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# Influence of Communication Frequency between Urban Revitalization Corporations and Local Governments on Quality of Community Activities

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Currently, the promotion of area management through public-private partnerships has become an issue in Japan. Under this situation, it is important to clarify the status and role of area management organizations as intermediaries between the public and private sectors. Therefore, this study examines the operation of an urban revitalization corporation system from the perspective of social capital. Generally, social capital is an important factor in promoting regional activities, such as those related to area management. Hence, it is hypothesized that a relationship of specific trust between the local government and its urban revitalization corporation will promote community development through an efficient public-private partnership. In addition, the frequency of communication between the public and private sectors may be an important factor for the accumulation and renewal of trust. Therefore, this study investigates the relationship between frequency of regular

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meetings and daily contact between an urban revitalization corporation and the local government, as well as the current role of such corporations and their involvement in developing a vision of community activities in an area covered by these corporations in Japan. As a statistical tool, we employ ordered logit techniques.

## Keywords

Community activities, Social capital, Public-private partnership, Frequency of communication, Urban revitalization corporation system, Urban development

## 1. Introduction

In Japan, particularly in its rural areas, there is a need for urban development that responds to pandemics like COVID-19 and globalization, as well as overcoming the financial and human resource challenges of these areas (e.g., promoting the development of regional livability), all the while being limited by local resources. Similar to the Japanese business improvement district (BID) model, which supports the financial resources aspects, urban revitalization corporations are expected to contribute to supporting the human resources aspects. According to the Urban Planning Promotion Division of the Ministry of Land, Infrastructure, Transport and Tourism (2017), local governments designate urban revitalization corporations as corporations that are responsible for local community development, based on the Law on Special Measures for Urban Revitalization. Municipalities can designate organizations that assume complementary functions to the government as new leaders in urban development. Up to October 2020, 75 organizations have been designated as urban revitalization corporations in Japan. There have been many successful examples of town development in Japan led by town managers<sup>1</sup>. Conversely, the existing system of town managers does not target suburban areas such as residential areas, and it is not easy to build trust. Under these circumstances, the companies designated as urban revitalization corporations<sup>2</sup> are expected, in cooperation with local governments and developers, to play an active leadership role in implementing area management activities. To overcome the issues discussed above, the organizational capabilities of urban revitalization corporations are expected to play a leading role in implementing area management in towns together with local governments, private developers, and others. In particular, the promotion of area management through public-private

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<sup>1</sup> Town managers, as experts in town development, are affiliated with a town development company. They oversee urban planning, promote shopping districts, and serve as "promoters" who are responsible for planning, coordinating, and implementing specific projects related to town development.

<sup>2</sup> Urban revitalization corporations are designated by the local government under the Act on Special Measures for Urban Renaissance.

partnerships in recent years has become an issue. Under such circumstances, it is important to clarify the status and role of area management organizations as an intermediary between the public and private sectors (i.e., the maintenance and management of public facilities and public spaces).

Therefore, we conduct a study to bring to the fore the need to strengthen cooperation between companies designated as urban revitalization corporations and the government. We consider the view point of reporting, communication, and consultation, which are important aspects of an organization. They could be described as social capital actions to build high quality and rich relationships. Specifically, we investigate the relationship between the frequency of communication (i.e., through regular meetings and daily contact) between urban revitalization corporations and the government. We also analyze the current role of these corporations and their involvement in the development of a vision for area community activities in their area.

Incidentally, Matsushita et al. (2023) have conducted a study that examines how the presence or absence of an area vision influences communication frequency between urban revitalization corporations and local governments. They use econometric techniques to analyze this issue.

The remainder of the paper is organized as follows. First, we provide a brief overview of urban revitalization corporations, including their structure, roles, and activities. Second, we present a literature review that focuses on social capital-related variables, such as specific trust, of existing relevant studies. Then, we analyze a case study that details the relationship between an urban revitalization corporation and the Japanese government. Section 3 discusses the limitations of existing studies and presents the hypotheses. Section 4 outlines the method used in this study. In Section 5, we discuss the results of a questionnaire-based survey on urban revitalization corporations conducted with local government officials in Japan. As an analytical tool, we use an ordinal logit model. Finally, Section 6 provides the conclusion.

## **2. Overview of Urban Revitalization Corporations**

City planning in Japan is done by area management groups. They comprise a multitude of stakeholders who are incorporated by the local government through an urban revitalization corporation system as corporations that are responsible for local community development following the Law on Special Measures for Urban Revitalization. The system provides a framework for cooperation among government agencies, businesses, landowners, educational institutions, and others (networking). The municipality decides on a group that can assume a complementary function to the government as the new leader in urban development. The group could also prepare an urban revitalization and

development plan as the basis for its activities and propose the plan to the local government.

Thus, urban revitalization corporations are organizations that are publicly positioned as leaders in community development and can expect that their credibility and recognition will increase. Various government subsidies, loans, special tax exemptions, etc. are made available to them. The group is expected to be pivotal in projects.

### **2.1. Advanced Development District in Osaka City: Umekita Area**

In April 2014, the Osaka business improvement district (BID) scheme was enacted based on the city ordinance of Osaka City to promote area management activities by collecting contributions from property owners who would share the financial burden of maintaining the sidewalks and parks. The system enables private organizations to conduct area management activities in public spaces.

One example is the “Grand Front Osaka Town Management Organization (TMO)”, a general incorporated association, which has been designated an urban revitalization corporation by Osaka City to implement ongoing and highly flexible activities in public spaces. Specifically, the commercial facilities of Grand Front Osaka is an area with commercial buildings, accommodations, etc., and implements self-financed projects. The rationale for the Grand Front Osaka TMO is to enhance the value of the Umeda District or specifically Umekita, an area of priority development adjacent to the Japan Rail Osaka Station. The aim of Grand Front Osaka is to manage and operate a public plaza which includes services like community buses that connect different locations in Umeda, and use of open spaces like open air cafes. The TMO also provides guidelines for the management and advertisement of businesses in Grand Front Osaka, including the open air cafes; management of facilities to promote urban convenience, which is subject to the shared responsibility of sidewalk space management such as installation of outdoor benches; and networking, which involves events and promotions. As for open cafes that take advantage of the exemption from road occupancy fees, they are popular not only among young people but also the elderly. This is a typical exemplary example.

Characteristics of the Osaka BID scheme are as follows. Urban revitalization corporations, which have legal status, can lead urban development and leverage exemptions from road use fees for urban convenience improvement facilities. The corporations can secure basic financial resources for the management of public property through contributions. In addition, it would be easier to secure independent financial resources through business profits from the use of public spaces such as roads. Osaka City is promoting the use of its BID system to support the area management activities of these corporations, the Urban Revitalization Corporation Preparatory Organization Accreditation System.

## 2.2 Social Capital Theory and Existing Studies

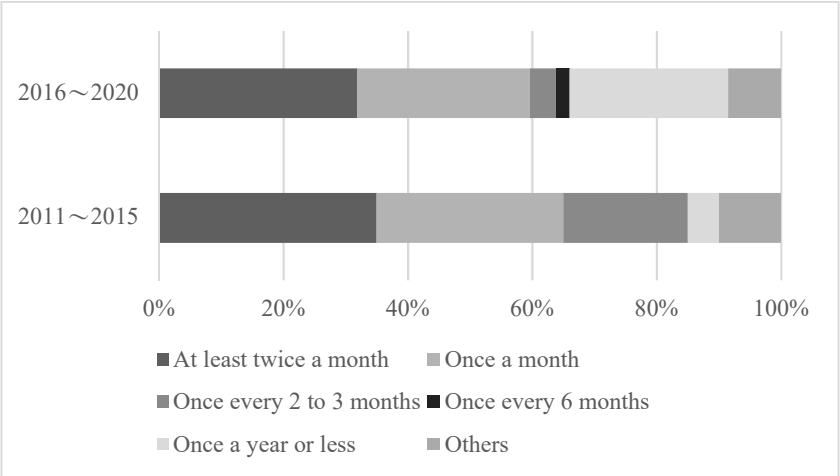
It is widely accepted that the main components of social capital are trust, social norms of reciprocity, and networks. Social capital plays an important role in social and economic activities. In general, people with a high degree of social capital may place much importance on community development policies (Terao and Abe, 2020). Furthermore, appropriate levels of social capital enable improvements in a community by ensuring that the participants in community activities can bond, which may then prompt accumulation and renewal of social capital (Terao and Abe, 2020). In addition, trust in the community, and especially pride in its history and culture, can have a significant impact on fostering a sense of commitment among community members in the future (Shibaike et al., 2007). Meanwhile, it has been shown that most people do not participate in the community because they trust the community. An important factor is the length of residence in the community (Shibaike et al., 2007), which increases attachment to the community and pride in the community.

The results of a nationwide survey conducted in this study on the relationship between urban revitalization corporations and local governments indicate the following regarding the concepts that may be used as proxies of social capital, or for reporting, communication, and consultation.

First, this study explores the relationship between the frequency of regular meetings—which are a proxy of reporting and do not comprise a general, board, or board of directors meeting, but a forum for work-level discussions and coordination, and reporting on the status of operations in person or via online conference calls, and the year in which their administrative guidelines were created depending on the municipality (Figure 1). For urban revitalization corporations that held regular meetings once a month or more, there is no relationship with the year in which the administrative guidelines were created. Nevertheless, those that met once every two to three months are mostly municipalities that created their administrative guidelines between 2011 and 2015, whereas those that met less than once a year are mostly those that created their administrative guidelines between 2016 and 2020.

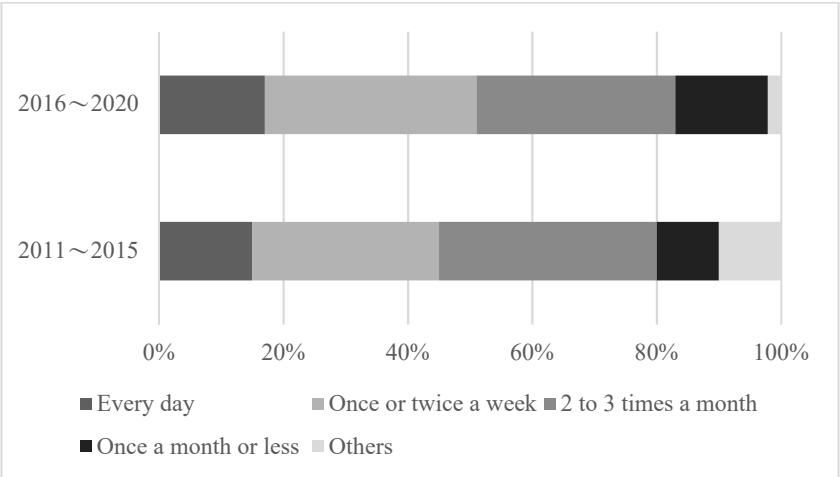
Next, we explore the relationship between the frequency of daily contact—this refers to the frequency of communication with the relevant urban revitalization corporation during normal times, not during very busy seasons, and does not refer to face-to-face meetings or online conference calls, but to phone calls, e-mails, and social media—and the year in which the administrative guidelines of the urban revitalization corporation were created (Figure 2). This corresponds to the notions of communication and consultation. There is no difference in the frequency of daily contact by the year in which administrative guidelines were created. By contrast, the frequency of regular meetings tends to be higher in the earlier years of the creation of the administrative guidelines. This result is consistent with that of Shibaike et al. (2007), which shows the correlation between the duration of contact and local activities.

**Figure 1** Relationship Between Year in Which Administrative Guidelines of an Urban Revitalization Corporation are Prepared and Frequency of Regular Meetings between Corporation and Local Government\*



*Notes:* Number of responses: 20 from 2011 to 2015, and 47 from 2016 to 2020.  
\* Chi-square test result:  $\chi^2(5)=7.460$ , ns, Cramer's V = 0.334.

**Figure 2** Relationship between Year in which Administrative Guidelines of Urban Revitalization Corporation Prepared and Frequency of Daily Contact\*



*Notes:* Number of responses: 20 from 2011 to 2015, and 47 from 2016 to 2020.  
\* Chi-square test results:  $\chi^2(4)=2.337$ , ns, Cramer's V = 0.187

In addition, the concept of trust in this study is differentiated as general trust or specific trust, as proposed by Terao and Abe (2020, p.86): specific trust refers to trust in a specific person or organization, while general trust refers to trust in society in general. Especially, specific trust is easily associated with specific reciprocity and closed networks with specific people and organizations. In other words, if trust in the community is synonymous with general trust, then general trust is not a factor that encourages participation in community activities, as described by Shibaike et al. (2007). Nonetheless, the subject of this study is specific trust with specific reciprocity and closed networks, as it may be used to examine the trusting relationship between urban revitalization corporations and the government. There are no existing studies that focus on the development of social capital such as specific trust between urban revitalization corporations and local governments. corporations and local governments, and emphasize on the aspects of reporting, communication, and consultation. These aspects entail circulating crucial information to the organization, making optimal decisions collectively, and ultimately achieving results (Japan Management Association Management Center, 2011a).

According to the Japan Management Association Management Center (2011a), reporting entails the transmission of task status information from the individual responsible or tasked with the job to their superior or the requester. Communication is the conveyance of information necessary for the progression of a job to those involved in that job. Although reporting happens mainly within a hierarchical relationship, communication happens not only in a hierarchical relationship but also a horizontal relationship. Consultation is the process of clarifying one's own ideas and those of the other party through discussion, and deciding on work methods and direction, among other items.

According to the Japan Management Association Management Center (2011b), reporting, communication, and consultation are proactively conducted to optimize management resources, mitigate risks, and realize the envisioned goals. It is important that the vision is shared by the organization and that each individual has a clear picture of his or her own vision. Specifically, we investigate the relationship between the frequency of communication of the urban revitalization corporation with the local government and the status of the vision developed by the corporation.

In the following section, we focus on the concept of specific trust within the context of the case of Ube, a city in the Yamaguchi Prefecture, which has the most recent developed administrative handling outline, so that the necessary matters that concern the designation of urban revitalization corporations can be stipulated, among those who participated in this survey. Since the frequency of daily contact which indicates specific trust is not associated with the duration, we present the case with the shortest duration of daily contact.

### **2.2.1 Case Study of Relationship between Urban Revitalization Corporation and Local Government of Ube City, Yamaguchi Prefecture**

The following is a case study of the relationship between an urban revitalization corporation (Nigiwai Ube) and the Ube City government. The participants from the Ube City government who regularly attended meetings were the following: the section chief, deputy section chief, and person responsible for the revitalization promotion section of the central city. Those from Nigiwai Ube Corporation. were the president and general manager of the company. They met once a month. The agenda items of the monthly meetings are as follows: business planning, business reporting, settling accounts, budgeting, managing business progress, identifying issues, and exchanging other information.

As for daily contact, the internal departments of the Ube City government that engaged twice a day with Nigiwai Ube Corp. were the Urban Policy Department and the City Center Revitalization Promotion Division. The daily contact involved the following: requests for submission of materials, questions about the materials, confirmation of project progress, and exchange of information.

#### **2.2.1.1 Status of Developing Vision and Area Management Activities in 2022**

At this time, there are no plans to develop a vision for community activities in the area where Nigiwai Ube Corp. is located. Its basic purpose is to conduct projects according to the fundamental plans for revitalizing the city center. In addition to this, Nigiwai Ube Corp. can initiate new projects and coordinate their promotion with the Ube City government. The activities for 2022 were as follows: a city development project (e.g., parking lot consolidation and management projects in the city center); human resource development project (e.g., community development education projects); and information dissemination project (e.g., wide-area information aggregation and dissemination projects).

As discussed above, regular meetings (including business elements of area management activities) were only held between the Ube City government and Nigiwai Ube Corp. and mainly focused on project progress management. Meanwhile, daily contact twice a day (which exemplifies specific trust [social capital]) was made between Nigiwai Ube Corp. and the relevant departments of the Ube City government thus allowing for social capital to be accumulated and renewed. Hence, we consider that the effort-related improvements described in Terao and Abe (2020) were implemented smoothly.

The current role of Nigiwai Ube Corp. is to provide services that are complementary to those of the government, which is consistent with the main role that these corporations are meant to play. Notwithstanding, there are no plans to develop a vision for community activities in the area where Nigiwai



Ube Corp. is located, which is similar to the situation of other urban revitalization corporations that have recently prepared their administrative guidelines.

Furthermore, even though the designation of the company as an urban revitalization corporation is clearly the desire of the Ube City government, the new projects which are being implemented stem from the initiatives of Nigiwai Ube Corp. and being coordinated on a day-to-day basis. This is a good example as to how the accumulation and renewal of social capital can have a positive impact on area management activities.

### 3. Limitations of Existing Studies and Hypothesis

As noted in the previous discussion, the year in which the administrative guidelines of a corporation was created correlates with the frequency of regular meetings, but not with that of daily contact (which indicates specific trust). Regarding the case of Ube City, although Nigiwai Ube Corp. was originally designated by the government, the new area management projects were initiated by Nigiwai Ube Corp. itself.

We also observed that the new projects were promoted through daily contact and coordination between Nigiwai Ube Corp. and the Ube City government. Such proactiveness of Nigiwai Ube Corp. can be attributed to the accumulation and renewal of specific trust. According to Terao and Abe (2020), when the specific trust among participants is high, the thematically-focused spaces which are entrusted to the management of an incorporated association with certain objectives are better managed. Still, regarding the case of Ube City, although specific trust is high, the Ube City government had not developed a thematic vision. Furthermore, even though the main role of such corporations is to provide complementary services to the local government, we still see the need to consider other roles that they could adopt to promote the accumulation and renewal of specific trust.

Therefore, the following hypotheses are proposed to investigate the factors that can enhance specific trust and encourage development of vision.

**Hypothesis 1 (H1):** the current role of an urban revitalization corporation which is to provide complementary services to the local government positively affects reporting, communication, and consultation.

**Hypothesis 2 (H2):** the intention of the corporation to be designated as an urban revitalization corporation (and not that of the local government) positively affects the status of vision development, and reporting, communication, and consultation have a positive impact on this status.

## 4. Methods

### 4.1 Model Specification of Ordered Logit Model

Here, we assume that the underlying categories are discrete realizations of some underlying continuous distribution of attitude. The ordered logit model contains an observed ordinal variable  $Y$ , which is the function of an unmeasured continuous latent variable  $Y^*$  that comprises various thresholds. The value of the observed variable  $Y$  is determined by whether a particular threshold has been crossed. For instance, when the ordinal values range from 0 to 3, the thresholds are as shown in Equation (1):

$$\begin{aligned} Y_i = 0 & \quad \mu_{-1} < Y_i^* \leq \mu_0 \\ Y_i = 1 & \quad \mu_0 < Y_i^* \leq \mu_1 \\ & \vdots \\ Y_i = 3 & \quad Y_i^* > \mu_2 \end{aligned} \quad (1)$$

where  $M$  is the parameter value of an unknown positive value. Then, the equation for the ordered logit model is:

$$Y^* = \sum_{k=1}^K \beta_k X_k + \varepsilon = Z_i + \varepsilon$$

where  $Z_i$  is (2)

$$Z_i = \sum_{k=1}^K \beta_k X_k = E(Y_i^*)$$

and  $\beta$  is the parameter value for  $X$  (explanatory value). These terms can then be used to estimate the probability of whether  $Y$  takes on a particular value:

$$\begin{aligned} P(Y = 0) &= \frac{1}{1 + \exp(Z - \mu_0)} \\ P(Y = 1) &= \frac{1}{1 + \exp(Z - \mu_1)} - \frac{1}{1 + \exp(Z - \mu_0)} \\ P(Y = 3) &= 1 - \frac{1}{1 + \exp(Z - \mu_2)} \end{aligned} \quad (3)$$

Specifically, we can calculate the probability of whether the unobserved variable  $Y^*$  falls within its various threshold limits—see Equation (3)—by utilizing the estimated value of  $Z$  in Equation (2) and assuming a logistic distribution of the disturbance term. By using the maximum log-likelihood method, the explanatory variables can then be estimated.

## 4.2 Dependent and Independent Variables

### 4.2.1 Dependent Variables

The following are the dependent variables for H1: frequency of regular meetings between the urban revitalization corporation and local government,

which ranges from once a year or less = 0 to more than twice a month = 4, and frequency of daily contact (excluding busy periods)<sup>3</sup> between the urban revitalization corporation and the local government, which ranges from once a month or less = 0 to every day = 3.

The dependent variable for H2 is the status of developing a vision for community activities in the area in which the urban revitalization corporation is located, which ranges from no plans to develop goals at this time = 0 to goals already formulated = 3.

#### **4.2.2 Independent Variables**

The independent variables for H1 are as follows: request from the urban revitalization corporation (dummy), which could be either Yes = 1 or No = 0; and request from the local government (dummy), which could be either Yes = 1 or No = 0; current role of the urban revitalization corporation, which ranges from complementary role for measures and activities that target to realize the goals and policies of the local government = 1, supporting role in coordination work between the local government and community = 2, main actor in area management activities = 3, to managing own business = 4.

The independent variables for H2 are as follows: request for designation of an urban revitalization corporation, which ranges from designation made in response to requests from various levels of the Japanese government (e.g., prefecture-level and national governments, including second staff) to promote the use of the urban revitalization corporation system = 1, made by the local government approaching the company to be designated = 2, made as a result of a consultation process from the side of the corporation = 3, to a clear request from the corporation = 4; frequency of regular meetings which ranges from once a year or less = 1 to more than twice a month = 5; and frequency of daily contact which ranges from once a month or less = 1 to every day.

### **4.3 Data**

#### **4.3.1 Participants**

All 50 municipalities that had designated an urban revitalization corporation as of September 2021 participated in this study. The survey was conducted from September 23, 2021 to October 22, 2021. Of the 50 municipalities surveyed, 44 completed the questionnaire (collection rate: 88.0%). As for the urban revitalization corporations, 68 of the 78 contacted responded to the survey for a response rate of 87.2%.

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<sup>3</sup> Daily communication and consultation refer to interactions and discussions that occur during regular, non-busy periods. They involve communication through phone calls, emails, or social media platforms rather than face-to-face meetings or online platforms.

4.3.2 Survey Method

After explaining the purpose of the survey by telephone to a representative of the department who is responsible for the urban revitalization corporation in each municipality, a request form and questionnaire were sent via e-mail. The respondents (municipal officials) then returned the completed responses by e-mail.

4.3.3 Survey Items

The survey comprised two sections: 11 questions in the first section focused on the operation of the urban revitalization corporation system by local governments (Questions 1–11). Then, 12 questions that pertain to each urban revitalization corporation in the second section were asked, which covered aspects such as the factors that have led to the designation of the corporation and its relationship with the local government (Questions 12–24) (Table 1).

5. Results<sup>4</sup>

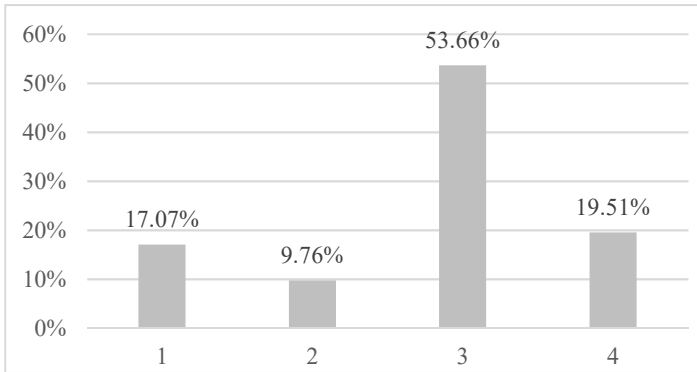
Table 2 presents the survey results related to H1. We can observe low mean values for request from the urban revitalization corporation and request from the local government, and a high mean value for the current role of the urban revitalization corporation.

Table 3 presents the survey results related to H2. The mean values are high for request for designation of the urban revitalization corporation, frequency of regular meetings, and frequency of daily contact.

Table 2 Descriptive Analysis Results Related to Variables in Hypothesis 1

	Mean	Max	Min	Std. Dev.	Skew- ness	Kurto- sis	Obs
Request from the Urban Revitalization Corporation	0.238	1.00	0.00	0.431	1.230	2.513	42
Request from the local government	0.238	1.00	0.00	0.431	1.230	2.513	42
Current Role of the Urban Revitalization Corporation (Figure 3)	2.762	4.00	1.00	0.958	(0.690)	2.602	42

<sup>4</sup> Verified through robustness testing.

**Figure 3 Percentage Distribution of Current Role of Urban Revitalization Corporation****Table 3 Descriptive Analysis Results Related to Variables in Hypothesis 2**

	Mean	Max	Min	Std. Dev.	Skewness	Kurtosis	Obs
Request for designation of the Urban Revitalization Corporation	2.549	4.000	1.000	1.172	(0.044)	1.547	51
Frequency of regular meetings	3.647	5.000	1.000	1.521	(0.903)	2.306	51
Frequency of daily contact	2.549	4.000	1.000	0.901	0.018	2.239	51

## 5.1 Results for Specific Variables

### 5.1.1 Hypothesis 1

According to the results of the empirical validation that uses the ordered logit model, the  $z$ -statistics of the independent variables - request from the urban revitalization corporation and request from the local government showed that they are not important factors in the assessment of the frequency of regular meetings and daily contact between the urban revitalization corporation and the local government (Table 4). Table 4 shows negative and statistically significant results for the current role of the urban revitalization corporation ( $p < 0.05$ ). These results support H1.

5.1.2 Hypothesis 2

Using z-statistics for the independent variables of request for designation of an urban revitalization corporation and frequency of regular meetings (Table 5), we note that they are not important factors in the assessment of the status of developing a vision for community activities in the area covered by the urban revitalization corporation. Nonetheless, the frequency of daily contact positively influences and is statistically significant for the status of the development of the vision for community activities ( $p < 0.10$ ).

**Table 4** Empirical Analysis Results Related to Variables in Hypothesis 1

	Y1, frequency of regular meetings			Y2, frequency of daily contact and consultation		
	Coefficient	z-statistic	Prob.	Coefficient	z-statistic	Prob.
Request from the Urban Revitalization Corporation	0.091	0.131		-0.125	-0.183	
Request from the local government	-0.782	-1.113		0.444	0.626	
Current role of the Urban Revitalization Corporation	-0.699	-2.091	**	-0.669	-2.008	**
LIMIT_2:C(4)	-4.347	-3.546	0.000	-3.871	-3.404	0.001
LIMIT_3:C(5)	-4.127	-3.417	0.001	-1.891	-1.826	0.068
LIMIT_4:C(6)	-3.165	-2.777	0.006	-0.072	-0.072	0.943
LIMIT_5:C(7)	-1.457	-1.407	0.160			

**Notes:** Y1, Sample (adjusted): 1 42, Included observations: 42 after adjustments  
Number of ordered indicator values: 5  
Pseudo R-squared=0.053 Akaike info criterion=2.901  
Schwarz criterion=3.191 Log likelihood=-53.927  
Hannan-Quinn criter.=3.007 Restr. log likelihood=-56.943  
LR statistic=6.032 Avg. log likelihood=-1.284  
Prob (LR statistic)=0.110

Y2, Sample (adjusted): 1 42, Included observations: 42 after adjustments  
Number of ordered indicator values: 4  
Pseudo R-squared=0.041 Akaike info criterion=2.754  
Schwarz criterion=3.003 Log likelihood=-51.840  
Hannan-Quinn criter.=2.845 Restr. log likelihood=-54.072  
LR statistic=4.464 Avg. log likelihood=-1.234  
Prob (LR statistic)=0.215

\*\*\*, \*\*, and \* indicate significance at the 1%, 5% and 10% levels respectively.

**Table 5 Empirical Analysis Results Related to Variables in Hypothesis 2**

	Y3, status of development of vision		
	Coefficient	z-statistic	Prob.
Request for designation of the urban revitalization corporation	0.215	0.974	
Frequency of regular meetings	0.011	0.048	
Frequency of daily contact	0.736	1.732	*
LIMIT_2:C(4)	1.370	1.349	0.177
LIMIT_3:C(5)	1.673	1.637	0.102
LIMIT_4:C(6)	2.939	2.714	0.007

**Notes:** Y3, Sample (adjusted): 1 51, Included observations: 51 after adjustments

Number of ordered indicator values: 4

Pseudo R-squared=0.054 Akaike info criterion=2.588

Schwarz criterion=2.816 Log likelihood=-60.006

Hannan–Quinn criter.=2.675 Restr. log likelihood=-63.419

LR statistic=6.826 Avg. log likelihood=-1.177

Prob (LR statistic)=0.078

\*\*\*, \*\*, and \* indicate significance at the 1%, 5% and 10% levels respectively.

## 6. Conclusions

In recent years, the methods for passing on social capital to the next generation have become an issue. It is also necessary to clarify the status and role of area management organizations as an intermediary between the public and private sectors. The focus of the survey in this study is to foster social capital among organizations.

In this study, we examine the impact of the frequency of regular meetings and daily contact between urban revitalization corporations and the local government on the quality of community activities. Among the variables related to reporting, communication, and consultation, we observe that a higher frequency of daily contact (i.e., which indicates specific trust) enhances the quality of area management activities. While most urban revitalization corporations require annual reporting, increased daily interactions reinforce specific trust. Table 6 shows that “Nishiki 2-chome Area Management Corporation” and “Sakae Minami Community Development Corp.” are examples of successful area management in a large metropolitan area, but in

**Table 6 Best Practices Related to Area Management in Large Metropolitan Areas of Japan**

		Nishiki 2-chome Area Management Corp.	Sakae Minami Community Development Corp.
Regular meetings		Not held on a regular basis, but as needed. The business reports of the urban revitalization corporation are confirmed through the submission of annual reports and corresponding hearings, among others.	
Daily contact	The internal departments of Nagoya-shi which engaged in daily contact with the urban revitalization corporation	Urban City Planning Section, Linear-related Urban Development Department Walkable and Landscape Promotion Office, Urban Planning Department Projects that have been commercialized are coordinated with each project jurisdiction.	
	The frequency of daily contact	About once a day	
	Reason for daily contact	Consultation on business progress, exchange of information, etc.	
Status of development of vision		Yes	
Area management activities in 2022		Area management business in the No. 7 urban area redevelopment business (1) Cafe operation project (2) Operation project of meeting place and alley (3) Operation of lifestyle support facilities (4) Small-scale store rental business Business for local business creation (1) N2/LAB (area platform) operation business (2) Sustainable Development Goals (SDGs) community development project Real estate utilization business Public space utilization business Community support project Other contracted projects	Digital signage advertising business Bicycle parking business Shared cycle business Arcade advertisement business on Princess Street Sakae Minami parklet business Sakae Minami parklet business Management business for “Sakae Minami Web” Businesses related to improvement of livability (Local disaster prevention, monitoring and providing services for local crime prevention, cleanup, greening promotion activities, etc.)



both cases in Nagoya, the reports tend to be document-based rather than obtained through regular meetings. The frequency of contact is almost daily, thus suggesting that specific trust is successfully developed. To enhance specific trust, it is important for urban revitalization corporations to not only conduct area management-oriented projects but also complementary work for the municipality. That is, these corporations should increase their understanding of the goals and measures taken by their local government that are policy related. Additionally, regardless of the initial objectives of an urban revitalization corporation, local governments should actively increase the frequency of daily communication with these entities to enhance their motivation for engaging in area management activities. Furthermore, measures should be implemented to promote the active practice of reporting, communication, and consultation among both supervisors and subordinates (Japan Management Association Management Center, 2011c). When urban revitalization corporations collaborate with the government, they can cultivate more individuals who are capable of fostering social capital (Hirano, 2013). Additionally, this collaboration can help preserve intangibles and social licenses associated with the organizational “brand” (Kamegawa et al., 2020).

Future studies should further examine not only the factors that facilitate area management activities (e.g., development of a vision) but also those that enhance the quality of area management activities.

Another future prospect is to compare the frequency of contact through activities that require coordination with the local government, such as hard maintenance of public space, and those that do not directly involve the local government, such as building consensus in a specific area.

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## Appendix

**Questionnaire Regarding Operation of Urban Revitalization Corporation System (for Government) is available as Online Appendix on Journal website.**