

Locational Changes in Large-scale Retail Stores in the Tokushima Urban Region: Locational Regulations Perspective

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Abstract

The purpose of this study is to discuss the relationship between locational trends of large-scale retail stores and locational regulations by central and local governments in local urban region. The Tokushima urban area in Shikoku region was selected as a study area.

First, location of large-scale retail stores in the Shikoku region was analyzed and then locational characteristics in the Tokushima urban region were clarified. Next, locational pattern of new development of large-scale retail stores was analyzed. The relationship between location and regulations was examined for each Act, i.e., Department Store Act, Large-Scale Retail Store Act, and Large-Scale Retail Store Location Act. The operations of these Acts for locational regulations were defined by central government. Finally, locational trend of large-scale retail stores in the local urban region was discussed in terms of regulation perspective.

Location of large-scale retail stores in the Tokushima urban region was different from other urban region in the Shikoku region. In the 1980s, the number of new stores was small, especially; there were few new stores in the central area and the surroundings of other urban regions. By contrast, there were some locations of large-scale retail stores in the central area of the Tokushima urban region, and the size of some stores was relatively large.

During the Department Store Act (~February 1974) period, the extent of large-scale retail stores was limited into the Tokushima central area. In this situation, major retailer had planned to open a new store in the central area. Some adjustments were made to solve the conflict between the local and major retailers. Opening of new stores by major retailers were started in the adjusted local regulation framework. Thus, the major retailer stores had made a large impact for the regulation.

In March 1974, Large-Scale Retail Store Act was introduced by central government. The period of enforcement of Large-Scale Retail Store Act could be divided into two sections: strict regulations period (March 1974 ~ April 1990) and liberal regulations period (May 1990 ~ May 2000). In the former

period, a major retailer could build stores in Tokushima City negotiating with local retailers. Hence, large-scale retail stores were located by major retailers in the Tokushima central area and the vicinity. Moreover, locations of large-scale retail stores were diffused by local and regional retailers in the built-up area and the suburb. In the latter period, local retailers in Tokushima City demanded some adjustments to opening of new shopping centers in the urban area. Thus, the expansion of large-scale retail stores in the Tokushima urban region was not accelerated as compared to nationwide trends.

After the enforcement of Large-Scale Retail Stores Location Act in June 2000, the locations of large-scale retail stores were regulated based on Urban Planning Act and controlled by municipality. Some suburban municipalities attracted large-scale retail stores using zoning plan. Therefore, many large-scale retail stores, for example, shopping centers and specialized stores, were located in the suburb by chain retailers which were outside of Tokushima Prefecture. However, major retailer such as general merchandise store was withdrawn from the Prefecture.

On the basis of these analyses, three major points are derived. The first point is that we need to separate regulations of large-scale retail stores by actor while examining the effect of regulations for location of stores in the urban area. The second point is that the expansion of effective area of regulations requires synchronizing with the suburbanization of large-scale retail stores by major retailers under Large-Scale Retail Store Act. The third point is that the difference of locational regulations between central city and suburban municipalities affects the locational change in large-scale retail stores.

In addition, these points are led by time-lag of regulation context in the Tokushima urban area. Therefore, focus on the regionality issue is required while examining the locational regulation.

Key words: large-scale retail store, local regulation, Department Store Act, Large-Scale Retail Store Act, Large-Scale Retail Store Location Act, Urban Planning Act, urban region, Tokushima

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Chapter 1

Introduction

1.1 Research background

Since the 1985, the number of retail stores in Japan has been decreasing. In contrast, number of locations of large-scale retail store (LSRStore) has increased until now. The Census of Commerce in 2007 shows that the number of LSRStore was 19,143, total floor space was 84,134,707m² and annual sales was 54,354 billion yen (Ministry of Economy, Trade and Industry 2008). The number of LSRStores accounted for only 1.6 percent of the total retail stores. However, the ratio of total floor space to all retails was 58.4 percent and annual sales were 40.8 percent (see Figure 1.1). In this context, the LSRStores have had a large role to play in the retailing industry.

In addition, the locational trends of LSRStores have experienced a huge change since the 1990s. Those trends are divided into two broad categories. The first is suburban expansion of its location. Because of the rapid expansion of motorization, the style of

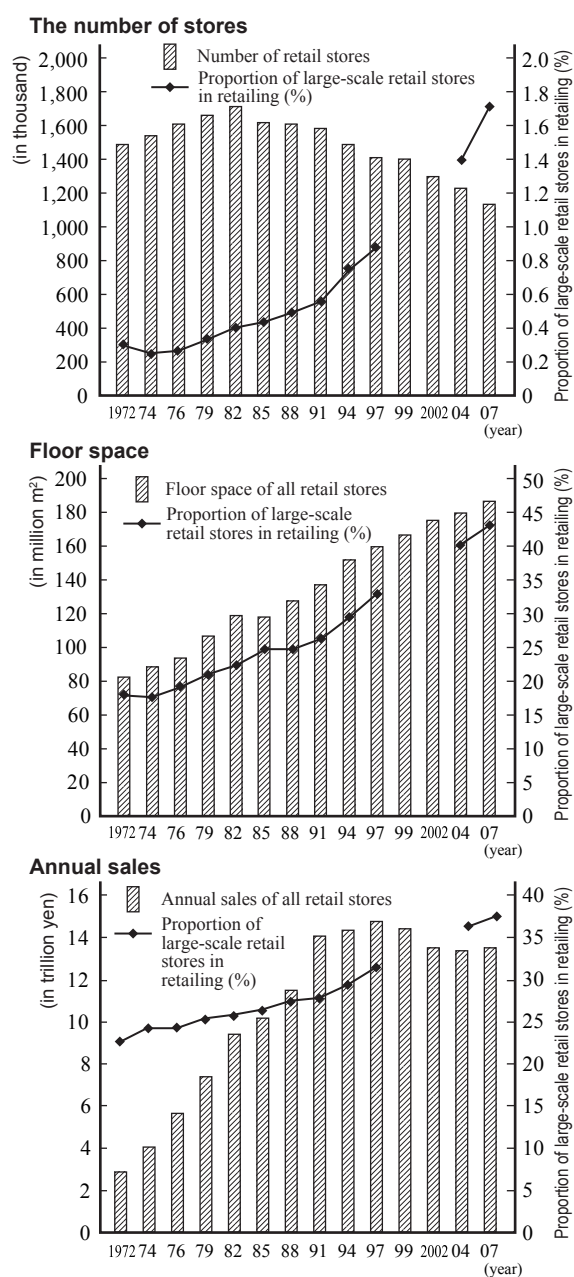


Figure 1.1 Changes in the number of stores, floor spaces, and annual sales of retailing in Japan, 1972-2007

Note: There is no data on large-scale retail store in 1999 and 2002.

Source: Census of Commerce (1972-2007)

shopping behavior of the people has changed widely. Therefore, stores have spread from train station square or residential area to suburb area rapidly. These areas are along bypass highway or around interchange and exit of expressway.

The second is stores getting bigger or complex and emerging to new type of operation. The former is caused by establishment of shopping centers. In the 1990s, shopping centers achieved high growth. In particular, shopping centers were expanded to local region¹⁾. The latter is caused by growth of home centers and specialized stores, which treat clothes, shoes, drug, sporting goods, and home appliances (Ikuta 2008). These stores were concentrated along bypass road in the suburb (Miura 2004).

In accordance with Neda (2008), the factors that change the location of stores can be divided into internal factors such as change of business policy or progress distribution systems, and external factors such as change of urban structure. Recently, the policy which is one of the external factors has received a lot of attentions. Since the 1990s, the distribution policies in Japan changed from the control of competition to the acceleration of free competition by the external circumstances, e.g., political and economic reform or Japan-U.S.

Structural Impediments Initiative (Hashimoto 1998). As a result, Large-scale Retail Store Act²⁾ (LSRStore Act) and its operation that regulated open of LSRStores had gradually relaxed. Furthermore, in 2000, Three Acts of Urban Development which was constituted by Large-Scale Retail Store Location Act³⁾ (LSRStore Location Act), Central District Vitalization Act, and revised Urban Planning Act (UP Act) became effective. The regulation policy about LSRStores was converted from commercial regulation to environmental regulation. Therefore, other studies have concluded that the relaxation of regulations contributed to the acceleration of opening stores or new type of enterprises. Figure 1.2 shows the number of notifications of new stores development based on LSRStore Act and LSRStore Location Act. It can be observed that the decrease of newly built stores in 1980s when the regulation was enforced and the increase of new development in 1990s when the regulation was relaxed. Hence, one can say that, regulations are related closely to location of stores.

In this circumstance, when policies about LSRStores have changed, policies and its changing have been a focus of constant attention as a research perspective on retail and distribution

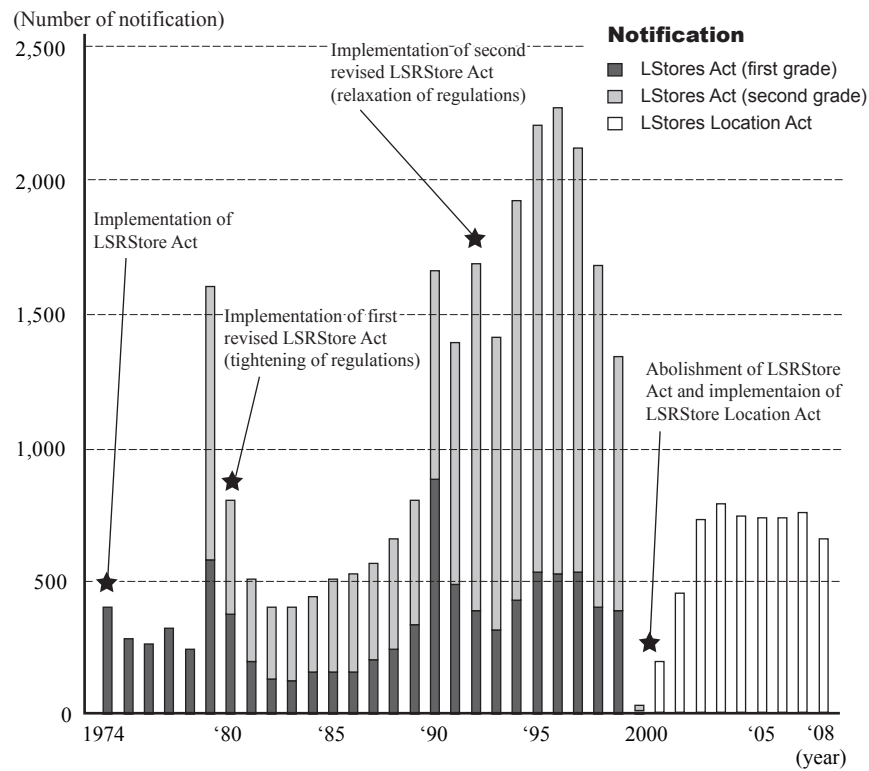


Figure 1.2 Number of notification of new development of LSRStores based on LSRStore Act and LSRStore Location Act, 1974-2008

Source: Webpage of Ministry of Economy, Trade and Industry
<http://www.meti.go.jp/policy/economy/distribution/daikibo/todokede.html>;
 last browsed day: Jne 27, 2008)

geography. In overseas, some researchers noted the need for similar studies. For example, Wrigley and Lowe (1996) suggested that “the review of policies for retail industry” as one of the relevant view points of retail geography when they advocated “new retail geography” (Tsuchiya 2002, Hashimoto 2004). On the basis of these circumstances, I will review existing studies that examine policies of LSRStores and its effects.

1.2 Literature review

Previous studies that examine the relationship between locations of LSRStores and its policies can be classified into three types as follows. The first type is the studies focused on system of policies. These studies mainly have conducted in the disciplines like commercial science or political science (Uno 2005; Kusano 1992; Komoto 2000; Sakamoto 2004; Shiota and Takahashi 1998; Tamura 1981, 1996; Tsuruta and Yahagi 1991, Minakata 2005). These studies explained about flaws in the system of regulation. In case of LSRStore Act, the actual actor of operation of law was local retailers. Informal proceedings were permitted in effect. Consequently,

adjustment processes of opening of stores had become unclear and unequal.

In the field of geography, researches about locational regulation have been increasingly visible in the 1990s. The difference from former studies was that geographical studies had spatial viewpoint like regional characters and location of stores. Hashimoto (1998) examined the relaxation of regulations and its effect for regional economics. In case of the region where the protective constitution was strong, some retailers moved into those regions where easier regulations exist. Policies of distribution after easing of regulations were evaluated as the control of location of LSRStores by the framework of whole spatial optimization. Although, Araki (2005) considered that the situations of operation of LSRStore Location Act, revised UP Act, and location of LSRStores after established Three Acts of Urban Development. The location of LSRStores became free because inadequate operation of regulation. Araki (2007) studied the Three Acts of Urban Development was not effective for the vitalization of central city by system of UP Act. The effect for the inhibition which LSRStores built in the suburb depended on the operation by the local government. Foreign studies included, for

example, Poole et al. (2002) examined regulation of opening stores in Europe and Guy (1998a) compared regulation of opening stores between Western Europe. These studies showed that the control standard was generally floor space except in U.K., Netherlands, and Eastern Europe. The standard become threatening in recent years.

The second type studies examine the effect of regulation for retail business activities. In particular, relaxation of LSRStore Act in the 1990s and executing of LSRStore Location Act in 2000 had a major impact on the retail business strategy. Yasukura (1999) clarified the changing locational behavior of large-scale retailers in the Chukyo district due to the deregulation of the LSRStore Act in the 1990s. Yamakawa (2000) analyzed the process of reorganization of JUSCO network by the deregulation and indicated that major retailers carried out scrap-and-build of store network. Yasukura (2004a) verified that two food supermarket companies reorganized network of their stores by deregulating of the LSRStore Act. Ito (2007) showed the situation of opening and closure of stores on the type of each operation in terms of regulations. These studies indicated that large-scale retailers had increased their share in the retail sales of the region by the deregulation of the LSRStore Act and the locational

strategies of these retailers could be differentiated at the same time. Additionally, Matsuda (1995) showed the effect of LSRStore Act for the process at the time of the opening of LSRStores. Yasukura (2004b) indicated difference of the location process of opening stores from the viewpoint of the operation of LSRStore Act. There were many studies which adopted such a viewpoint in overseas. Wrigley (1992, 1997, and 1999) illustrated that locational pattern of food retailer in the United States was changed by the deregulation about alliances of funds between companies in the 1980s.

The third type studies are about effect of regulations for location of stores in urban area. Typical regulations were zoning based on UP Act. After enforcement of Three Acts of Urban Development, some studies based on zoning are increased in geography. Neda (2004) analyzed the effect of zoning for location of stores and examined how zoning affected the vitalization of central area. Komaki (2006) discussed a spatial relationship between regulation of land-use and expansion of large-scale retail stores in Kofu Urban Planning Area. Araki (2008, 2009a and 2009b) examined the locational pattern of LSRStores in terms of regulation of land use and determined how it was affected by the amendment of UP Act. Moreover, Araki (2006)

indicated the formation process of commercial accumulation along bypass highway by analyzing the relationship between locations of stores and zoning plan. A series of these studies pointed out that regulation of land use was not working as locational regulation in Japan. In the overseas, Dent (1985) analyzed expansion of shopping centers in the Atlanta urban area and indicated no locational policy showed the suburbanization of shopping centers. Guy (1998b) stated that one of the factors of rapidly development of retail parks in the suburb was changing of regulation of land use. Wrigley (1998) pointed out that the regulation of land use made a large impact for U.K. food retailers in the late 1990s.

1.3 Research objective

Previous studies have argued about locational regulation of LSRStores and the locational effect of regulations. Especially, the deregulation in 1990s affected retail corporate behavior in Japan; therefore, locational pattern of LSRStores were changed. This indicated that the policy about locational regulation by the central government had controlled location of LSRStores in Japan.

Though, there were not many longitudinal studies from the enforcement of LSRStore Act to the present. Its reason was the concept of regulation was different between LSRStore Act and LSRStore Location Act. However, we need to examine the time-series comparison of relationship between regulations and locations of LSRStores since the 1970s when stores had started to expand.

In addition, the operation of regulations has reflected regional character. Kawabata (2008) pointed out that we need to pay attentions the regionality when we examine institutions such as locational regulation. In addition, Yasukura (2002) suggested that we need to keep in mind not only national regulation by central government but also local regulations by local government and retailers.

Consequently, it is expected that locational trends of LSRStores affected by regulations had lag time because of some regionality in local area. It is not clear that such lag time because of a paucity of longitudinal studies.

In addition, some previous studies are only limited to single municipality as case study. Recently, locations of LSRStores are

expanded from suburb to rural areas. The trading zones of such stores are spreaded to not only located municipality but also neighboring municipalities. After the enforcement of Three Acts of Urban Development, locational regulation of LSRStores had based on zoning plan by UP Act. The operation of zoning was carried out by each municipality. Some municipalities had attracted LSRStores by zoning so that tax revenue and employment were increasing. Some conflicts were happened between central city and suburban municipalities (Hashimoto and Yonehama 2009). Hence it is necessary to select urban region as study area when we examine the relationship between location and regulation of LSRStores on longitudinal study.

The purpose of this study is to discuss the relationship between locational trends of LSRStores and locational regulations by central and local government in local urban region. The Tokushima urban region was selected as a study area. The population rank of Tokushima City was the tenth in 1889; one year after the organization of municipality was administered. Therefore, a certain level of traditional commerce was preserved and its accumulation and functions was rapidly lost by location of LSRStores. It is

expected that locational trends of LSRStores affected by regulations had lag time in the Tokushima region.

1.4 Research methodology

The procedure of this study is as follows; 1) comprehensive analysis on locational characters of LSRStores 2) consideration of process and effect of regulation. Analyzing locational characteristics of LSRStores using GIS, I selected store size, type of operation, and location of head-quarter as major indicators. Considering locational regulations, I derived characteristic results from the records of LSRStores by related organizations.

The reason why this study carried out to type of operation and location of head-quarter was due to previous studies suggested that these indicators had the relationship with operation of regulation. The Japan Research Institute, Ltd. (1983) stated that locations of LSRStores by major retailers were likely to cause conflict; therefore, locations of the department store attracted by the local government were easy to carry out without the opposition campaign by local retailers. Tsuruta and Yahagi (1991) pointed out that some

municipalities regulated specific retailers⁴⁾ which were defined by Act on Special Measures concerning the Adjustment of Retail Businesses in the strict regulation period of the enforcement of LSRStore Act. Hashimoto (1998) indicated that changes in regional system by deregulation of LSRStore Act were as follows; 1) development of new competitions between type of operation which were limited to compete, 2) expansion of competitions between type of operation which were growing, and 3) rapid increase of major retailers in the region where local retailers regulate to open stores.

Procedure and methodology of this study are as follows; In chapter 2, location of LSRStores in the Shikoku region is analyzed and locational characteristics in the Tokushima urban region is clarified. From chapter 3 to 5, location of LSRStores in the Tokushima urban area is analyzed and the relationship between location and regulations is examined in the each period which is defined by the operation of locational regulation of central government. In chapter 6, locational trend of LSRStores is considered in terms of regulation perspective.

To grasp reality of operation of locational regulation, I interviewed to actors of local government and retailer and collected

documents from Tokushima Chamber of Commerce and Industry (CCI). Locational data of LSRStore was dependent on the documents from Tokushima prefectural government and “*Zenkoku Ōgata Kouriten Sōran* (Comprehensive list of large-scale retail stores in Japan)” published by TOYO KEIZAI INC. This study defines “LSRStore” as retail store whose floor space is over 1,000m². This definition is the same as of LSRStore Location Act.

1.5 Study Area: the Tokushima urban region

Figure 1.3 shows the Tokushima urban region⁵⁾ as study area. Its population is 403,931 in 2005 (Population Census 2005). There is only the urban region in Tokushima Prefecture⁶⁾. Tokushima City as central city is located in the southern side of Yoshinogawa River. Matsushige Town, Kitajima Town, and Aizumi Town are located in the northern part of the river. Ishii Town is in the east of Tokushima City. Komatsushima City is in the southeast of Tokushima City.

In this study, “the Tokushima central area” was defined by the boundaries of Shimmachi and Uchimachi districts. “Built-up area” was defined by the densely-inhabited district⁷⁾, and the other

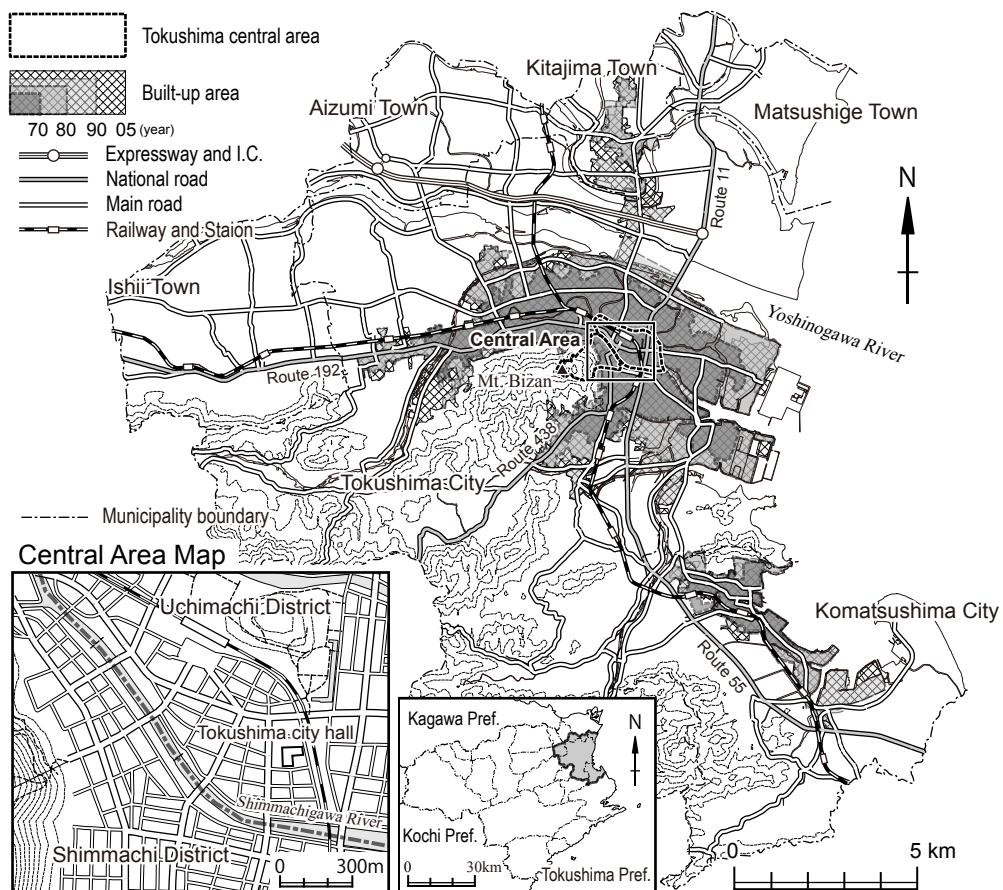


Figure 1.3 Study Area: the Tokushima urban region, 2009

remaining area was considered as "the suburbs". The Tokushima central area is the traditional commercial area which is also known as root of modern castle town. Shimmachi River drains the area. In the Edo Era, the Uchimachi district was used to be residential area for purveyors while the Shimmachi district was used to be residential area for old local merchants and craftsmen (Hirai 1995). The built-up area of Tokushima City was formed along national highways and its surrounds. Komatsushima City was developed as a harbor city of the Tokushima urban region. In other suburban municipalities, main land-use was agriculture. However, residential and built-up areas were expanded in some suburban municipalities such as Kitajima Town in the 1990s.

Table 1.1 shows population changes in the Tokushima urban region between 1970 and 2005. Though recent population in the central city was static, but suburban municipalities were increasing. The population in Tokushima City increased until 1995, but decreased since 2000. The population of Komatsushima City decreased after 1990. On the other hand, the populations of the suburb such as Ishii Town, Matsushige Town, Kitajima Town, and Aizumi Town had increased since 1970. In particular, the rate of

Table 1.1 Population changes in the Tokushima urban region, 1970-2005

City name	1970	1975	1980	1985	1990	1995	2000	2005 _(year)
Tokushima City	223,451	239,281	249,343	257,884	263,356	268,706	268,218	267,833
	-	<i>1.07</i>	<i>1.04</i>	<i>1.03</i>	<i>1.02</i>	<i>1.02</i>	<i>1.00</i>	<i>1.00</i>
Komatsushima City	40,507	42,203	43,636	43,998	43,188	43,349	43,078	42,115
	-	<i>1.04</i>	<i>1.03</i>	<i>1.01</i>	<i>0.98</i>	<i>1.00</i>	<i>0.99</i>	<i>0.98</i>
Ishii Town	21,219	22,889	24,434	25,071	25,207	25,436	26,023	26,068
	-	<i>1.08</i>	<i>1.07</i>	<i>1.03</i>	<i>1.01</i>	<i>1.01</i>	<i>1.02</i>	<i>1.00</i>
Matsuhige Town	8,349	9,157	10,196	10,957	12,096	13,562	14,267	14,926
	-	<i>1.10</i>	<i>1.11</i>	<i>1.07</i>	<i>1.10</i>	<i>1.12</i>	<i>1.05</i>	<i>1.05</i>
Kitajima Town	13,453	14,265	16,466	17,745	18,986	19,514	19,823	20,703
	-	<i>1.06</i>	<i>1.15</i>	<i>1.08</i>	<i>1.07</i>	<i>1.03</i>	<i>1.02</i>	<i>1.04</i>
Aizumi Town	10,244	13,676	19,713	22,619	25,674	28,408	30,368	32,286
	-	<i>1.34</i>	<i>1.44</i>	<i>1.15</i>	<i>1.14</i>	<i>1.11</i>	<i>1.07</i>	<i>1.06</i>

Italic values indicate the proportion of previous year's values.

Source: Population Census

population growth of Aizumi Town was very high. The population in the town was increased by three times in 2005.

In addition, recently, road maintenance and construction works have been ongoing at urban scale and regional scale. From the late 1990s to the 2000s, the network of expressways in Tokushima Prefecture was improved. At first, *Akashi-Kaikyō Bridge* was opened to traffic in April 1998. As a result, it reduced the travel time by about two hours to the Keihanshin metropolitan area. In March 2000, the Tokushima expressway connected the Tokushima, region Matsuyama, and Kochi urban regions. Furthermore, the Takamatsu expressway opened in March 2001. The new expressway reduced the travel time between Tokushima and Takamatsu City by one hour. As a result, the Tokushima urban area boosted economic ties with other urban regions and metropolitan area. On the other hand, construction of a bypass road and maintenance of existing road were started in the urban areas since the 1990s. In northern Yoshinogawa River, especially, the bypass highway opened; therefore, commercial activities are accumulated along the road.

I would like to examine a change of a commercial accumulation pattern in the Tokushima urban region using Commercial Statistics.

The years 1979, 1985, 1997, and 2004 were selected for the analysis. Figure 1.4 shows the transition of annual sales based on standard regional grid. As a result of 1979, the aggregated area of high value square grids were similar to built-up area. The highest value grid square was in the Shimmachi district. By contrast, the values of grid squares were very low in the suburb.

The commercial accumulation pattern in 1985 was similar in 1979. On the other hand, value of some square grids in the central area and its surroundings increased as compared to the years 1979 and 1985. In the suburb, there were some square grids indicated high increase rates though their values were low. The value of square grids in the Shimmachi district was slightly changed.

In 1995, the values of grid square in the Tokushima Station square were increased while the values of grid square in the Shimmachi district were decreased. In the suburban municipalities in the northern Yoshinogawa River, the values of grid square were grown.

The result in 2004 was very different than before. First, values of almost grid square in the Tokushima central area were decreased. Though the value of grid square in the Tokushima Station square had been increasing until 1997, the value decreased in 2004. On the

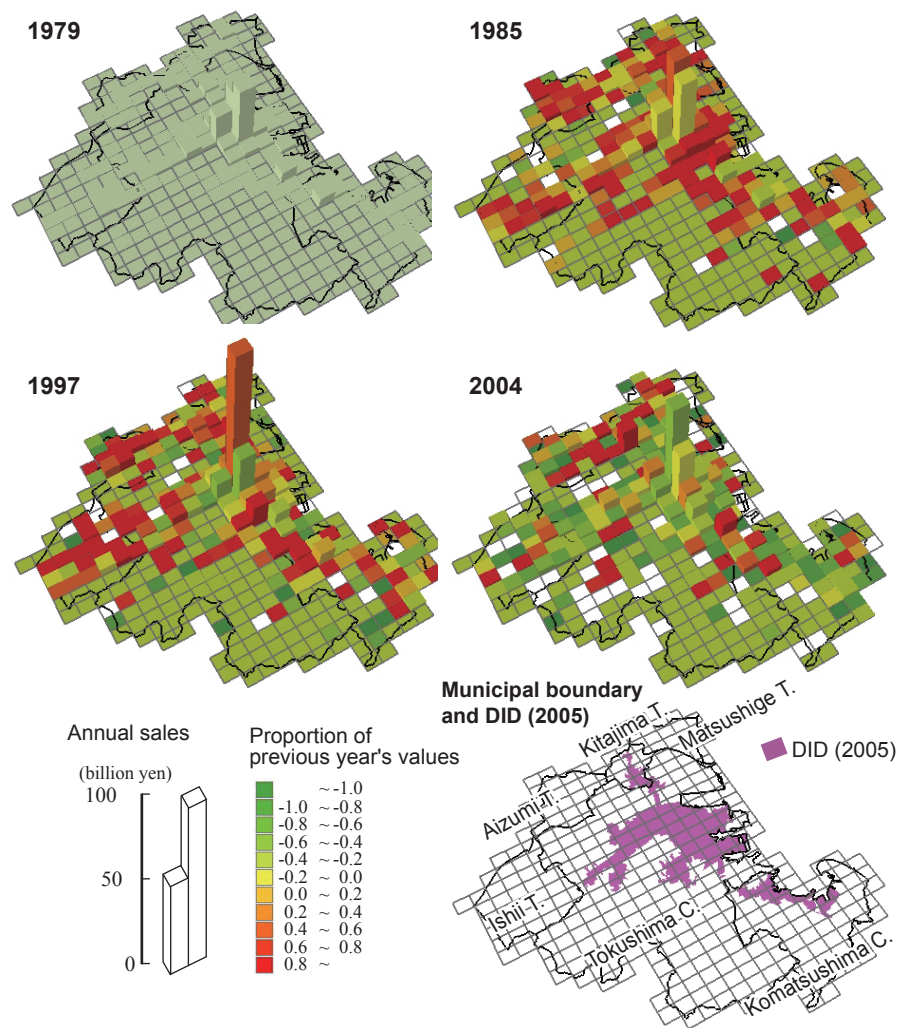


Figure 1.4 Annual sales in the Tokushima urban region by basic grid square, 1979-2004

Source: Census of Commerce

other hand, commercial accumulations were increased and expanded in the suburb.

Hence, between 1979 and 1985, the pattern of commercial accumulation had very little change and shaped to single nucleus. However, the commercial accumulation had expanded and diffused to the suburb since 1997.

Chapter 2

Locational pattern of large-scale retail stores in the Shikoku region

In this chapter, locational pattern of LSRStores in the Shikoku region is analyzed and locational characteristics in the Tokushima urban region is clarified by comparing with other urban regions.

2.1 Change in the locational patterns

Figure 2.1 shows the locations of LSRStores which opened until 2009. In all period, stores are mainly located in the urban area. It means that location of store reflected distribution of population.

Locational pattern of stores were different form region to region. In particular, locational characteristics of city were clarified focusing on size of floor space. Before the 1970s, huge retail stores whose floor space over 10,000m² were located in prefectural capitals and traditional cities such as Takamatsu City, Matsuyama City, Kochi

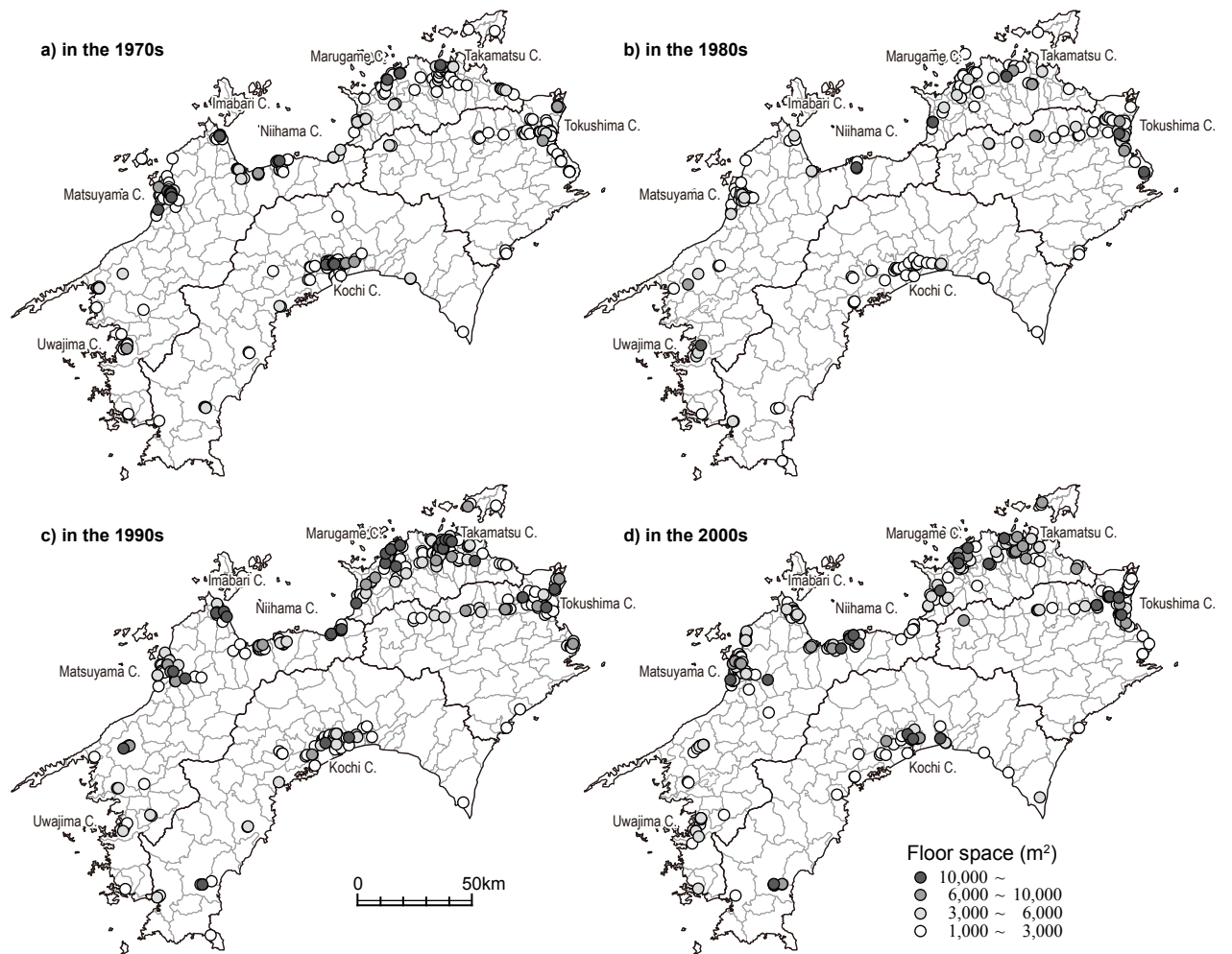


Figure 2.1 Locational patterns of LSRStores in the Shikoku region in terms of the opening year

Source: "Point data of Large-scale stores 2009" by TOYO KEIZAI INC.

City, Imabari City, and Marugame City. Despite Tokushima City was prefectural capital, there was no huge retail stores in Tokushima prefecture. In addition, floor space of stores which were built in the 1980s was controlled in some city. Matsuyama City and Kochi City had no new development of stores over 6,000m² floor space in the 1980s.

Figure 2.2 is the graph relating population to total floor space of each municipality in 1975, 1985, 1995, and 2005. The number of municipalities without having LSRStores was decreased. The number of points in the regression line on the graph was increasing. Regression coefficient was consistently increasing. These result indicated that LSRStores recently diffused to the municipalities which has small population.

2.2 Comparison of locational characteristics between urban regions

This section compares between four prefectural capital urban regions which are Takamatsu, Matsuyama, Kochi, and Tokushima, and analyze the locational characteristics of LSRStores of the

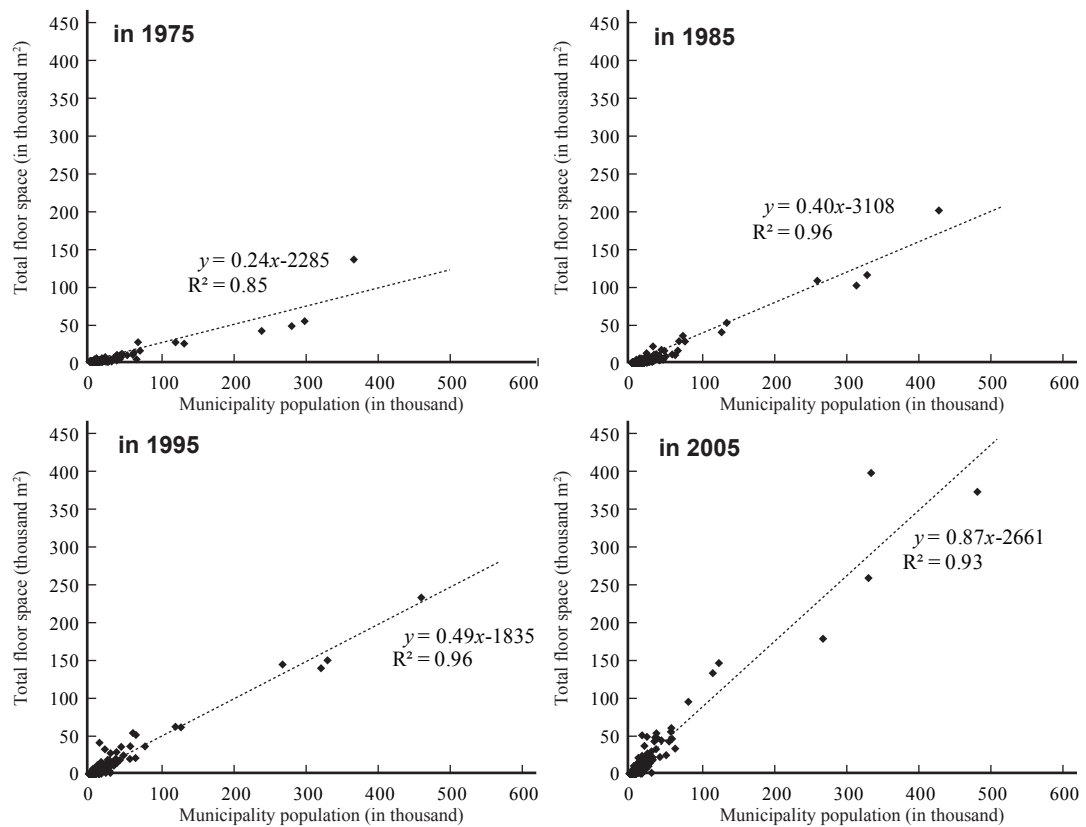


Figure 2.2 Relationship between population and total floor space of each municipality in the Shikoku region

Source: Population Census and "Point data of Large-scale stores 2009" by TOYO KEIZAI INC.

Tokushima urban region.

Figure 2.3 shows the total number and floor space of new stores opened each year since the implementation of LSRStore Act. The total number of LSRStores was changing in conjunction with the total floor space in all urban regions, although the transition was different for each urban region. The most highest number of LSRStores in the Tokushima urban region was in 1979 and 2006, and the second was in 1987, 1993, and 2001. Based on the total floor space, the highest number was in 2006, the second was in 2001, and the third was in 1983. On the other hand, the locational number and total floor of new development stores decreased in the 1980s; therefore, there were peaks of the number and total floor space of new LSRStores in Takamatsu and Matsuyama urban region in the 1990s. Though these two indices in the Kochi urban region did not have clear peaks, the number and total floor space of new stores increased in the 1990s.

Figure 2.4 shows the locational pattern of LSRStores in each prefectural capital urban region. In all regions, locations of LSRStores were limited inside the central area until the 1980s. Those areas were within a 10-kilometer radius from each city hall. After the

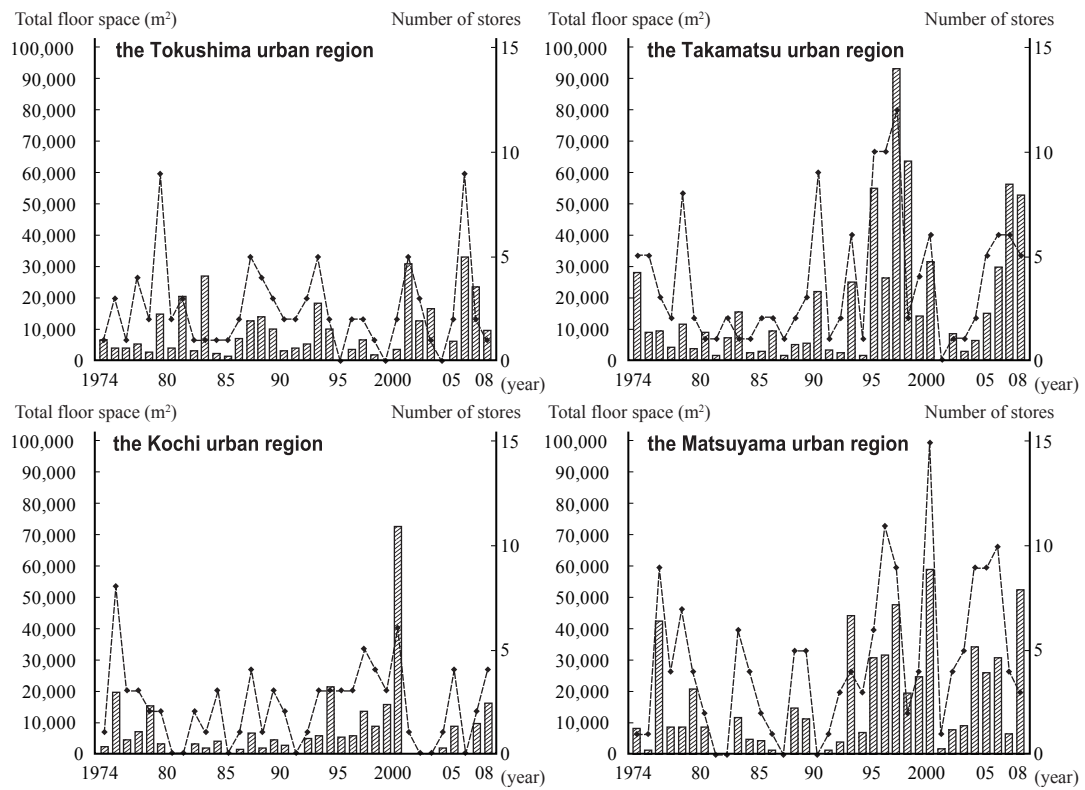


Figure 2.3 Total number and floor space of new stores in the Shikoku region

Source: "Point data of Large-scale stores 2009" by TOYO KEIZAI INC.

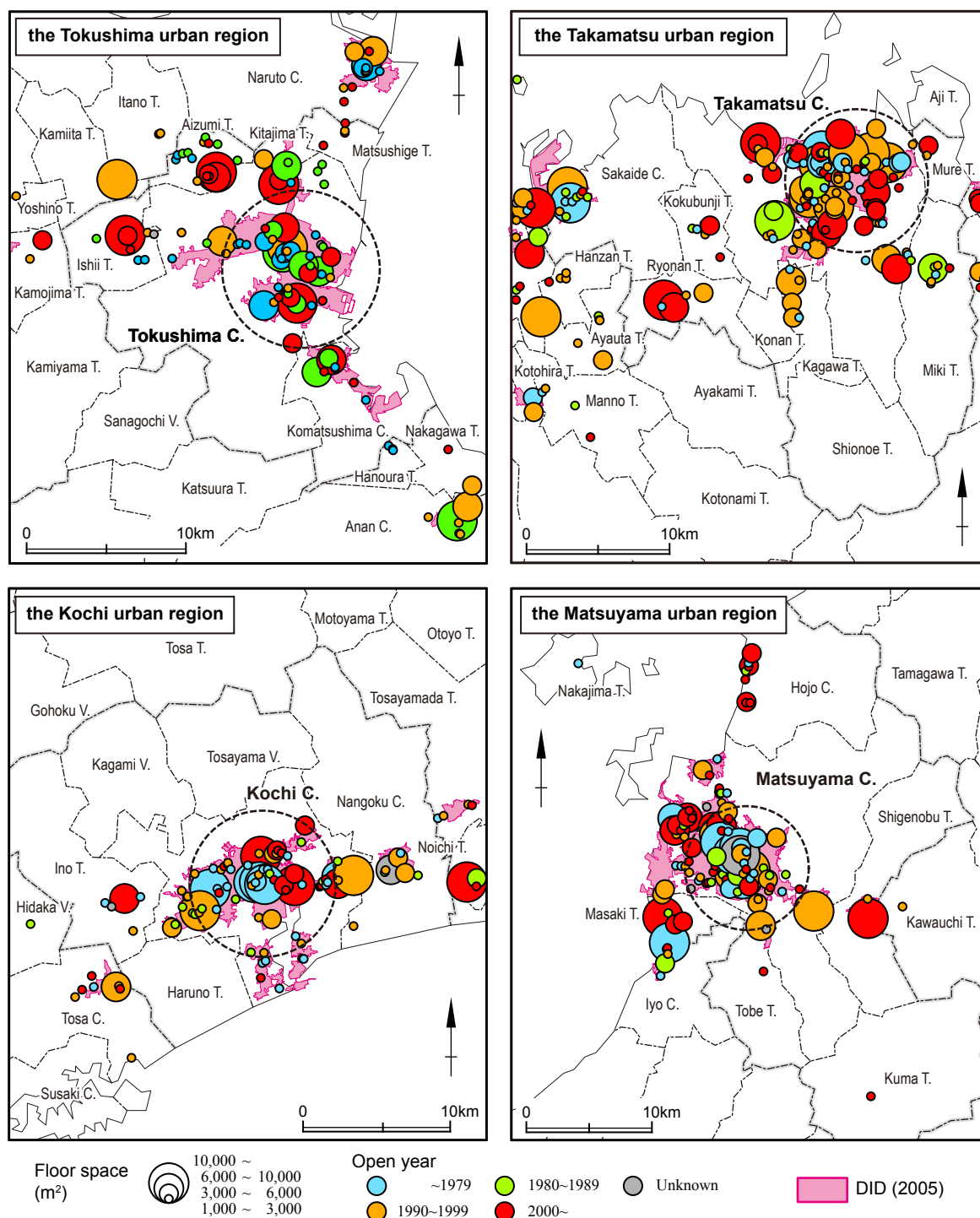


Figure 2.4 Locational pattern of LSRStores in the Shikoku region, 2009

Circle is a 10-kilometer radius from city hall of each central city.

States of municipality name and boundary were in 2000.

Gray lines mean the border of urban region.

Source: "Point data of Large-scale stores 2009" by TOYO KEIZAI INC.

1990s, location of LSRStores expanded to the suburb. Huge stores such as over 10,000m² floor space were built in the suburb.

By contrast, locational pattern of LSRStores which were built in the 1980s showed different trends between each urban region. The number of new stores was small, especially; there were few new stores in the central area and the surroundings in the Matsuyama and Kochi urban regions. Locational pattern in the Takamatsu urban regions was almost same. However, there were some locations of LSRStores in the central area of the Tokushima urban region, and size of some stores was relatively large.

Thus, the locational characteristics of the Tokushima urban region were that the number of new stores increased in the 1980s; but it decreased in the 1990s.

Chapter 3

Location of large-scale retail stores during the enforcement of Department Store Act

Before the enforcement of LSR Store Act, the governmental regulation about LSRStores was Department Store Act (DS Act). The DS Act assumed retail companies as department stores. Floor space used by retail industry at a building was considered. Department Council oversaw business activities, although actual regulations were adjusted by Commercial Activities Adjustments Board (CAAB) in local office of CCI or Commerce and Industry Association (Sakamoto 1999).

On the other hand, since the 1960s, retail companies of general merchandising store or food supermarket stores had expanded new stores in other areas. These retailers had avoided the application of the act. As it turned out nationwide, opposition campaigns against opening of such stores were occurred frequently by small-scale retailers (Watanabe 2007). This chapter analyzes the location of

LSRStores in the Tokushima urban region under that circumstance. In addition, I consider the relationship between regulations and locations by examining of local regulations in the Tokushima urban region.

3.1 Spatial diffusion of large-scale retail stores

Figure 3.1 shows the locational patterns of LSRStores before the enforcement of the LSRStore Act. Main locational area was the Tokushima central area. The central area was divided into two areas: Shimmachi shopping street and Tokushima station square. In built-up area, stores were distributed along national roads. While in the suburb area, the number of store was only one.

In the total eight stores located in the central area, five of them were department store which had large market. Though, the types of stores located in the built-up area were food supermarket stores. The market area was confined around itself. The floor space of these stores was less than 3,000m² except Kyoei Sako store.

The major retailers had few stores in the area. In this period, the number of stores was 25. Only two stores of them were opened by

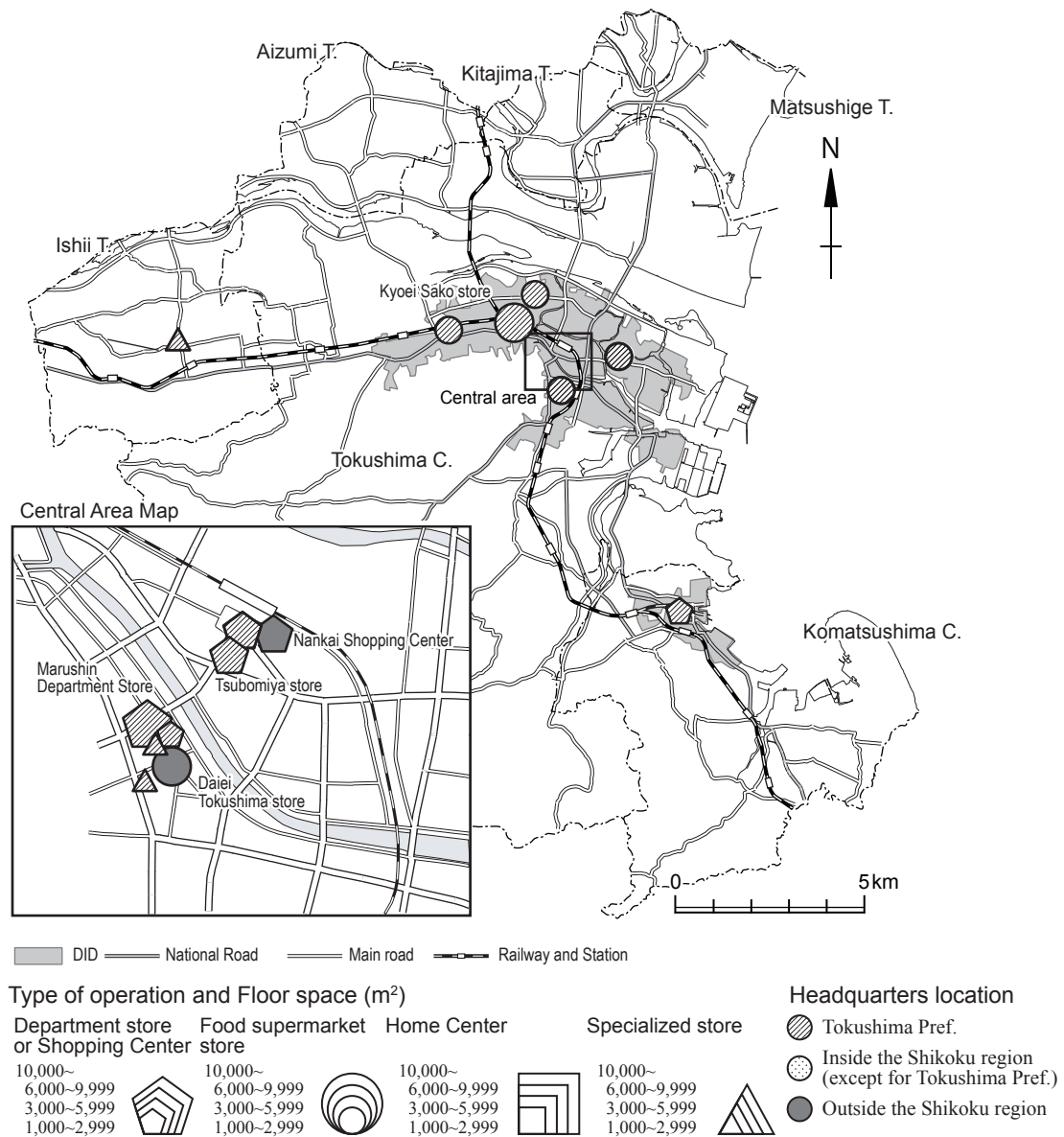


Figure 3.1 Locational pattern of LSRStores in the Tokushima urban region during the enforcement of DS Act

Source: Webpage of Ministry of Economy, Trade and Industry (<http://www.meti.go.jp/policy/economy/distribution/daikibo/todokede.html>; last browsed day: Jne 27, 2008), document form Tokushima Prefecture Government, "Zenkoku Ogata Kouriten Soran", and interview, etc.

the major retailers. One was Daiei Tokushima store which was the first store by the major retailer. It was located in the Shimmachi district in 1971. It was not only food supermarket but also theater. Therefore, its market area was spread to whole Tokushima urban region. Another store was Nankai Shopping center which was located in the Uchimachi district in 1972. This shopping center had a variety of stores that spread market area to whole urban region.

Consequently, the extent of LSRStores was limited into the Tokushima central area before the activation of LSRStore Act. The core of the region was filled by the local department stores. The shape of spatial structure was overconcentration.

3.2 Activation of the local regulations for major retailer

In 1955, Tokushima CAAB was established at the Tokushima CCI. Subsequently, adjustments of business operation were conducted. However, only two stores were affected. Those stores were Marushin Department Store that was opened before World War II and well-established, and Tsubomiya store was opened in 1963.

Other LSRStores were exempted though location of supermarket store had increased in Tokushima City since the 1960s (Tokushima CCI 1987).

In this situation, Daiei, one of the major retailers planned the development of new stores in Tokushima City in December 1970. Locations were selected in the Shimmachi shopping street, the Shimmachi district, and the Tokushima central area. The company became the first major retailer in Tokushima Prefecture.

At that time, Daiei had consulted with local retailers when they opened new store. The committees were established at CCI by local retailers nationwide (Tokushima CCI 1997).

At the Tokushima CCI, "*Tokushima Ryūtsū Taisaku Inikai* (Tokushima distribution control committee)" was established to administer hearing of the store planning or consultation with local retailers in 1971. Accordingly, Daiei Tokushima store was opened in June 1971 with agreement between Daiei and local retailers.

The committee had acted as coordination institution when stores were opened beyond the DS Act. The target stores were Nankai Shopping Center, Kyoya Festa, and Kyoei Sako store. However, there was no record about rejection of open stores or cutdown of

floor space.

The penetration of major retailer to the Tokushima urban region had affected the regulations of DS Act. Table 3.1 shows the results of deliberations by Tokushima CAAB from May 1956 to August 1973. The number of applications about expansion of floor space was six. Since 1971, when Daiei Tokushima store opened, its results were conditionally accepted. That result implied that the local retailers had tightened local regulation for department stores to open new store development of major retailer.

The characteristics of regulation in the Tokushima urban region in this period was that Daiei's new store development led local regulation by retailers. Since the 1960s, some local supermarket companies had started to build some LSRStores such as food supermarket store in Tokushima City. Local retailers were not able to regulate these stores by DS Act.

In this situation, local retailers had operated the local regulation in the Tokushima urban area. However, the local regulation had affected not only Daiei's store but also other stores. It is concluded that the regulation of LSRStores had started before the implementation of LSRStore Act in the Tokushima urban region.

Table 3.1 Results of deliberations by Tokushima CAAB on DS Act

Date of application	Date of decision	Store name	Content of agenda	Result of consultation
<i>n.d.</i>		n.d. Marushin Department Store	Expansion of floor space (66.3m ²)	Accept
1960.8.16		n.d. Marushin Department Store	expansion of floor space (685.7m ²)	Accept
1963.8.26	1963.11.13	Tsubomiya	New development of department store	Conditionally accept
1964.8.6	1964.9.22	Marushin Department Store	Expansion of floor space (427.6m ²)	Accept
1966.7.15	1966.8.24	Tsubomiya	Expansion of floor space (484.9m ²)	Accept
1968.10.22	1968.10.23	Tsubomiya	Expansion of floor space (1029.7m ²)	Accept
<i>n.d.</i>	1971.8.13	Marushin Department Store	Installment selling	Accept
1972.9.5	1973.4.22	Marushin Department Store	Expansion of floor space (6,384m ²)	Conditionally accept
1973.9.25	1973.10.8	Tsubomiya	Installment selling	Accept
1973.12.27	1974.2.18	Tsubomiya	Expansion of floor space (5,103m ²)	Conditionally accept
<i>n.d.</i>	1974.6.26	Marushin Department Store	Installment selling	Accept
<i>n.d.</i>	1974.6.26	Tsubomiya	Installment selling	Accept

n.d. indicates "no data".

Source: Tokushima Chamber of Commerce and Industry (1987)

In addition, opening new stores by Daiei as a start, the Tokushima CAAB had tightened regulations to local department stores. It indicates that the conflict between local retailers and LSRStores had been forming. Thus, the major retailer stores had made a large impact for the regulation of LSRStores in the Tokushima urban region.

Chapter 4

Location of Large-scale retail stores during the enforcement of Large-Scale Retail Store Act

In March 1974, LSRStore Act became effective. This act aimed to regulate the floor space standard to all retail stores. The actual consultative organization was CAAB in local CCI or Commerce and Industry Association. Meanwhile, after the activation of LSRStore Act, major retailers had continued to build stores increasingly. They had constructed the middle-scale retail stores whose floor space was less than regulatory standard. Thereby the conflicts between major retailers and local retailers had occurred nationwide. Local retailers added pressure on local governments. As a result, outlines and ordinances were implemented to regulate those stores in many municipalities (Sakamoto 1999, Watanabe 2007).

In the context of these conflicts, LSRStore Act was revised in May 1979. The middle-scale retail stores had become objects of regulation as “second grade LSRStores” officially. In 1982, the head of the

Industrial Policy Bureau, the Ministry of International Trade and Industry issued instructions to local governments to improve minor retailers. The ministry urged retailers to explain the planning of opening of stores to local retailers before the convening of CAAB and to suspend opening of stores in certain municipalities. Besides, local governments of municipalities had begun to implement local regulations against LSRStores⁸⁾ and the temporary suspension of opening of LSRStores. Thus, in 1980s, central and local governments tightened the regulation about opening of LSRStores.

In 1990s, meanwhile, the government had relaxed LSRStore Act step-by-step because of being criticized from home and abroad. The adjustment period was shortened by taking measures to operate properly LSRStore Act in May 1990. Furthermore, this Act was revised in January 1992. Although the CAAB was reorganized as committee that collected opinions of local retailers like “town development chamber” (Watanabe 2007), it was abolished. LSRStore Council became the coordination institution.

The character of LSRStore Act differed between in 1980s and 1990s. Therefore, I divided this chapter into two sections: strict regulations period and liberal regulations period. In each section,

firstly, the locational trend of LSRStores in the Tokushima urban region was explained. Secondly, local regulations and its effects were examined.

4.1 Strict regulation period (March 1974 - April 1990)

4.1.1 Distribution by new retailers

Figure 4.1 shows new development of LSRStores in the Tokushima urban region in the strict regulation period of LSRStore Act. In the figure, Firstly, we can observe the major retailers opened some stores in this period. In 1981, Tokushima River City (JUSCO) and Nichii Tokushima Shopping Depart were located in the built-up area near the central area. In 1983, Sogo Tokushima store was opened in the Uchimachi district as key store of the redevelopment business building. The total floor space of three stores accounted for 15.7 percent (46,080m²) of all retail floor spaces of Tokushima City. In 1987, Tokushima VIVLE was opened on the site of Tsubomiya store. The major retailers opened stores in not only Tokushima urban centre but also in suburb. In 1986, Nichii Komatsushima Shopping Depart was opened in Komatsushima City.

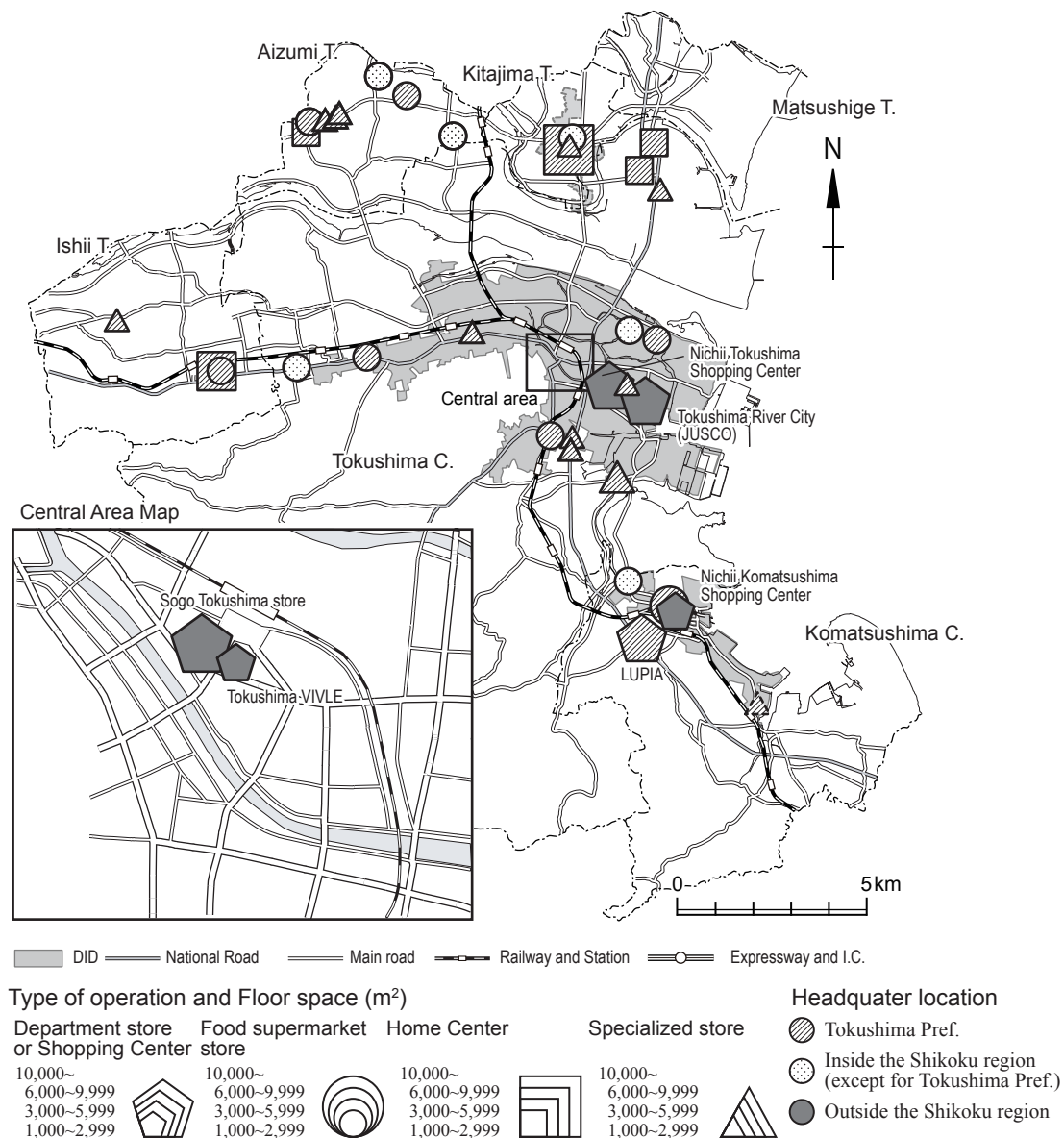


Figure 4.1 New developments of LSRStores in the Tokushima urban region in the strict regulation period of LSRStore Act

Source: Webpage of Ministry of Economy, Trade and Industry (<http://www.meti.go.jp/policy/economy/distribution/daikibo/todokede.html>; last browsed day: Jne 27, 2008), document form Tokushima Prefecture Government, "Zenkoku Ogata Kouriten Soran", and interview, etc.

Secondly, local chain retailers out of Tokushima Prefecture opened some food supermarket stores. In this period, there were twelve new food supermarket stores. Six stores of them were opened by local chain retailers which were the companies from Kagawa Prefecture. Marunaka and Maruyoshi Center opened four and two stores, respectively. The floor space of each store was less than 3,000m². These stores' targets were neighboring residents. Furthermore, these stores were located in built-up area and the suburb to avoid competition in existing stores.

Thirdly, local retailers started to open some stores in the suburb area. The number of new stores in the suburb in this period was eighteen, though there was only one in the former period. Fourteen new stores were opened by local retailers. Aizumi Town alone had seven new stores, where no store was in the former period. Each of the fourteen stores had less than 3,000m² floor space. Seven of these stores specialized in operation while five stores were food supermarket, and the rest were home center. Shopping center in the suburb was only LUPIA which was located in the suburb of Komatsushima City in 1988.

4.1.2 Intervention by the local government

After the enforcement of LSRStore Act, the number of middle-scale retail stores had increased in Tokushima Prefecture. Conflict between its stores and local retailer was occurred. The prefecture gave notice of “Adjustment Outline of Regional Retail Activities in Tokushima Prefecture” to regulate those stores in May 1978. At that time, there were seventy four middle-scale stores in Tokushima Prefecture and twenty four stores in Tokushima City. “Tokushima Regional CAAB” was established to accommodate by Tokushima CCI. Due to revision of LSRStore Act in 1979, “the Tokushima CAAB Manual” was also revised partly.

In this context, I examined how Tokushima CAAB had accommodated opening of stores. Table 4.1 shows the result of adjustment by Tokushima CAAB during twelve years between 1979 and 1991. The convocation of Tokushima CAAB was taken place 156 times. The number of agendas in that convocation was 392. However, the number of delegation was only four⁹⁾. There was no rejection of new development of store. Since 1982, question was accepted through three convocations though there was no accepted question

Table 4.1 Result of deliberations by Tokushima CAAB based on LSRStore Act, 1979-1991

Year	Number of convocation	Number of agendas	Content of agendas						Accept	Denegation	Ratio of accept (%)
			New construction	Expand floor space	New tenant	Closed time	Down period	Others			
1979	15	18	12	0	0	0	0	6	0	0	0.0
1980	12	30	24	1	0	0	0	5	8	0	26.7
1981	16	46	25	12	0	2	0	7	6	0	13.0
1982	9	17	6	8	0	1	0	2	10	0	58.8
1983	12	25	3	3	6	8	2	3	12	2	48.0
1984	11	40	13	2	3	10	11	1	14	0	35.0
1985	14	36	10	18	8	0	0	1	19	0	52.8
1986	15	39	11	1	17	9	0	1	14	0	35.9
1987	13	31	11	2	2	15	0	0	12	2	38.7
1988	11	30	3	1	11	8	5	2	17	0	56.7
1989	11	33	6	4	12	4	6	1	18	0	54.5
1990	14	39	24	9	0	4	2	0	13	0	33.3
1991	3	8	0	5	2	1	0	0	8	0	100.0
Total	156	392	148	66	61	62	26	29	151	4	38.5

Source: Tokushima Chamber of Commerce and Industry

in 1979. In 1991, just before the CAAB was abolished, all eight questions were accepted.

Table 4.2 shows the deliberations about new store. Twenty four stores objected the regulation in between 1979 and 1991. Seven stores were adjusted the floor spaces. The floor space size of those stores was comparatively large. It is clear that Tokushima CAAB mainly adjusted stores whose floor space was large scale. Then the adjustment about three stores, Sogo Tokushima store, Nichii Tokushima Shopping Depart, and Tokushima River City (JUSCO) which were highlighted in the history of adjustment in the Tokushima urban region was examined below.

JUSCO, Nichii and Sogo respectively had planned new stores in the Tokushima central area and its surroundings from 1978 to 1979. Tokushima CAAB and Tokushima CCI had decided to coordinate the adjustment of these stores in a lump. They had mediated between major retailers and local retailers and requested scholar to examine the effect of opening stores¹⁰⁾. Consequently, that adjustment reached an agreement in a short period, only ten months, cut down of floor space of Nichii and JUSCO stores.

One character of the adjustment process in this period in the

Table 4.2 Result of the deliberations about new store of Tokushima CAAB based on LSRStores Act

Store name	Headquarters location	Started date	Finished date	Dates	Number of times	Result	Remarks
Sogo Tokushima store	Out of the Shikoku region	1979/7/1	1980/5/1	30 ^{*1}	20 ^{*2}	0	Put off opening day, cutdown of floor space ^{*3} , adjustment of closed time and down period
Nichii Tokushima Shopping Center	Out of the Shikoku region					0	
Tokushima River City (JUSCO)	Out of the Shikoku region					0	
Large DIY store Bell	Tokushima Pref.	1980/9/24	1981/11/21	423	20	0	Put off opening day and adjust closing time
Kyoei Nikenya store	Tokushima Pref.	1981/2/21	1981/3/14	21	3	0	
Homecenter Kakiyara	Tokushima Pref.	1981/3/3	1981/11/21	263	12	0	Adjustment of floor space
Bookcenter Koyama	Tokushima Pref.	1981/2/21	1981/7/9	138	8	0	Fourth floor was not use for ratiling
Hachiman Shopping Plaza	Tokushima Pref.	1982/1/30	1982/2/27	28	2	0	
Greenkeeper Kawauchi store	Tokushima Pref.	1982/1/30	1986/8/30	1,673	5	0	
Tsuyuki Building	Tokushima Pref.	1982/11/13	1983/1/29	77	1	0	Second grade store
Sumiyoshi Shopping Center	Tokushima Pref.	1983/1/29	1983/2/22	24	2	0	
Chūō super	Tokushima Pref.	1983/9/3	1983/9/3	0	1	0	
Maruyū	Tokushima Pref.	1984/2/15	1984/4/7	52	3	0	Second grade store
Aikiri Kagu	Tokushima Pref.	1984/4/7	1984/4/7	0	1	0	
Nakai	Tokushima Pref.	1984/7/28	1984/12/1	126	4	0	No change of commodity composition
Kyoei	Tokushima Pref.	1984/12/22	1985/10/12	294	15	0	Notification was different from conclusion
Vivle	Out of the Shikoku region	1986/10/25	1987/2/21	119	8	0	
Better Life Tokushima-Nishi stroe	Tokushima Pref.	1987/1/17	1987/5/16	119	8	0	No cahnge of application
Home center Nakai Kawauchi Store	Tokushima Pref.	1987/3/28	1988/6/18	448	13	0	
Maruyoshi Center	Kagawa Pref.	1989/6/22	1989/10/17	117	4	0	
Tokushima Terminal Building	Tokushima Pref.	1990/3/26	1990/10/18	206	13	0	Cutdown of floor space ^{*4} , adjustment of close time and non-business days
Kyoei Fukushima store	Tokushima Pref.	1990/3/26	1990/5/10	45	4	0	First grade store
Minami Shimada Shopping Cetner	Tokushima Pref.	1990/6/25	1990/10/18	115	7	0	Cutdown of floor space ^{*5} , adjustment of close time and non-business days
Yamada Mokkoshō	Tokushima Pref.	1990/4/27	1990/7/3	67	3	0	

*1. Application date based on Large-Scale Retail Store Act: Nichii and JUSCO was in March 1979 and Sogo was in May 1979

*2. In addition, subcommittee was convened 19 times.

*3. Sogo Tokushima store: 27,300m² > 24,000m² (12.1% cutdown), Nichii Tokushima Shopping Center: 14,610m² > 5,500m² (62.4% cutdown), JUSCO: 21,603m² > 7,500m² (65.3% cutdown)

*4. 11,721m² > 7,500m² (36.0% cutdown)

*5. 21,001m² > 13,500m² (35.7% cutdown)

Source: domestic records of Tokushima Chamber of Commerce and Industry

Tokushima urban region was that the opening of stores by major retailers had adjusted in a short time. The term of adjustment about stores by major retailers had been protracted nationwide due to the tightening of regulations from the latter half of 1970s to 1980s. In case of certain retailer, the average number of years of preparation for opening the forty three stores was 4.5 years between 1974 and 1989 (Tsuruta and Yahagi 1991). The term of preparation for opening three stores in the Tokushima urban area was very short compared with the that situation. Tokushima CCI (1987) indicated five factors as follows: 1) the procedures of opening of three stores were carried out almost together; 2) Tokushima CAAB carried out the adjustment of three stores as not individual council but aggregated adjustment; 3) the adjustment about floor space was separated from other contents; 4) there was theoretical survey results by scholar; 5) Tokushima CCI had mediated deliberations between major retailers and local retailers. These all contents except the first one indicated that Tokushima CCI strived to shorten the term of adjustment. I would like to focus attention on the fact that the adjusted stores included urban department stores attracted by the government of Tokushima City.

The Japan Research Institute, Ltd. (1983) stated as follows: locations of LSRStores by major retailers were likely to cause the conflict and locations of the department store attracted by the local government were easily to carry out without the opposition campaign by local retailers.

If the adjustment of stores which were located by only major retailers as Nichii and JUSCO was carried out, the adjustment of opening stores would become tangled as well as other cities. In fact, local retailers had organized the Tokushima council against LSRStores in 1977. Furthermore, local retailers had demonstrated against the locations of LSRStores in 1979. Thus, there were some opposition movements for LSRStores.

There was no urban department store in Tokushima Prefecture until then. The Citizens of Tokushima City needed such stores. The government of Tokushima City had attracted urban department store and worked on shortening of the adjustment of opening stores. We can speculate that situation due to both Tokushima CCI and The government of Tokushima City respectively made request to scholar.

4.2 Liberal regulation period (May 1990 - May 2000)

4.2.1 Stagnant development of large-scale retail stores

Figure 4.2 shows new development of LSRStores in the Tokushima urban region in the liberal regulation period of LSRStore Act. The number of new development stores in whole area decreased as compared to previous period. Spatial bias was appeared. For instance, Komatsushima City had no new development store.

The most type of new stores was food supermarket store (six stores), the second was home center (five stores). The number of new specialized store was four. Floor space of fifteen out of eighteen new stores was less than 3,000m²/store.

Two new trends of location of stores can be observed. The first is location of shopping center in suburban area. In 1994, Minami-Shimada Shopping Center was opened in the suburb of Tokushima City by local retailer. In 1997, LOC Shopping Town Kitajima was opened in Kitajima Town by major retailer. The location of shopping center in suburban municipality became the first affair. The Second is that retailer from outside of the Tokushima urban area opened specialized type of stores. For example, new four

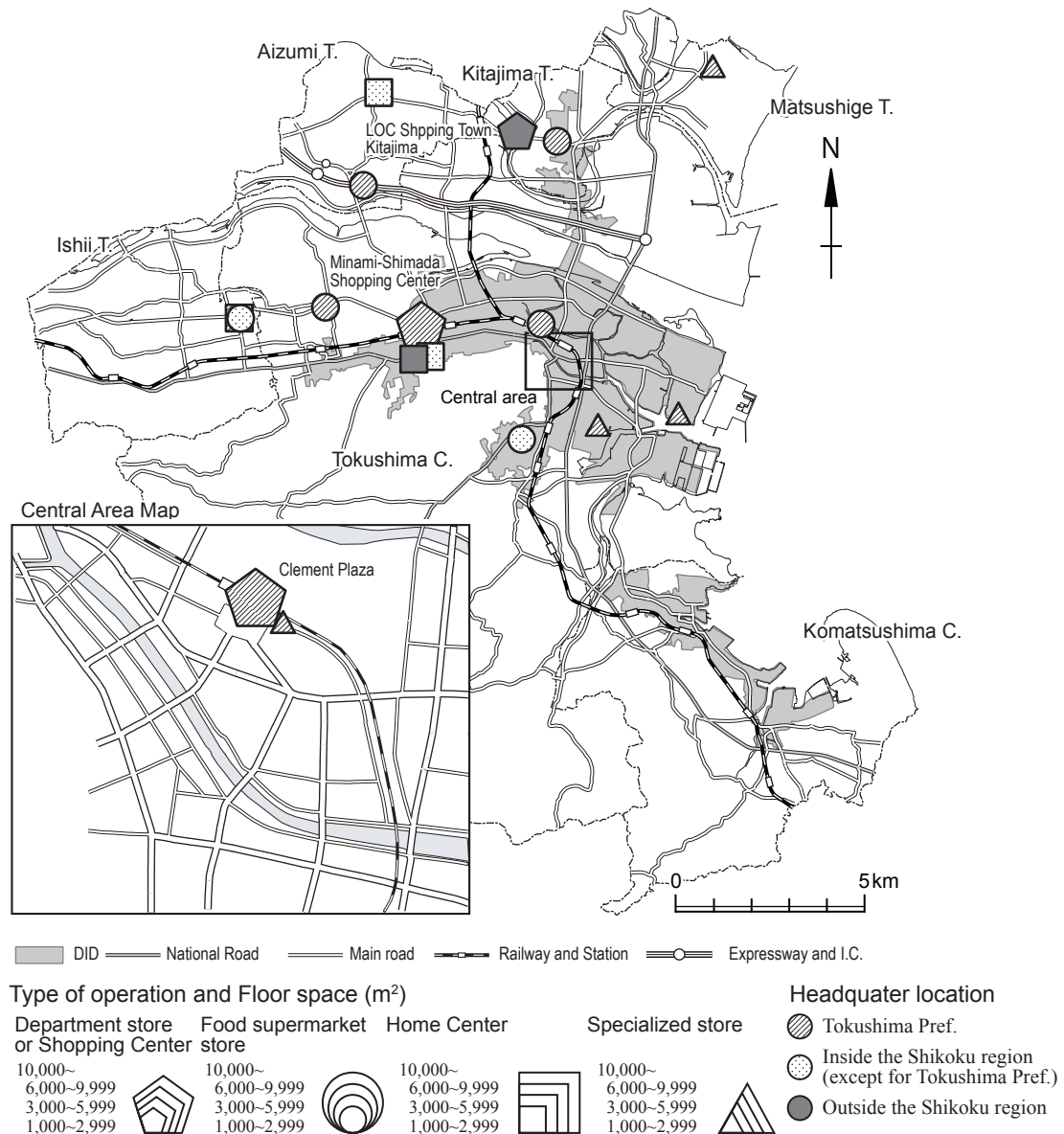


Figure 4.2 New developments of LSRStores in the Tokushima urban region in the liberal regulation period of LSRStore Act

Source: Webpage of Ministry of Economy, Trade and Industry (<http://www.meti.go.jp/policy/economy/distribution/daikibo/todokede.html>; last browsed day: Jne 27, 2008), document form Tokushima Prefecture Government, "Zenkoku Ogata Kouriten Soran", and interview, etc.

home centers were built in this period; three of them were constructed by retailer from outside of the Tokushima Prefecture.

4.2.2 Adjustments for new shopping centers

The last agendas at Tokushima CAAB were the adjustment of Tokushima Terminal Building and Minami-Shimada Shopping Center. These plans took concrete shape virtually and simultaneously. Tokushima CAAB had deliberated these adjustments in parallel. They had adjusted its agendas based on qualitative index using the report by scholar. The adjustment period of Tokushima Terminal Building was seven months and its Minami-Shimada Shopping Center was four months.

After abolishment of Tokushima CAAB, Tokushima Town Development Chamber (TTDC) was established at Tokushima CCI to respond to inquiries from LSRStores Council. Some questions were deliberated at that chamber between 1992 and 1994.

In this section, I would like to examine the adjustment process about expansion of floor space of Sogo Tokushima store and Nichii Tokushima Shopping Depart. The former one wanted to expand the

floor space to 5,000m² and the latter one to 4,192m². TTDC had responded to LSRStores Council that the Sogo can expand the floor space up to 3,000m² and Nichii up to 2,800m². The council adopted the response without modification.

In addition, MYCAL indicated the plan of new shopping center on the site of company residence in Kitajima Town in February 1998. It was a commercial complex with theater whose floor space was 29,527m². The size of that store was nearly equal to Sogo Tokushima store which was the largest department store in Tokushima Prefecture. The outflow of consumers from Tokushima City was expected. Hence, Tokushima CCI had called on LSRStores Council to cut down floor space of MYCAL new store. Thereby, the council had recommended MYCAL to reduce its floor space to 18,000m². MYCAL had announced that the opening of stores would be postponed until 2004 though they had decided to in 2000 at first.

In this period, though CAAB as official local coordination institution was abolished, local retailer established the new provincial organization to adjust an interest about LSRStores. That organization had attempted to control new development and expanding floor space of shopping center. Therefore, local

regulations in the Tokushima urban region in this period were rigidly enforced.

Chapter 5

Location of large-scale retail stores in the enforcement of Large-Scale Retail Store Location Act

In June 2000, LSRStore Location Act was enforced in response to need for link between distribution policy and urban policy. The concept of the Act is for sustainable urban development to respond environmental issues. Concurrently, local government become able to regulate and attract stores based on zoning regulations by revised UP Act.

On the other hand, abolishment of LSRStore Act had accelerated restructuring of store network of major retailers. They had located stores in the suburban area according with urban expansion. When LSRStore Act enforced, the adjustment about opening of stores got opinions from local retailers. The local retailers had opposed to move stores out of the built-up area because they feared declining of the number of customers. Major retailers had not carried out the transfer stores from built-up area to the suburban area aggressively.

With the abolishment of LSRStore Act and the enforcement of LSRStore Location Act, the local retailers were unable to remark about the new development of stores. Hence, retailers have been reconstructing their store network with disposal of poor performing stores. In particular, major retailers have closed stores which were opened in the built-up area and constructed new stores in the suburb.

This chapter examined the relationship between location of LSRStores and operation of regulations under the enforcement of LSRStore Location Act. Firstly, the character of locations of LSRStores was explained. Secondly, the situation of closure of LSRStores was analyzed at urban and regional scales. Thirdly, the effects of local regulations in the Tokushima region based on LSRStore Location Act were discussed.

5.1 Diffusion of large-scale retail stores to the suburb

Figure 5.1 shows new development of LSRStores in the Tokushima urban region in the period of LSRStore Location Act. The locational trend of new stores changed dramatically as compared to the

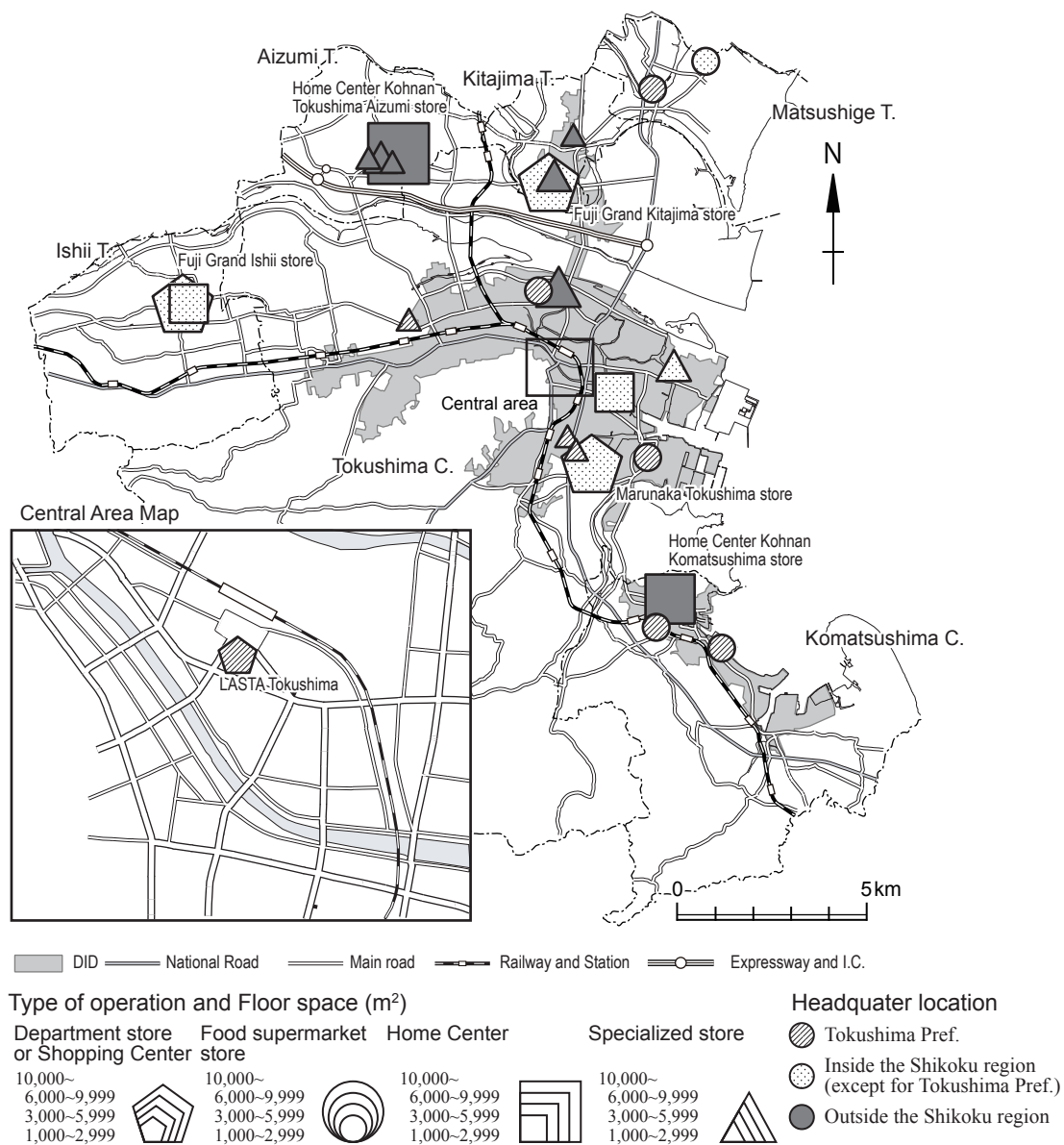


Figure 5.1 New developments of LSRStores in the Tokushima urban region in the enforcement of LSRStore Location Act

Source: Webpage of Ministry of Economy, Trade and Industry (<http://www.meti.go.jp/policy/economy/distribution/daikibo/todokede.html>; last browsed day: Jne 27, 2008), document form Tokushima Prefecture Government, "Zenkoku Ogata Kouriten Soran", and interview, etc.

previous period. Fuji Grand Kitajima store in Kitajima Town in 2001, Marunaka Tokushima store suburb of Tokushima City in 2003, Fuji Grand Ishii store in Ishii Town in 2006 were opened. These shopping centers were built by the outside retailers of Tokushima Prefecture.

Additionally, the outside retailers built stores in the suburb of Tokushima urban region. Many stores were located in the northern side of Yoshinogawa River. In that area, the express way and bypass highway were built in the 1990s. Furthermore, home centers and specialized stores came easily. All four home centers were constructed by the outside retailers. About the specialized store, seven out of ten stores were built by the companies not belonging to Tokushima prefecture. Floor spaces of these stores of those types tend to be large scale. For instance, the floor space of all consumer-electronics retailers' stores was over 3,000m². Some home center's floor space was about 10,000m².

On the other hand, new stores which were built by local companies mainly located in the built-up area. These stores avoided competitions about type of operation with the stores which were constructed by the companies from outside. Six out of ten stores that were opened by the local companies in this period were food

supermarket stores. However, there was no home center constructed by the local companies.

5.2 Closure of major retailers

5.2.1 Expansion of closure of stores at regional scale

Figure 5.2 shows locations of closed stores in the Tokushima urban region. The total number of stores that have closed until 2009 is thirty three. But only three stores were closed before the period of tight regulations.

In the period of liberal regulations, the number of closed stores increased from three to nine. Those locations were mainly in the built-up area. The characteristics of this period were closure of department stores and shopping centers in the Tokushima central area. In 1995, Marushin Department Store stopped business. In 1999, Tokushima VIVLE was closed.

The number of closed stores had increased dramatically in the period of LSRStore Location Act. The locations of closed stores were expanded to the suburb area. In the Tokushima central area, there were some closed stores in the former period. In particular, the

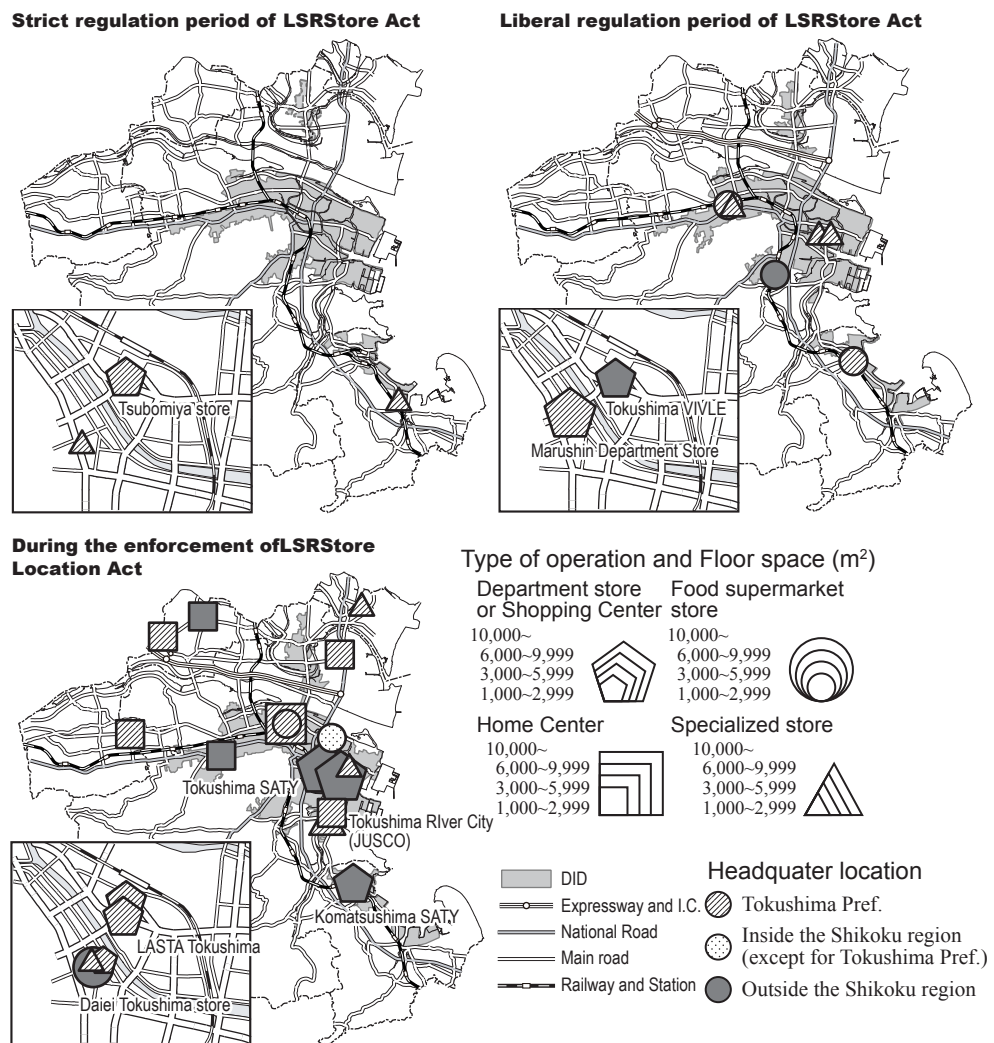


Figure 5.2 Location of closed LSRStores in the Tokushima urban region

Source: document form Tokushima Prefecture Government, “Zenkoku Ogata Kouriten Soran”, field work, and interview, etc.

major retailers closed their stores for instance, Komatsushima SATY in 2002, Daiei Tokushima store in 2005, Tokushima SATY in 2008, and Tokushima River City in 2009. In addition, some home centers were also closed.

5.2.2 Closure of stores at the urban scale

5.2.2.1 Closure of stores in the Tokushima central area

From the analysis of the former section, we understand that the closure of LSRStores in the Tokushima central area since the relaxation of LSRStore Act. This phenomenon was one of the factors of the city centers problem. In the following, I consider to process of closing stores and use of its sites in the Tokushima central area. Figure 5.3 shows business conditions of LSRStores and Table 5.1 shows the information of closed stores in the Tokushima central area.

Compared with two central districts, there are more closed stores in the Shimmachi district than the Uchimachi district. The closure of anchor stores such as Marushin Department Store and Daiei Tokushima store triggered the decline of pedestrians. All LSRStores

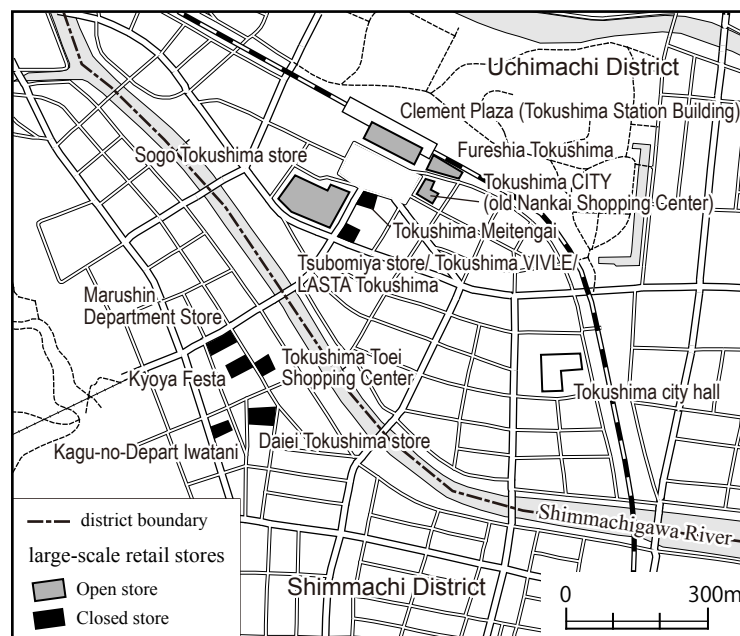


Figure 5.3 Business conditions of LSR stores in the Tokushima central area, 2009

Source: document from Tokushima Prefecture Government, “Zenkoku Ogata Kouriten Soran”, field survey and interview, etc.

Table 5.1 Closed LSRStores in the Tokushima central area

Name	Location	Opened year	Closed year	Floor space (m ²)	Type of operation	Headquarter location	Present state (2009)
Kagu-no-Depart Iwatani	Shimmachi	1970	1980s	<i>n.d.</i>	Specialized store	Tokushima	Hotel
Tsubomiya store	Uchimachi	1949	1886	4,790	Department store	Tokushima	Vacant
Marushin Department store	Shimmachi	1934	1995	7,898	Department store	Tokushima	Office and parking lot
Tokushima VIVLE	Uchimachi	1987	1999	4,790	Shopping center	Osaka	Vacant
LASTA Tokushima	Uchimachi	2001	2003	4,790	Shopping center	Tokushima	Vacant
Tokushima Meitengai	Uchimachi	1957	2005	4,824	Jointly shopping center	Tokushima	Hotel
Datei Tokushima store	Shimmachi	1971	2005	4,097	Food Supermarket	Osaka	Condominium building
Tokushima Toei Shipping Center	Shimmachi	1967	2005	1,227	Jointly shopping center	Tokushima	Parking lot
Kyoya Festa	Shimmachi	1971	2007	2,708	Specialized store	Tokushima	Other store's floor

Figure 5.3 shows location of closed stores. Tsubomiya store, Tokushima VIVLE, and LASTA Tokushima were in the same commercial buildings. "*n.d.*" indicates no data.

Source: Document form Tokushima Prefecture Government, "Zenkoku Ogata Kouriten Soran", field work, and interview, etc.

closed in the Shimmachi district by the closure of Kyoya Festa in 2007. On the other hand, in the Uchimachi district, the number of closed business buildings was two. Because of the construction of some new stores, the agglomeration of LSRStores is still preserved. However, there is a building that alternate between open and close.

Furthermore, it was difficult to reuse redundant buildings as stores in the Tokushima central area. After Marushin Department Store, which was an old-established store, stopped business, its buildings and site were auctioned to the local bank and its related companies. One building is used as office. The other building was demolished and its site is used as a parking lot. Tokushima VIVLE was the shopping center that was attracted by Tsubomiya store as a building owner in 1987. In the late 1990s, MYCAL that was the company of VIVLE had decided to withdraw from that building because the store was poor performing. Because of the cancellation during the contract period, the building owner asked for compensation. In 1999, MYCAL withdrew the stores with penalty charges. LASTA Tokushima was the shopping center that was opened by Tsubomiya store as a building owner in 2001. After a short while, the owner required closure of tenants because of

cash-flow problems. As a result, in 2003, LASTA Tokushima was closed, just after one and half years. The building was sold to the group of local companies. Although Tokushima CCI proposed the utilization plan of the building to companies several times, the building is still vacant. All other sites are used as non-commercial facilities except for the site of Kyoya Festa that is a result of expansion of floor by the neighboring store.

It was found that the all sites of LSRStores except one in the Tokushima central area were not used as retail stores in 2009. In this situation, how does local government and retailers have taken measures? Next subsection will examine the process of Daiei Tokushima store from opening to closing.

5.2.2.2 Closure process of major retailers: a case of Daiei Tokushima store

Daiei Tokushima store opened in August 1971 after the negotiation held between Daiei and retailers. It was the 61th stores of Daiei and the third stores in the Shikoku region.

In opening day, customers came from all parts of Tokushima

Prefecture. At first, the store had high annual sales which was well above the predicted value, and ranked in the top three stores of the Chugoku and Shikoku regions. Mobilizing effect of customers by Daiei caused of increase of annual sales to surrounding stores. People considered it as the anchor store of the Shimmachi district.

Since the opening of Sogo Tokushima store in the Uchimachi district, the annual sale was declined. The annual sales in 2000 were a half of the first year (see Figure 5.4); although that store was indispensable live of the residents in the Tokushima central area. Since 2003, Daiei extended the closing time due to the residents needs. In addition, the owner of that building reduced the rents so that the store was able to run the business.

In December 8, 2004, Industrial Revitalization Corporation of Japan showed a plan for closing stores. Figure 5.5 shows that the realignment plans of Daiei's stores by Industrial Revitalization Corporation of Japan. All stores in the local regions like the Tohoku, Hokuriku, Chugoku, and Shikoku districts except for Sendai and Shimonoseki stores were revitalized under the plan.

It was unavoidable that the closure of Daiei store weakened retail activities of the Shimmachi district. The local government and

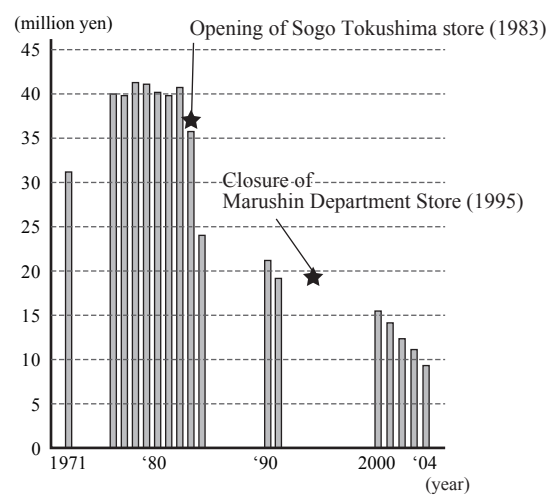


Figure 5.4 Annual sales of Daiei Tokushima store, 1971-2005

Missing value: 1973-75, 1985-89, 1992-99.

Source: Nihon Super Meikan and Tokushima Shimbun

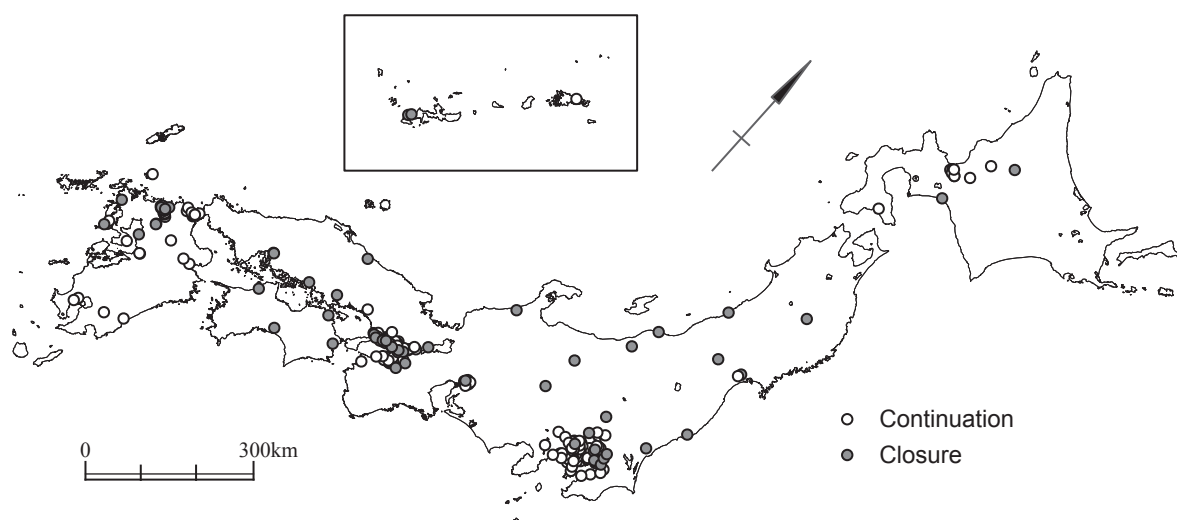


Figure 5.5 Realignment plan of Daiei's stores by Industrial Revitalization Corporation of Japan

Source: Nihon Keizai Shimbun

retailers summarized the desire for the continued existence of stores by convening the meeting. In January 2005, the chairman of Tokushima CCI presented a petition to Industrial Revitalization Corporation of Japan, Cabinet Office and Daiei. It was the first time local government and economic organization demanded to demolish closure of store.

Nevertheless, the closure of Daiei Tokushima store was released officially in September 2005. The store had been closed in November 2005. Local retailers hoped that the site should be used as retail stores. For example, the site of Daiei Minami-Matsuyama store, which had been closed around the same time, has been used as commercial complex. In case of Tokushima, though, the building was demolished, and a condominium building was built in the site. The newspaper said that the local government and Tokushima CCI were not able to attract retailers proactively because of the owner was not Daiei.

Before the enforcement of LSRStore Location Act, local retailers had opposed opening of LSRStores. Since enforcement of that Act, local government and retailers attempted to prevent the closure of LSRStores in the Tokushima central area. Hence, it can be said that

the relationship between local retailers and major retailers were greatly changed by the enforcement of LSRStore Location Act.

5.3 Locational regulation based on zoning plan

In Tokushima Prefecture, the operation of LSRStore Location Act is similar to the basic procedure by Ministry of Economy, Trade and Industry. Currently there is no municipality that has impressed its own regulations on the location of LSRStores in Tokushima Prefecture. The adjustment between municipalities is not carried out. A remark beyond the boundary of municipality was only the brief opinion about location of Fuji Grand Kitajima store from Tokushima CCI to governor of Tokushima Prefecture.

There was no design of special-use district based on revised UP Act. Figure 5.6 shows the zoning map of the Tokushima urban region. The urban region consists of Tokushima-East Planning Area and Aizumi Planning Area. The former is clearly delineated area, although, the later does not specified the zoning, which is called “white area¹¹⁾”. The presence of white area in the suburb has triggered locational expansion of LSRStores.

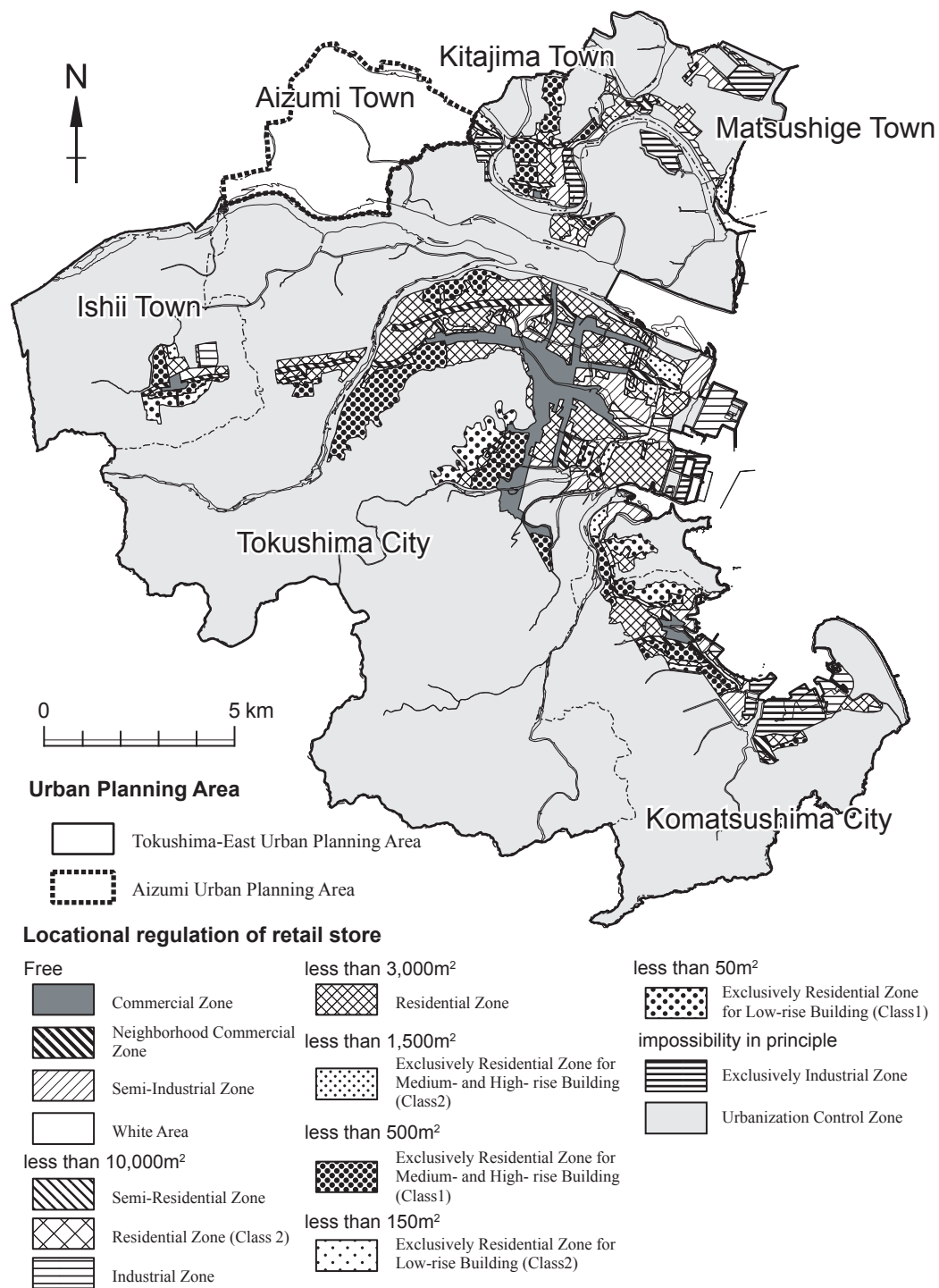


Figure 5.6 Zoning restrictions in the Tokushima urban area, 2009

Source: Zoning map by Tokushima Prefectural Government

Table 5.2 shows the number of new development of LSRStores based on the zoning so that I evaluated the effectivity of zoning based on Urban Planning Act. Before the enforcement of LSRStore Act, zoning rule is working effectively. The number of new development stores in commercial zone is seventeen out of twenty five (76.0%), and total floor space in commercial zone accounted for 87.8% of all stores. In the period of tight regulations based of LSRStore Act, the number of stores in commercial zone was decreased. The number of stores outside zone was increased. Based on floor space, the ratio of commercial zone had the highest number with 44.7%, followed by outside zoning. Based on the number, Outside zoning had the highest number with thirteen (37.1%), followed by commercial zone (12stores, 34.3%).

After liberalizing the LSRStore Act, the number of new development in commercial zone was increased again. Based on the number, the each ratio of commercial zone and outside zoning was about thirty percent (six stores). Although based on the ratio, the value of commercial zone was over fifty percent; the value of outside zoning was only 20%. In addition, locations of stores in residential zone were increased. Since the enforcement of LSRStore Location

Table 5.2 Relationship between locational trend of LSRStores and zoning in the Tokushima urban region

Names of use districts	[the number of stores]						[total floor space]			
	Before the enforcement of LSRStore Act	Strict regulation period of LSRStore Act	Liberal regulation period of LSRStore Act	Since the enforcement of LSRStore Loation Act	Total	Before the enforcement of LSRStore Act	Strict regulation period of LSRStore Act	Liberal regulation period of LSRStore Act	Since the enforcement of LSRStore Loation Act	Total
Residential Zone (Class 1)	3	2	4	4	13	3,674	4,920	11,037	9,224	28,855
Residential Zone (Class 2)		2			2		4,906			4,906
Semi-Residential Zone				1	1				3,600	3,600
Neighborhood Commercial Zone	2	4	4	5	15	5,196	5,602	13,315	17,683	41,796
Commercial Zone	17	8	2	4	31	50,982*	48,218	13,603	28,653	141,456
Semi-Industrial Zone	3	6	1	5	15	4,165*	25,881	1,813	35,500	67,359
Industrial Zone			1		1			1,380		1,380
Urbanization Control Area		5	3	2	10		16,266	4,140	17,452	37,858
White Area		8	3	4	15		14,718	6,498	24,395	45,611
Residential Zones	3	4	4	5	16	3,674	9,826	11,037	12,824	37,361
	<i>12.0</i>	<i>11.4</i>	<i>22.2</i>	<i>20.0</i>	<i>15.5</i>	<i>5.7</i>	<i>8.2</i>	<i>21.3</i>	<i>9.4</i>	<i>10.0</i>
Commercial Zones	19	12	6	9	46	56,178	53,820	26,918	46,336	183,252
	<i>76.0</i>	<i>34.3</i>	<i>33.3</i>	<i>36.0</i>	<i>44.7</i>	<i>87.8</i>	<i>44.7</i>	<i>52.0</i>	<i>33.9</i>	<i>49.2</i>
Industrial Zones	3	6	2	5	16	4,165	25,881	3,193	35,500	68,739
	<i>12.0</i>	<i>17.1</i>	<i>11.1</i>	<i>20.0</i>	<i>15.5</i>	<i>6.5</i>	<i>21.5</i>	<i>6.2</i>	<i>26.0</i>	<i>18.4</i>
Other Zones	0	13	6	6	25	0	30,984	10,638	41,847	83,469
	<i>0.0</i>	<i>37.1</i>	<i>33.3</i>	<i>24.0</i>	<i>24.3</i>	<i>0.0</i>	<i>25.7</i>	<i>20.5</i>	<i>30.7</i>	<i>22.4</i>
Total	25	35	18	25	103	64,017	120,511	51,786	136,507	372,821

Bold indicates commercial zones. Asterisk character represents the value of one store.

Italic values are the ratio each zones.

Source: Webpage of Ministry of Economy, Trade and Industry (<http://www.meti.go.jp/policy/economy/daitokibo/todokede.html>); last browsed day: Jne 27, 2008), document form Tokushima Prefecture Government, “Zenkoku Ogata Kouriten Soran”, and interview, etc.

Act, the ratio of commercial zone was decreased again. In comparison, the ratios of outside of zoning and industrial zone were increased. From this we can derive the result that the effect of zoning based on UP Act was not sufficient after the enforcement of LSRStore Location Act in the Tokushima urban region.

Besides, suburban municipalities have attracted LSRStores by changing of zoning, instituting of district plans and operating of farmland diversion. Location of Fuji Grand Kitajima store in Kitajima Town and Fuji Grand Ishii store in Ishii Town were results of attraction by each municipality using district planning system¹²⁾. In February 2009, the newspaper reported that Izumi, that is the supermarket chain in Hiroshima, plans opening of new shopping center with floor space of almost 40,000m² in Aizumi Town by 2011. The location of such large size store is limited by UP Act. The government of Aizumi Town has been instituting district plan and master plan to open the shopping center.

Consequently, the locational regulation of LSRStores has not carried out in this period. On the other hand, municipalities in the suburb have attracted LSRStores using a new system for urban planning. Although the municipal government and local retailers

take measures against closure of LSRStores in the Tokushima central area, it had little success.

Chapter 6

Locational changes in large-scale retail stores in the Tokushima urban region: locational regulations perspective

In this chapter, I examined the locational trend of LSRStores in the Tokushima urban region in terms of regulation perspective. Figure 6.1 shows that the model of location of LSRStores, behavior of local retailers, and situation of regulations.

Before the enforcement of regulation of LSRStores, the regulation by the central government was DS Act. The objective of the Act was to regulate only department stores; hence, LSRStores by major retailers were not regulated. In the Tokushima central area, some local department stores were located because of traditional commercial city. Although some supermarket stores were distributed in built-up area, those stores were not covered by DS Act.

In these situation, one of the major retailers planned opening of

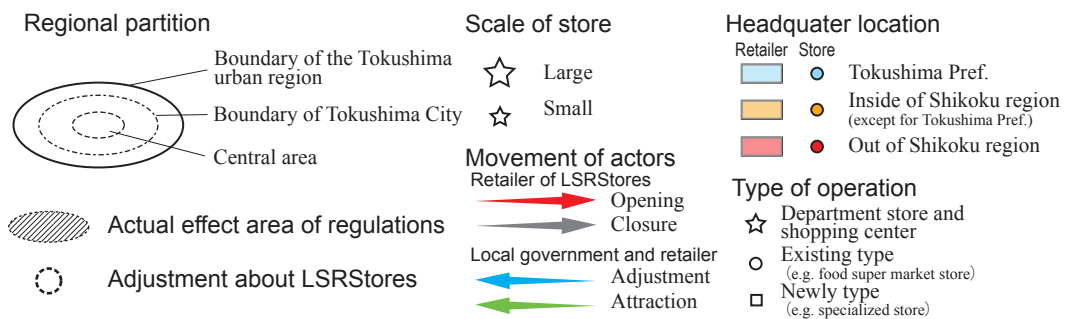
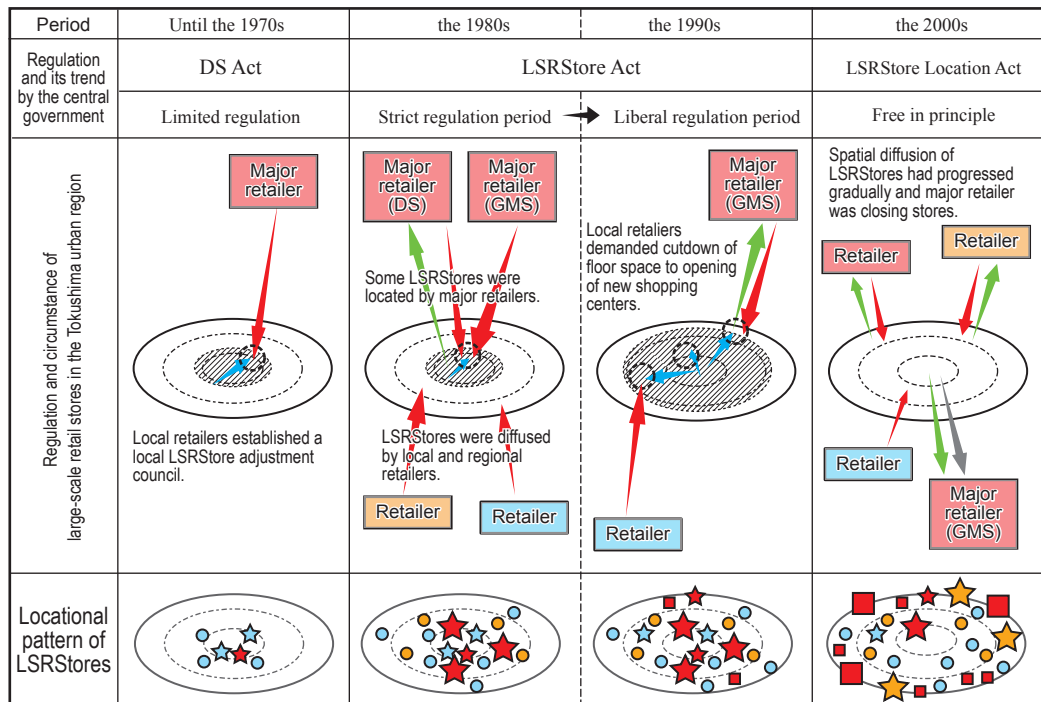


Figure 6.1 Model of changes in regulation and LSRStores in the Tokushima urban region

Note: LSRStore: Large-Scale Retail Store, DS: Department Store, GMS: General Merchandised Store

new LSRStore. To open new store, they required local regulation. Local retailers established a local LSRStore adjustment council by this opportunity. In addition, the council covered some stores which were not regulated by DS Act. Hence, the regulation of LSRStores allowed to the major retailers to open new store in the city. However, the regulation was limited only in the built-up area.

After the implementation of LSRStore Act, all LSRStores nationwide were regulated. Duration of this act enforcement can be divided in two periods. The former period was the strict regulation period in the 1980s. Locations of LSRStores were regulated by both central and local government nationwide. In particular, central government limited major retailers, for example, General Merchandise Store (GMS), to open new stores but it was strongly backlashes by local retailers.

However, GMS as a major retailer could build stores in the Tokushima City negotiating with local retailers. In the same time, the company of urban department store had planned a new store in the central area. That store was attracted by local government. In addition, there was no urban department store in Tokushima until that time; therefore, many consumers interested on location of such

store. As a result, some LSRStores were located by major retailers in the Tokushima central area and the surrounding area. Moreover, locations of LSRStores were diffused by local and regional retailers in the built-up area and the suburb.

In the 1990s, LSRStore Act was liberalized by central government. Some LSRStores such as shopping centers were expanded to the suburb nationwide. By contrast, local retailers in Tokushima City had demanded cutdown of floor space to opening of new shopping centers in the urban area. It means that the regulation context in the Tokushima urban area had time-lag compared to policy of regulation by the central government. Hence, expansion of LSRStores was not accelerated. On the other hand, closure of LSRStores started in the Tokushima central area.

In the 2000s, regulation of opening of LSRStores was liberalized substantially, where the locations of LSRStores were regulated based on UP Act and controlled by municipality. Some suburban municipalities had attracted LSRStores using zoning plan; therefore, spatial diffusion of LSRStores had progressed gradually. This trend was observed in the Tokushima urban region as well. Many LSRStores such as shopping centers and specialized stores were

located in the suburb by chain retailers from outside of Tokushima Prefecture. On the other hand, major retailer such as GMS was withdrawn from the Tokushima Prefecture. Although local government and retailers took measures against closure of such stores with concerted efforts, almost stores, which were middle scale of shopping centers built by GMS, were closed.

Up to this point I have discussed an overview of the locational trend of LSRStores in the Tokushima urban region in terms of regulation perspective. On the basis of these results, there major points are derived. The first point is that we need separate regulations of LSRStores by actor when we examined effect of regulations for location of stores in urban area. Previous studies showed that we need to focus attention on both central and local aspects because trend of regulation was slightly different in almost all urban regions. It was hard to distinguish which actor affected locational trend of LSRStores. On the other hand, in the Tokushima urban region, operation of regulation had time-lag between central and local aspects. Considering the relationship between the locations and regulations at temporal perspective, the regulation by the local government and retailers affected to the location of LSRStores than

by the central government. Hence, location of LSRStores followed a trend of regulation by not the central government but the local government and retailers.

The second point is the expansion of effective area of regulations with the suburbanization of LSRStores by major retailers under LSRStore Act. LSRStore Act did not regulate the location of LSRStores such as in central area and suburb. Actual effect area of regulation for location of LSRStores was expanded by major retailers. For instance, the number of new LSRStores declined in the urban area due to opening of some shopping centers in the suburb in the 1990s. Consequently, the actual effective area of regulations was expanded to the suburb by the suburbanization of LSRStores by major retailers.

The third point is the locational change in LSRStores by the difference of locational regulations between central city and suburban municipalities. Some municipalities attracted many LSRStores since the enforcement of LSRStore Location Act. Central city failed to regulate such attraction without regional adjustment by prefectural governments. In addition, regional adjustment of LSRStores was not easy to carry out because of several interests of

the people. Thus, location of LSRStores was suburbanized by the difference of locational regulations. Also, this fact indicated that the Three Act of Urban Development were failed to regulate the locational regulation of LSRStores.

Incidentally, these points were led by time-lag of regulation context in the Tokushima urban area. Due to existence of traditional retailers relatively higher in the urban area, the location of store by major retailer was a bit late than the other urban regions. This characteristic was based on the regionality of Tokushima City which was a major city in Japan until Meiji era. Therefore, focus on the regionality issue is required while examining the locational regulation.

Chapter 7

Conclusion

The purpose of this study is to show the relationship between locational trends of LSRStores and locational regulations by central and local government and the transformation of commercial structure in local urban region. To achieve its aim, firstly, I analyzed relative characteristic of the Tokushima urban region in the Shikoku region (Chapter 2). Next, I analyzed location of LSRStores and examined locational regulations in each period which were defined by operational circumstance of regulations by central government (chapter 3 to 5). Finally, locational changes in LSRStores in the Tokushima urban region was shown as a conceptual model (chapter 6). Findings by this study were as follows:

First point was that locational regulations by local government had developed strong relationship with new development by major retailers. Before enforcement of LSRStore Act, local retailers had started locational regulation since the opening of stores by Daiei which was one of the major retailers. In the strict regulation period

of LSRStore Act, department store and shopping centers planned by major retailers was adjusted by local government and retailers. In the liberal regulation period of LSRStore Act, local retailers of Tokushima City opposed location of shopping center that attracted suburb municipalities. Since the implementation of LSRStore Location Act, local government and retailers waged anti-closure movement for major retailers. In local urban region where local small retailers constituted the main part of commercial function, trends of major retailers considerably affected regional commerce. Hence, regional specific regulations were implemented.

Second point is that effective area of regulations had expanded. Both DS Act and LSRStore Act were not locational regulation but commercial regulation. In other word, all LSRStores were regulated by based on LSRStore Act. Before the implementation of LSRStore Act, locations of stores which were controlled by locational regulation were limited in the Tokushima central area and the surrounding area. In the liberal regulation period of LSRStore Act, location of stores which adjusted its floor space etc. were in built-up area. Consequently, actual effective area was limited in the Tokushima central area and the surrounding area. In liberalized

regulation period, shopping centers were built in the suburb. The effective area of regulation was expanded to the suburb. Thus, those effective areas adjustment about LSRStores was expanded from central area to suburb by examining actual situation. Meanwhile, since the enforcement of LSRStore Location Act, locational regulation is being carried out based on zoning plan. Location of LSRStores in the suburb would be regulated. Though, the suburb municipalities attracted some stores by using zoning plan in fact. However, there is little area where locational regulation is being implemented.

Features that were found by this study were obtained through the analysis of the Tokushima urban region. Therefore, some features in other region may be appeared with time-lag. Against major retailer, expansion of effective area by locational regulations, and regulation difference between central city and suburb were common phenomena in local urban region. Therefore, the next step of this study is to carry out in other regions and compared the results from locational regulation perspectives.

This study set central city as main constituent in the analysis covered urban region. Its reason was that location of LSRStores had

started in the central city. In the 1990s, LSRStores spread from central city to the suburb. Currently, the main locational area of LSRStores becomes the suburb. Accordingly, we need to set suburban municipality as analyzing factor and examine the relationship between locations and regulations in the suburban municipality. This is an issue in the future.

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January 2010

Notes

- 1) Source: Webpage of Japan Council of Shopping Centers (http://www.jcsc.or.jp/data/sc_state.htm, last browsed day: September 28, 2009)
- 2) The official name is “Act for the Adjustment of Retail Business Operations in Large Scale Retail Stores”. This Act was promulgated in October 1973 and enforced in March 1974. The main purpose of this Act is to ensure the opportunity of small- and medium-sized retailers’ activity (Watanabe 2007). Three specific purposes of the Act are as follows: 1) ensuring of consumer benefit, 2) ensuring the opportunity of small- and medium-sized retailers’ activity, and 3) normal development of retail industry.
- 3) The basic purpose of the Act is to demand that retailers should notice about the surrounding environment of LSRStores.
- 4) It indicates retailers which capital stock was over ten million yen and the number of employees was over fifty.
- 5) The Tokushima urban area is constructed by municipalities which the ratio of commuting behavior to Tokushima City is

over 25% except of Sanagochi Village.

- 6) Urban Employment Areas (UEAs) proposed by Kanemoto and Tokuoka (2002) shows same situation.
- 7) A densely inhabited district is defined as an area within a shi (city), ku (ward), machi (town) or mura (village) that is composed of a group of contiguous Basic Unit Blocks, each of which has a population density of about 4,000 inhabitants or more per square kilometer and whose total population exceeds 5,000 as of each year (reprinted from webpage of Ministry of Internal Affairs and Communications, <http://www.stat.go.jp/english/data/kokusei/2005/terms.htm>, last browsed day: December 12, 2009).
- 8) There were two types of local regulations. One was to add local conditions to standard condition of adjustment, the another was to set new original regulatory standard floor space.
- 9) Of the four denied agendas, three were about extension of closing time and one was about expansion of floor space.
- 10) On the other hand, the government of Tokushima City requested the other scholar to examine the effect of opening

stores as well (Tamura 1981).

- 11) “White area” is not designated the zoning plan in the urban planning area by the local government.
- 12) The government of Kitajima and Ishii Town attracted Fuji Grand Kitajima store and Ishii store by using district planning system each other.

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