

Chapter 11

# The Amami Islands Promotion and Development Projects, and Socioeconomic Transformation

Takeichi MINAMURA

## 1. Introduction

The Amami Islands are comprised of seven islands scattered in the ocean 380-600 km south of the city of Kagoshima (27-29° N). They were controlled by the Ryukyu Dynasty from the 14<sup>th</sup> century until the beginning of the 17<sup>th</sup> century (1609) when the Satsuma clan conquered the Ryukyu Dynasty and have belonged to the territory of Japan since. Since the Meiji era, the Amami Islands, together with Okinawa, had been known across Japan as poverty-stricken islands isolated from the mainland with poor culture and low standards of living. In the 1930's the Kagoshima Prefecture and the Japanese government attempted to remedy this situation through industrial development and immigration policies; however the outbreak of World War II prevented the achievement of adequate results.

Following World War II, the Allied Forces seized control of Japan's mainland and neighboring islands while the Nansei Islands south of 30° N (Tokara Islands, Amami Islands, Okinawa Islands and the Ogasawara Islands) were occupied exclusively by the U.S. Military Government (these islands (the archipelago) were separated from Japan by the declaration of February 2, 1946). Allied occupation of Japan's mainland and neighboring islands ceased when the San Francisco Peace Treaty came into effect in April 1952 and they became an independent state, however the Amami Islands remained occupied by the U.S. Military Government until December 25, 1953. Almost no post-war reconstruction efforts were undertaken by the U.S. let alone the Japanese government during the U.S. Military Government occupation and the Amami Islands became abandoned (MINAMURA 2003). Amidst this background, an intense movement for reversion to Japan developed during the U.S. Mili-

tary Government occupation and reversion was finally realized on December 25, 1953. Indeed, the islands had been placed outside the sovereignty of Japan for a period of eight years and four months.

## 2. Reversion to Japan and the enforcement of the Act on Special Measures for the Reconstruction of Amami Islands

Japan lost its overseas territories through its defeat in World War II and was limited to about two-thirds of its pre-war territory. The direction of post-war Japanese economic development was development through expansion of the domestic market rather than a foreign expansion policy. Given this situation, the government enacted the *Comprehensive National Land Development Act* in 1950 and pressed ahead with development plans based on this act in various regions. It should be noted that Kagoshima Prefecture's own "Special Regional Development Plan" aimed at promoting the development of undeveloped areas within the prefecture was devised prior to the enactment of the *Comprehensive National Land Development Act*. The *Remote Islands Development Act* was enacted in July 1953 with the purpose of "establishing measures to improve fundamental conditions and promote industry in order to eliminate the backwardness of outlying islands caused by their isolation or remoteness from the mainland, and cultivating their economic power, improving the stability and welfare of the islanders' lives and contributing to the development of the national economy by developing special measures for the promotion of outlying islands that are conducive to quick and powerful business, etc., based on these measures."

Reversion of the Amami Islands to Japan had not yet occurred at the time the *Remote Islands De-*

velopment Act was enacted in July 1953 and, as such, the Amami Islands were outside the scope of the act. However, the return of the islands to Japan in December of that year raised the issue of how they should be treated. As the Amami Islands were crippled by a special pain beyond that suffered by the mainland and islands covered by the *Remote Islands Development Act* as well as industrial, educational and commercial lag as a result of the long-term U.S. military occupation policy, a special act separate from the *Remote Islands Development Act* was enacted (*Act on Special Measures for the Reconstruction of Amami Islands*, enacted June 21, 1951, Act No. 189). For similar reasons, individual special acts pertaining to the Ogasawara Islands and Okinawa Islands were also enacted following their reversion to Japan.

Article 1 (purpose) of the *Act on Special Measures for the Reconstruction of Amami Islands* stated “the purpose of this law is to develop a comprehensive reconstruction plan as a special measure and implement projects based on this plan with the aim of contributing to the rapid reconstruction of the region located south of 29° N in Oshima County, Kagoshima Prefecture (hereafter, the “Amami Islands”) and stabilization of the life of its residents in light of the special circumstances of the region along with its return to Japan.” Unlike the *Remote Islands Development Act*, this act prescribed that consideration be given to “special circumstances of the region.” The content of such “special circumstances” was not explicit; however it would be reasonable to understand them as referring to the U.S. military occupation.

Article 2 of this *Act on Special Measures* defined the content of the reconstruction plan in order to achieve the purpose described above in article 1 as (1) public works facility development projects, (2) land improvement projects and forestry facility development projects, (3) major industry reconstruction projects involving sugar, fisheries and tsumugi (soft thin cloth woven from raw silk) production, (4) educational facility development projects, (5) health, sanitation and social welfare facility development projects, (6) power, sea route and communication facility development projects, (7) pit viper and pest extermination projects and

(8) other projects necessary for the reconstruction of the Amami Islands in addition to the matters listed in the preceding items.

The reconstruction plan aimed to revive industry and culture and enhance the development of public facilities which were necessary to raise the standard of living of the archipelago residents to the pre-war (1934-1936) mainland standard. Only a 44 % rate of progress was realized in the first five years of this plan’s implementation and, as such, this plan was subsequently defined as a “10-year reconstruction plan” in order to promote independence of the archipelago economy on June 30, 1958 (Nankai Nichi Nichi Shinbun 21 Jan 2013).

The total cost of projects implemented in the ten years from FY 1954 to FY 1963 was JPY ¥21 billion, with ¥10.1 billion (almost half of the total) spent on key industry reconstruction and specific industry development costs, ¥5.7 billion spent on land, sea, and air transportation development, ¥2.9 billion spent on the reconstruction and development of educational facilities, ¥1.4 billion spent on health, sanitation and social welfare facility development projects and ¥900 million spent on land conservation. The enormity of the reconstruction project costs are suggested when they are compared to the JPY ¥2.916 billion total FY 1963 expenditure of Oshima County (consisting of one city, nine towns and six villages) which included just ¥353 million spent on public works and ¥598 million spent on industrial and economic costs.

While the public works projects and reconstruction and promotion of key industries along with the return of the Amami Islands to Japan increased the islands’ economic independence as well as directly elevated the income of Oshima County residents through social capital development and improved productivity, economic disparity with the mainland continued to grow. This is because mainland post-war reconstruction was almost complete around 1955 (the “Economic White Paper” of the same year stated that Japan was “no longer in a post-war period”) and the mainland had welcomed a period of rapid economic growth. According to the *Amami Island reconstruction results* compiled by Kagoshima Prefecture in December 1963, “reconstruction in each aspect, centered on

public works facilities, along with progress of the reconstruction project has been remarkable and activation of the economic activity in the archipelago coupled with the enhanced willingness towards independent reconstruction efforts of the archipelago residents mean that the standard of living envisioned by the plan can just about be achieved upon completion of the reconstruction plan.” However, this document also summarized the challenges for the future as follows: “given the fact that the emphasis in this reconstruction plan was initially placed on the development of public facilities and issues with respect to industrial development have been raised as late as the second half of the plan, only orientation for basic industries has been set and, therefore, the results of the reconstruction plan cannot be said to be sufficient. Moreover, expansion of the Japanese economy in this period has been remarkable and the development of a national income-doubling plan and rapid jump in national income has seen the income gap between the archipelago and mainland persist. Further measures to reduce regional disparities within the archipelago with respect to income and various facilities as much as possible as well as various measures in order to break away from the backwardness are required.”

### **3. “Amami Islands Promotion Project” and Amami Islands socioeconomic transformation**

The *Act on Special Measures for the Reconstruction of Amami Islands* was updated and extended and renamed the *Act on Special Measures for the Promotion of Amami Islands* in order to implement various measures to reduce the regional disparities as well as the income gap with the mainland and to break away from the backwardness as mentioned in the results of the “reconstruction projects” we looked at in the previous section.

The “Promotion Project Plan” (FY 1964-1973) based on this *Act on Special Measures for the Promotion of Amami Islands* was developed with the primary purpose of promoting the development of industrial infrastructure, promoting economic independence of the archipelago through the de-

velopment of key industries and the strengthening and expansion of monetary measures and improving the stability and welfare of the archipelago’s residents’ lives.

The main projects implemented on the basis of this plan included the establishment and improvement of roads, port expansion and development in line with the increase in the size of vessels, airport expansion and development and development of social infrastructure. Although major public works were contracted to large-scale civil engineering construction companies outside the archipelago, there was a significant increase in small and medium-sized public works contractors and persons employed in the public works construction industry in the archipelago. There was a sharp decline in the number of persons engaged in primary industries (agriculture, forestry and fisheries) while the proportion of persons working in secondary and tertiary industries increased. There was a significant change from 1960, when 62.3 % of workers were engaged in primary industry, 17.6 % in secondary industry and 20.1 % in tertiary industry, to 1970, when 34.5 % of workers were engaged in primary industry, 35.8 % in secondary industry and 29.7 % in tertiary industry. There was also an increased demand for labor on the mainland along with its rapid economic growth which saw the outflow of population from the archipelago continue. The population of the archipelago which exceeded 200,000 people at the time of its return to Japan in 1953 decreased to 185,000 people in 1963 and 164,000 people in 1970. The rapidization and upsizing of transportation and communication services significantly advanced the exchange of goods, people, money, information and culture between the archipelago and the mainland which, in turn, diminished the economic self-sufficiency, traditional culture and dialects, etc. of the archipelago and saw the islanders’ lives become similar to those of their mainland counterparts (MATSUBARA, TOYA and HASUMI 1981).

The goal by the completion of this “Promotion Project Plan” was to increase the standard of living of archipelago residents to a level on par with their prefectural mainland counterparts; however in 1973 their standard of living remained at only

53.8 % of the national standard and 78.1 % of the prefectural mainland standard.

The increase in the income of Oshima County residents was primarily due to the improvement of industry productivity and external income transfer (government fiscal transfers and labor income remittance, etc.) Within the archipelago, the increase in consumer spending outpaced the increase in production and, as a result, there was a rapid increase in imports causing the regional balance to fall into deficit. The archipelago became increasingly reliant on government fiscal transfers. Fiscal transfers (prefectural and national grants and subsidies) reached JPY ¥40 billion in FY 1973 which was 78 % of the archipelago's ordinary revenue and comprised 48 % of Oshima County's total expenditure.

The Promotion Project Plan ended at the completion of FY 1973 and Kagoshima Prefecture published the "Results of Reconstruction and Promotion of the Amami Islands" (March 1975) which concluded that "the Promotion Project Plan increased the income of Oshima County residents 4.5x from JPY ¥16.5 billion in FY 1963 to ¥73.6 billion in FY 1973 and per capita income exceeded 50 % of the national average for the first time in FY 1972" and "focus was placed on industrial promotion in order to reduce the income disparity between the archipelago and prefectural mainland, however conditions affecting the archipelago remain severe and the disparities including the income gap have not been rectified" (Kagoshima Prefecture 1975).

In the 1970's, Japan's rapid economic growth was also forced into a period of low growth as a result of changes in domestic and international conditions including the first oil crisis, international monetary crisis and increasingly serious environmental problems, etc. Both national and prefectural review and development of a new "Comprehensive National Development Plan" and "Kagoshima Prefecture Comprehensive Plan," etc. was necessitated by these changes. A review of the "Amami Islands Development Plan" was also necessary in response to changes in the national and prefectural policies. In March 1974, the *Act on Special Measures for the Promotion of Amami Islands* was par-

tially amended, extended and its name changed to the *Act on Special Measures for the Promotion and Development of Amami Islands* (MINAMURA 2010).

#### **4. Overview and results of the Act on Special Measures for the Promotion and Development of Amami Islands**

While the name has changed from the *Act on Special Measures for the Reconstruction of Amami Islands* (1954-1963) to the *Act on Special Measures for the Promotion of Amami Islands* (1964-1973) and finally to the *Act on Special Measures for the Promotion and Development of Amami Islands* (1974-2013), "Amami Islands projects" based on these acts on special measures have been carried out continuously over the past 60 years. The total project expenditure over this period exceeds JPY ¥2.3 trillion.

The following section will look at the four "Promotion and Development Projects" (#1-#4) implemented continuously since 1974.

The "First Promotion and Development Project" aimed to "harness the characteristics and development potential of the Amami Islands and actively advance social development and industrial promotion, correct the various disparities with the mainland and realize bright and livable local communities while ensuring environmental protection as well as contribute to the improvement of national welfare."

Various projects centered upon transportation infrastructure development (ports, roads and airports, etc.) were implemented under this First Promotion and Development Project. The total project cost in the ten years from FY 1974 to FY 1983 was JPY ¥317.1 billion, with ¥187.7 billion (59.2 %) spent on transportation infrastructure development, ¥112.4 billion (35.4 %) spent on industrial promotion, ¥15.4 billion (4.9 %) spent on the promotion of education and culture and ¥1.3 billion (0.4 %) spent on nature conservation and tourism development.

In addition, each Oshima County municipality had its own annual expenditure. The total expenditure of the Oshima County municipalities during the same period was JPY ¥404 billion of which ¥82.7 billion was spent on public works, ¥69.8 bil-

lion spent on agriculture, forestry and fisheries and ¥7.9 billion spent on commerce costs. A total of ¥721.1 billion was spent between the Promotion and Development Project and Oshima County municipalities combined (Oshima Branch, Kagoshima Prefecture 1984). This huge amount of investment and consumption saw the standard of living of the archipelago residents as well as the level of development of public facilities improve significantly as well as resulted in the activation of production activities, etc. Although sugarcane still accounted for around 60 % of the area under cultivation and agricultural production value of the archipelago as a whole, vegetable transportation and floriculture was expanding centered in Okinoerabujima Is. On the other hand, the production of Oshima tsumugi, which had been steadily increasing in the period of rapid economic growth, decreased along with the weak demand for kimonos and the import of tsumugi from South Korea. In secondary industry, the output of the public works construction industry began to surpass that of the manufacturing industry. In tertiary industry, producers of government services surpassed the general service industry as well as the wholesale and retail industries.

In light of the above results and situation, Kagoshima Prefecture stated “the backwardness of the archipelago economy, which suffers as a result of severe natural and social conditions such as the fact that the islands are far outlying-islands in a typhoon-prone open sea area, has not been overcome and the various disparities with the prefectural mainland and mainland Japan as a whole have not been corrected” and highlighted the “disparity with the mainland” (Kagoshima Prefecture 1988).

The total project cost of the “Second Promotion and Development Project” in the ten years from FY 1984 to FY 1993 was JPY ¥602.9 billion with a similar cost breakdown to the first project, however agricultural infrastructure development and Tokunoshima state-owned agricultural land development projects were also commenced. The implementation of the second project was summarized similarly to the first project in that “while the sustainable socio-economic development of Japan continues, the conditions affecting the archipelago remain severe, various disparities with

the mainland persist and the backwardness of the archipelago has not been overcome.” (Kagoshima Prefecture 1993).

Measures have been taken with a focus on industrial infrastructure and transportation and communications infrastructure development, expansion of social capital and industrial promotion, etc. under the “Third Promotion and Development Project” (1994-2003) and the “Fourth Promotion and Development Project” (2004-2013) and, despite the completion of large buildings that couldn’t have been completed if not for these Amami Islands Promotion and Development Projects (such as a port where 10,000-ton class ships can berth, fishing ports, airports, transportation and communications network, agricultural roads and highways, land improvement and irrigation projects (subsurface dams, etc.), educational facilities and water supply and sewerage system improvements, etc.), the decline of industry and regional force is progressing as a result of population outflow, aging, and the decline of key industries such as the Oshima tsumugi industry and the sugar industry, etc.

## **5. Conclusion**

The lifestyle of Oshima County residents has been transformed, due to the enormous national, prefectural and municipal investments for the purpose of reconstruction, promotion and development on one hand and rapid economic growth on the other hand, since the region’s return to Japan in December 1953. The wave of the capitalist economy violently rocked the rural areas and led to the major disruption and decline of production organizations, family organizations, village autonomy and ritual management systems as well as farm management. The archipelago’s subsistence agriculture was transformed into to high liquidity agriculture in one fell swoop, it became increasingly reliant on external capital goods including consumer goods, the economy became dependent on government spending, dialects, traditional culture and traditional arts were lost, and aging and depopulation further progressed in the midst of globalization, modernization and integration with the mainland. In particular, it has to be said that the



disappearance of paddy fields has not simply been a socioeconomic effect, but rather demonstrates the enormous impact on the Amami Islands environment. How to ensure the continuation of sugarcane production and the sugar industry will also become a challenge as a result of globalization, which is sure to strengthen in the future (through participation in the TPP, for example).

The purpose of the Amami Islands Promotion and Development Projects is to develop industrial infrastructure, enhance the spirit of self-reliance of the Oshima County residents and promote the economic independence of the archipelago. The Amami Islands Promotion and Development Fund was also established to promote the development of new industries to achieve this purpose. Now, the purpose of developing industrial infrastructure has just about been fulfilled. However, neither the creation of new industry leveraging this industrial infrastructure and utilizing guarantees, loans and investment from the Promotion and Development Fund, self-sustaining economic development nor a spirit of self-reliance of the Oshima County residents have been realized as yet. In particular, the performance of the investment business established in 1989 is almost zero. Various industrial promotion measures have been established in order to encourage the development of a self-reliant economy, however with the exception of a few municipalities, almost all regions are dependent on outside help. The employment opportunities and income opportunities through the public works financially supported based on the Amami Islands Promotion and Development Projects as well as a reliance on political power can be said to have contributed to this dependence on outside help. As Amartya SEN concluded in “Freedom and Economic Development,” “the main purpose and means of development must be the improvement of human freedom” (SEN 2000). Have the Amami Islands development policies really brought the Oshima County residents “freedom and democra-

cy,” “political freedom,” “equal opportunity,” “fair income” and “strengthened solidarity”? It cannot be denied that this “development” has created political restraints, a structure of central dependence, income inequality and environmental degradation. Now is the time, after 60 years of Amami Islands Promotion and Development Projects, that the Oshima County residents must comprehensively inspect and evaluate these projects for themselves and find a new direction. This direction is the formulation and implementation of a sustainable promotion and development project (which includes education and human resource development projects as well as industrial infrastructure and industry projects) in which Oshima County residents themselves can participate in and utilize.

## References

- Kagoshima Prefecture 1975. *Amami Gunto Fukko and Shiko no Seika* (Results of Reconstruction and Promotion of the Amami Islands). Kagoshima Prefecture, Kagoshima. (in Japanese)
- Kagoshima Prefecture 1988. *Amami Gunto Fukko and Shiko no Seika* (Results of Reconstruction and Promotion of the Amami Islands). Kagoshima Prefecture, Kagoshima. (in Japanese)
- Kagoshima Prefecture 1993. *Amami Gunto Shinko Kaihatsu Sogou Chousa Hokokusho* (Amami Islands Promotion and Development Comprehensive Survey Report). 41 pp., Kagoshima Prefecture, Kagoshima. (in Japanese)
- Oshima Branch, Kagoshima Prefecture 1984. *Amami Gunto no Gaikyo* (Overview of the Amami Islands). Kagoshima Prefecture, Kagoshima. (in Japanese)
- MATSUBARA, J., TOYA, O. and HASUMI, O. (eds.) 1981. *Amami Noson no Kozo to Hendo* (Change in the Structure of Amami Islands Agriculture). 437 pp., Ochanomizu Shobo, Tokyo. (in Japanese)
- MINAMURA T. 2003. *Sengo Amami Keizai Shakai Ron* (Amami Islands postwar socioeconomic theory). 228 pp., Nihon Keizai Hyoronsha, Tokyo. (in Japanese)
- MINAMURA T. 2010. *Kagoshima no Sengo Keizai Shakai Shi* (The postwar socioeconomic History of Kagoshima). 461 pp., Nihon Keizai Hyoronsha, Tokyo. (in Japanese)
- Nankai Nichi-Nichi Shimbun (Nankai Nichi-Nichi Newspaper) 2013. January 21<sup>st</sup> issue. (in Japanese)
- SEN, A. 2000. *Freedom and Economic Development* (translated by M. Ishizuka). 426 pp., Nihon Keizai Shimbun (The Nikkei), Tokyo. (in Japanese)