for some advice. Okazaki mentioned cooperation between the public and private sectors. Okazaki said that it was the subject he was studying at the Graduate School of Toyo University.

Listening to Okazaki's logical explanation, Fujiwara understood the message intuitively. Fujiwara thought that he should introduce cooperation between the public and private sectors to utilize the land that had been left in mothballs. The town office could not afford to develop the large piece of land singlehandedly. Fujiwara asked Okazaki, who was almost as old as his son, for advice, and made a decision.

Finally, the Ogal Project, which was based on cooperation between the public and private sectors, was launched.

A town government official also attended graduate school in Tokyo

Fujiwara moved quickly. First, he had to get a town government official to study as well, and he chose Kamada Senichi, who belonged to the Commerce and Tourism Section of the town office.

Kamada said, "My boss said to me, 'I do not believe that you will decline my request.'"

Kawada was ordered to study at the Graduate School of Toyo University. He was instructed to consider how to effectively utilize the land that had been left in mothballs.

Kamada was involved in revitalizing shopping malls as a member of the Commerce and Tourism Section.

Kamada said, "I knew that the large piece of land that had been left in mothballs in front of the station was a significant issue, but I thought that it was a matter for other people, and that it had nothing to do with me. I was suddenly instructed to attend graduate school and to be honest, I was surprised."

Okazaki and Kamada had graduated from the same junior high school, and Kamada was two years older. The two men studied how to utilize cooperation between the public and private sectors for the development of the town-owned land.

The two men stayed overnight in Tokyo together to ensure that they were on time for the lecture that was held on Friday night. Looking back on that time, Kamada said, "I could not figure out how to apply cooperation between the public and private sectors to the land that had been left in mothballs. I thought about calling for a leading developer to come."

Kamada was worried about whether he would be able to utilize his experience of studying at the Graduate School of Toyo University as a town government official to achieve the effective use of the land.

The two men discussed the future of Shiwa at a bar near the hotel one Friday night. When Kamada became concerned about whether cooperation between the public and private sectors would be possible and whined, "I want to quit graduate school," Okazaki scolded him, "I do not want to listen to you complain." Kamada said with a laugh, "We switched our positions as juniors and seniors at this time."

A hundred explanatory meetings with local people

Subsequently, Shiwa moved with exceptional speed. In April 2007, the town concluded an agreement with Toyo University, with Okazaki acting as a coordinator.

Toyo University officials visited Shiwa to investigate what type of cooperation between the public and private sectors would be possible. Four months later, they published a report. According to this report, there are 600,000 residents in the area within 30 kilometers of Shiwa Chuo Station. It is the most populous area in Iwate Prefecture. By utilizing this feature, they decided that they should work on agricultural promotion, tourism development and sports promotion. The idea of establishing a public corporation based on cooperation between the local residents, the town office and private companies was presented.

However, regarding cooperation between the public and private sectors, a local newspaper said, “Will the black ship be a savior?” and reported negative reactions.

In the beginning, Kamada took charge of the cooperation between the public and private sectors all by himself. In January 2008, the Office of Cooperation between the Public and Private Sectors was established. This office undertook to coordinate the town government. Looking back on that time, Fujiwara said, “I had the definite feeling that the mayor had to be strongly determined the whole time. If he made a concession part-way through, the town officials would not follow him. The town officials watch the mayor carefully. I did not waste any time. The mayor’s job was to decide on a policy. Once I made a decision, the town officials worked.”

The town-owned land was twice as large as Tokyo Dome. It was the town’s property, and the mayor was not allowed to implement the project at his discretion. It was essential to explain the project to the local people. Fujiwara held around a hundred explanatory meetings with local people in the course of two years.

But many local people criticized the project at the explanatory meetings, saying, “The town government gave up on what it should have done!” and “What if the companies involved in the project go bankrupt?” Fujiwara explained the project to the local people, consulting with them.

Fujiwara said, “Of course we are running the risk of going bankrupt. But the town has no money to develop the land. We need to choose between leaving the land as a permanent snow disposal yard and thinking about a way of developing it through cooperation between companies, public administrators and local residents.”

The town council fell into chaos. Many of the council members objected to the project, saying, “Although the project should fundamentally be handled by the town government, why are you making Okazaki deal with it?” Fujiwara argued, “I will leave it to Okazaki to do this job. If you have a substitute, bring him to me.” The local residents and town council members became more and more critical of the cooperation between the public and private sectors.

While Fujiwara communicated with the local people and the town council, Okazaki carried out multi-faceted activities. Using his original networks, Okazaki developed a method of raising funds independently without depending on subsidies. In the next issue, I will report on how the Ogal Project was achieved with a focus on Okazaki’s moves.

Building facilities to attract people on the land that had been left in mothballs

Okazaki completed the course at the Graduate School of Toyo University in March 2008. Immediately afterward, he contracted a project of constructing Shiwa-type cooperation between

the public and private sectors. He worked out a way of raising funds from the private sector. But by thinking in a coolheaded manner, he noticed that the land had been left in mothballs for ten years and that it had made no money. Who would invest in such land?

Okazaki undertook analyses. Based on his experience of working at the Japan Regional Development Corporation (now the Urban Renaissance Agency) and the Ministry of Construction (now the Ministry of Land, Infrastructure, Transport and Tourism) in Tokyo, he knew that if they built commercial facilities with half measures, they would end up placing a burden on the town government.

First, it was necessary to facilitate people's movements back and forth. This was Okazaki's basic vision. That is, he wanted a universal structure for attracting people. It was the exact method that he had studied at graduate school.

At that time, Okazaki received the information that the Iwate Football Association was planning to build a football center in the prefecture. A football ground could be a universal structure for attracting people. Okazaki obtained Fujiwara's approval and proceeded to negotiate on extending an invitation to the football ground.

He learned that other municipal governments had also made moves. Shiwa was the fifth applicant, and it was expected to experience tough competition.

Okazaki came up with a strategy for winning by coming from behind. He built a water tank beneath the football center and highlighted the fact that it was a football ground that had good measures in place for dealing with rain. Even if it rained heavily, the water would flow into the water tank, which would prevent the field from becoming submerged in water. Fundamentally speaking, residential area development had been planned for the town-owned land. In developing a residential area, special facilities, including a retention basin, had to be prepared to prevent damage from overflowing water in case of rain. There were double benefits in building a retention basin beneath the football ground.

Meanwhile, Fujiwara, the mayor, moved quickly and decided to contribute the sum of 60 million yen. He considered leasing the land for a charge and receiving an annual rent of three million yen. A simple calculation showed that they would receive 60 million yen in 20 years. If the low interest rates continued, they would be able to regain their investments. They would also be able to obtain additional benefits. If 100,000 people play soccer on the football ground on an annual basis, they will pay money. Shiwa concluded that 60 million yen would not be too high an investment.

How could Shiwa receive an order? Okazaki's estimate was quite simple. Okazaki said, "We moved even more quickly than the other municipal governments. That was the winning factor for us." After a little consideration, you will notice that the greatest difference between the public and private sectors is speed. I strongly felt that precisely because Fujiwara left it to Okazaki on the side of the private sector to do the job, it was possible to move at speed.

It was decided that the football center should be constructed, and the Ogal Project commenced. The opposition on the part of local residents and the town council, as mentioned above, was minor. Although people were concerned about the "black ship," the football center would be constructed. After a local newspaper reported it with fanfare, the town residents began to have expectations, and the opposition to the construction of the football center died down.



Cherry blossom at the Shiroyama Park in Shiwa Town

To Okazaki, the football center was a universal structure for attracting people. This was also the case with the library and the town government building. Okazaki drew up a scenario on community development on the basis of these structures for attracting people.

Okazaki said, “We cannot stop the residents of Shiwa from going shopping in Morioka or from shopping on Amazon. They do not go shopping just because the store is located in front of a local station in Shiwa. Accordingly, we need a universal structure for attracting people, that is, a scheme for encouraging people of all ages to gather there.”

If people gather there, cafes, bars, galleries and stores will emerge. In addition, if stores emerge, the number of visitors is certain to increase. As a result, people will pay money in the area, which will eventually cause real estate prices in Shiwa to rise. Okazaki said that he had been aware of this economic cycle. Okazaki set the goal of attracting 300,000 visitors, about ten times the population of Shiwa, on an annual basis. But in reality, the number of visitors amounted to 950,000, three times the goal. The Ogal Project turned out to be more effective for attracting people than Okazaki had expected at that time.

Raising funds without depending on subsidies

The scheme of the Ogal Project was put in place. The next focus was on how to raise funds. For fund-raising, Okazaki also applied a method that he had studied at graduate school. For projects based on cooperation between the public and private sectors in the United States, financial advisors were involved in raising funds. He asked Yamaguchi Masahiro, an investment banker who had worked at an American investment bank, to raise funds. Yamaguchi, known by the pen name “Gucchi-san,” writes column articles in magazines, and his blog has a large number of readers.

Yamaguchi proposed securitization as a method of raising funds. Its reputation had suffered due to the subprime loan issue that triggered the global financial crisis, but it was quite common in financial circles as a method of raising funds.

In the case of the Ogal Project, Yamaguchi proposed the establishment of a special-purpose company represented by Okazaki. This company would handle fund-raising, construction projects, operations and management. The construction cost was 1.1 billion yen. They would procure 800 million yen by selling off public facilities, including the library, to the Shiwa government.

How should Okazaki raise the remaining 300 million yen? He thought of raising funds externally through loans and investments. It needed to be extremely strict, unlike conventional subsidies. Investors focused solely on whether or not the project would make money properly and whether it would be possible to pay dividends. Okazaki was required to achieve a surplus within ten years.

What should Okazaki do to achieve this? The answer was clear. It was important for the tenants to make money. It was important to look for money-making tenants.

In the end, it took him 18 months to look for tenants. He did not think that any store would do as long as it made money. Since it was a public facility, Okazaki wanted high-quality tenants. In addition, Okazaki hoped that the tenants would continue to rent the facility for many years. It was not easy to choose the tenants.

One of those tenants was Shiwa Marché, a marketplace for direct sales from producers to consumers. Currently, it was posting annual sales of 600 million yen. But a bank was concerned as to whether the management would go well because there were nine facilities for direct sales from producers to consumers in Shiwa at that time.

In response to this situation, Shiwa Marché differentiated itself from the other facilities for direct sales from producers to consumers. Shiwa Marché increased the number of its supermarket-like items in addition to those aimed at tourists. In addition, Shiwa Marché chose a person who had whipped many stores in Morioka into shape as the store manager. Okazaki made a strategic move by differentiating the stores and choosing the store manager carefully.

In the end, Okazaki raised funds through loans and investments without depending on subsidies. He successfully received a loan of 135 million yen from Tohoku Bank. In addition, he also succeeded in drawing investments from the general foundations of the Ministry of Land, Infrastructure, Transport and Tourism. They acquired the stocks of the special purpose company for investments.

Modifying the construction plan from a three-story building to a two-story building

Okazaki obtained a projection for a 300-million-yen fund-raising plan and a rough estimate of rent revenues. He faced another obstacle, however. He found it extremely difficult to achieve a surplus within ten years based on the construction cost that he had initially estimated. This construction cost would make it impossible to secure investments and loans.

I was astonished by the next step taken by Okazaki. He changed the plan from the three-story reinforced concrete design he had initially planned to a two-story wooden structure.

The rents to be paid by the tenants that would be housed in Ogal Plaza were fixed. He had no choice other than to reduce the construction cost to obtain loans and investments. This was a decision on a modification that would have been inconceivable for conventional public facilities that were built with subsidies.

Okazaki said, “Up until then, people took it for granted that they would depend on subsidies for community development. But as a result of subsidies, their business plans turned out to be too easy and they built buildings that were too large for the local communities. If those buildings cannot house tenants as a result, it is impossible to attract new investments. People do not want to build houses and live in a town where there are a lot of empty houses. It is essential to create a place that people want to visit. People do not gather in an uncool place, and they do not want to live in such a place.”

That is, Ogal Plaza is a structure for which Okazaki took a risk in raising funds, not a structure that the Shiwa government built with subsidies and debts. The Shiwa government only bought part of it or rents it. The land, which used to be a mere snow disposal yard, became money-making land.

The flow of money is as follows. The tenants pay rents to the special purpose company “Ogal Plaza.” This special purpose company pays the tenants’ rents and property taxes to the Shiwa government. The Shiwa government pays for the library’s maintenance expenses from these funds.

As mentioned above, I explained that the staff of this library practice their greetings before the library opens. This is because if a lot of people visit the library and spend money at the tenants around it, the maintenance expenses received by the library will also increase. Because the library staff are well aware of this, they are keen to practice their greetings.

Many local governments nationwide have the same problems as the Shiwa government. Accordingly, many of their officials make inspection visits to Shiwa. These visitors are required to pay 3,000 yen each.

In addition, Okazaki travels around the country. Okazaki said, “I receive offers to have consultations with local governments throughout the country.”

It is quite natural for other local governments to try and introduce the knowledge obtained from the success of Shiwa. While I was listening to him, Okazaki made a strikingly strong remark, saying, “I receive many offers to have consultations about rebuilding local government buildings. But I only accept private contracts. I think that private contracts mean that you put your trust in the private sector. The heads of local governments who are reluctant to enter into private contracts because they are afraid of being objected to by parliament cannot achieve cooperation between the public and private sectors. Competitive tenders mean cheap, poorly constructed buildings. If price competition occurs, you cannot have good consultations.”

His remarks were new to me, and they had a huge impact on my minor idea of private contracts. A private contract means that when the central and local governments conduct public works projects, they enter into contracts with optional contractors without a competitive tender. Because there are no competitors, the prices tend to be higher. Because taxpayers’ money is used, people criticize it for not being transparent.

But Okazaki dared to point out that private contracts were an important focal point in the cooperation between the public and private sectors. After some thought, I was convinced. In the case of designated competitive bidding, the consultant may apply a method whereby other towns subcontract directly by minimizing spending. Listening to Okazaki’s story, I was ashamed of having written critical articles about private contracts.

An ex-Ministry of Internal Affairs and Communications official’s career shift

When Okazaki travels around the country as a consultant, he is accompanied by a female

employee—Kawahata Motoko, who is 29 years old. She is an ex-government official who joined the Ministry of Internal Affairs and Communications after graduating from Hitotsubashi University. She has also worked as a temporary official in the Saga prefectural government. Kawahata began working for Ogal in April this year. Okazaki said, “Kawahata can get high T-scores, but she is always scolded by me.”

Kawahata explained why she had chosen to work with Okazaki, saying, “I joined the Ministry of Internal Affairs and Communications because I hoped to undertake the task of creating a national structure from the local regions. But although the authorities are devolved from the central government to local governments as a result of decentralization, local governments are still dependent on central governments for subsidies, and officials transferred from central governments are in higher positions in prefectural governments. I felt uncomfortable about the current situation. I wanted to work in the field in the local regions. I was surprised by the Ogal Project, and left the Ministry of Internal Affairs and Communications.”

In addition, Kawahata went on to speak about how she felt after working for six months, saying, “My bosses at the public offices had the style of following precedents in accordance with laws and ordinances. But my current boss is quite different. He thinks on his own, gives everything he can to what he is interested in and expands it to community development.”

Kawahata saw many heads of local governments when she worked as a public official, saying, “Old heads of local governments tend to hope to build nice government buildings and baseball grounds while they are in office. Many of them say condescendingly, ‘I construct buildings for the town.’ But are those buildings really necessary for the residents? In this era of depopulation, they could be burdens in the future and end up as tombs.”

Kawahata absorbs the perception that it is essential to have the courage to undertake an about-face on the conventional way of thinking about community development in a society where the population is decreasing.

Kawahata is from Imizu, Toyama Prefecture. She happens to be a younger graduate from the same high school as me, and she has no brothers and sisters. When I asked her, “Will you return to your hometown someday?” She said, “I still don’t know.”

Is there anywhere where she, who chose to work with Okazaki and has experienced other worlds, can work actively after coming back? I had the feeling that Toyama, my hometown, was asked this question.

The reason for building a gymnasium exclusively for playing volleyball

When I entered Shiwa, I stayed at a hotel within Ogal. It was housed in Ogal Space, a private complex. This building stands on the other side of the grass in front of Ogal Plaza. It opened two years after Ogal Plaza. The Ogal Project will develop four buildings, and Ogal Base is the second of these.

The building houses a convenience store, a drug store and a stationery store. The building does not house any public facilities such as the library of Ogal Plaza. The hotel is visited by many men who are around two meters tall. Volleyball players have stayed there for a training camp. The most significant feature of Ogal Base was that Japan’s first gymnasium exclusively for volleyball was housed in it. The same flooring materials that are used for the Olympic Games were used. Why did they build a gymnasium exclusively for volleyball?

The Japanese sports market is said to total 2.5 trillion yen annually. Baseball and soccer make

up quite a large share of it.

Okazaki shared his analysis, saying, “Because the baseball and soccer markets are large, many local governments hope to build baseball and soccer grounds. The volleyball market is small. We focused on that aspect, and nationwide youth teams and teams of selected junior high school players came to stay at the hotel for a training camp. In addition, our hotel entered a list of training camp sites for the national teams that would compete at the Tokyo Olympic Games in 2020. However crazy people get about soccer and baseball, there is a certain number of people who like volleyball.”

In fact, the local club team, the Okazaki Construction Co., Ltd. Owls, whose main members are employees of Okazaki Construction Co., Ltd., scored its first victory in the All Japan Six-Men Volleyball Club Cup Men’s Championship in 2014. Okazaki also played volleyball when he was at junior high school and high school. His love of volleyball grew in intensity, and he finally built a gymnasium exclusively for volleyball. This also led to the revitalization of the town. Okazaki is developing a strategy for making Shiwa a mecca for volleyball in Japan.

Ogal Base involved a total business cost of 7.2 trillion yen. Okazaki, who made achievements with Ogal Plaza, founded Ogal Base Co., Ltd. He received loans from Tohoku Bank. The tenants’ fees for Ogal Base increased by an average of 20% from Ogal Plaza.

Currently, the hotel is so popular that it has an insufficient number of rooms. Okazaki plans to enlarge the hotel. The system of attracting people to the town and earning money has achieved results.

Kamada Senichi, who used to study with Okazaki at the Graduate School of Toyo University, is now the Director of the Shiwa Cooperation between the Public and Private Sectors Office.

Kamada said, “Kumagai Izumi, the current mayor, inherited the spirit of Ogal. First, we built a library that was effective for attracting people and Ogal Plaza, which houses Shiwa Marché. Next, we built Ogal Base, which houses a volleyball arena (Ogal Arena), and the Shiwa government building. Mayor Kumagai built Ogal Nursery School and Ogal Center, which houses a hospital with a pediatrics department, to create a good environment for raising children. I think that the order in which these Ogal facilities were built was very important.”

Kamada also cleans Ogal Square together with his coworkers. The day I met him was the day after an event, and Kamada was undertaking cleaning work wearing rubber boots.

The Ogal Project was achieved with Okazaki, an exceptionally talented man, acting as the pivot of the fan. It was Fujiwara, an ex-mayor, who discovered Okazaki. Whatever the opposition force said, Fujiwara protected Okazaki to the end. In addition, Kamada, who was a subordinate of Fujiwara, also worked hard from the public sector side. They also attracted Kawahata, an ex-bureaucrat, from outside. The sparks triggered by Okazaki and Fujiwara are so strong that they will ripple throughout Shiwa and to many parts of the country.

Japan is facing the silent crisis of the depopulation era. Because Japan is saddled with a massive amount of fiscal debt, we have entered an era when we cannot even depend on taxes. The structure in which local governments depend on the Tokyo Metropolitan Government, which has continued since the Meiji period, no longer works. In this sense, it is high time for the heads of local governments, who depended on acquiring subsidies and inviting public works projects as a power source, to walk away. The skills of the heads of local governments are more important than ever before.

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DEMACHI Yuzuru

Journalist

Born in Toyama Prefecture in 1964. Graduated from the School of Political Science and Economics, Waseda University. After a stint at Jiji Press, joined TV Asahi in 2001 where he works on the news desk. Began writing after the Great East Japan Earthquake in March 2011. His publications include *Nihon eno yuigon: Chiki-saisei no kamisama ‘Toyoshige Tetsuro* (A will to Japan: Toyoshige Tetsuro, God of regional revitalization), *Seihin to fukko Doko Toshio 100 no kotoba* (Poverty and reconstruction: 100 sayings of Doko Toshiwo) and *Keiki o shikaketa otoko Marui sogyosha Aoi Chuji* (Betting on success: Marui founder Aoi Chuji).
