TOURISM DEVELOPMENT CHALLENGES OF AN ISLAND DESTINATION IN A AGING SOCIETY, CASE STUDY OF OJIKA ISLAND OF JAPAN

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Abstract: Japan's inbound tourism numbers have been steadily rising in the past decade due to active promotion, easing of visa regulations, rapidly developing Asian economies and the depreciation of the Japanese Yen. The government’s goal is welcoming 40 million foreigners yearly by 2020, and leading them to rural destinations. There is a concern whether rural destinations in Japan are prepared for this sudden surge of tourists. The plans to bring masses to rural destinations implies a steady supply of tourism service, but the ageing and shrinking population of Japan together with the migration towards cities, leave some destinations without a key resource: workforce. This paper tries to understand the current situation of such rural, isolated communities, and whether they have the capacity to develop and expand the tourism industry. The case study was carried out on Ojika, an island destination in Nagasaki Prefecture. Several visits to the destination, participant observation and structured as well as unstructured interviews with stakeholders provide the primary data for the research. Through interviews with town officials, businesses and residents, different approaches to the demographic problems are introduced. The results show that the tourism development strategies cannot concentrate only on the strictly tourism industry elements of the destination but have to look at the community and infrastructure too, in this case, the labor market. The demographic change in society can put a limitation on development, thus counter measurements have to be considered and included in the tourism strategy. Further research is needed on less remote destinations, where there is a land-connection with another settlement, and whether a “commute based workforce” can ease the problem or by raising the costs of labour, a different, feasibility problem arises in the accommodations.

Keywords: Tourism, Island Destination, Depopulation, Japan.
(JEL Classification: Z32 Tourism and Development)

INTRODUCTION

The tourism industry is a growing contributor to the national economies in many countries around the world, and Japan is not an exception from this trend. The Japanese government selected tourism as one if the growth industries and renewed efforts to promote inbound tourism in 2003. The first target was set at 10 million foreign visitors by 2010, followed by a 20 million target until 2020. After successful inbound strategies lead to a rapid rise of visitors, the government doubled its original target for the year 2020 to 40 million inbound tourists, and also put an emphasis on trying to get foreigners to visit rural Japan.

Easing visa application requirements for some Asian countries and restructuring of tourism-related governmental organisation, together with a weakening yen and rising Asian economies caused a surge in inbound tourists (Funck and Cooper, 2013). This sudden rise in demand needs to be met with the expansion of the supply side of the tourism market, meaning a growing number of accommodation and services. However, capacity building cannot be done in a short time. Major cities have some possibilities to react to the change, with hotel developments, hotel remodelling (from love hotels) and easing of the hotel building rules. A different approach is embracing the new sharing-economy by allowing residents to participate in the accommodation supply market through Airbnb like services. However, when it comes to small rural destinations, structural differences and demographic issues can limit the possibility of enlarging the visitor welcome capacity.

Japan’s population is already in the next stage of ageing, it is considered a hyper-aged society where 21% or more of the people are over 65 years old. This is even more severe in the
rural communities, where the ageing population is coupled with a steady migration of the youth towards the cities. One of the reasons is the lack of higher education possibilities, but the birth rate disparity between cities and rural areas also play an important role (Coulmas, 2007).

This paper aims to investigate the limitation that island Japanese tourism industry faces through a case study of the island destination Ojika in Nagasaki Prefecture, Japan. Through this analysis, underlying issues are introduced, which have an impact on the tourism growth strategy of the Japanese (central) government.

MATERIALS AND METHODS

Case study and interview

This research paper tries to introduce the problem of tourism destination capacity through the case study of an island destination in southern Japan. While urban areas have different possibilities to develop the supply side of the tourism industry, in rural communities, especially in small island destinations, demography and the available workforce can limit the possibilities of expansion of the accommodation capacity.

The primary research about the destination was carried out in three phases. The author participated in a 1-month long rural development internship organised by the local town hall in August of 2013. During this short stay, the different parts of the local community were introduced through 1 or 2 day long internships at different establishments and facilities (senior home, kindergarten, tourism association, agricultural school and producers, and so forth), and time spent in the homes of fishermen in the form of a homestay.

The second part of the data collecting was in the form of interviews and participant observation in November of 2015 and May of 2016. The connections that the author made during the internship were crucial in setting up the interviews with members of the tourism industry and municipality.

The third step was a follow-up in the form of a shorter trip in 2017, which was already concentrated on the trends identified in the series of interviews. In this phase, a short meeting was sufficient enough to obtain the needed information, and structured interviews were not recorded.

The acquired information is analysed together with secondary data from demography reports and population forecasts.

The interview subjects were selected in a way, to have different stakeholders of the local tourism industry and community. Successful interviews included the owner of an accommodation (Iwanaga T., owner of Goen Inn, former employee of Ojika Island Tourism Association), a founding member of the tourism association (Kametsu J., founding member of Ojika Island Tourism Association, currently managing Ecotour Kyushu Nagasaki) and officials from the town hall (Egawa K., and Nagata K., Revitalization Department, Town Hall of Ojika). Informal interviews with homestay families were also important input to the research.

The local tourism association refused to give interview and data during both field trips of 2015 and 2016, thus only the information from the local town hall and the prefecture office was available.

Introduction of the community

In the case of small communities like Ojika, the small population and distance from other settlements accelerate the trends created by the ageing populations and migration towards the city. While the local governments across Japan try to attract young and old residents of big cities and support the return of the residents who moved out of the community, the results as good as may be, can not counterbalance the change that began decades ago. The change is rooted in the past, as the geographical and historical properties of the island community shape the community and its possibilities, in this case creating an environment of continuous emigration. Before detailing the demographic difficulties impacting the tourism industry’s future, the island’s origin has to be introduced.

Location and formation

Ojika is located off the coast of Nagasaki Prefecture in south-west Japan, near Kyushu (the southern main island of Japan). Ojika “town” consists of one larger and 17 smaller islands, with the main island called Ojika Island and the biggest settlement called Fuefuki. The translation of “town” from Japanese is difficult as it means a municipality rather than a settlement. Ojika is no different; while officially it is translated into English as Ojika Town, it stretches out to a number of inhabited and uninhabited islands. In some cases in Japan, so-called “towns” can reach out to islands some 80km from the main city centre. This is the result of the Japanese municipality mergers that happened in the 20th century (Meiji period (1868-1912) merger, Showa period (1926-1989) merger, Heisei period (1989-2019) merger).

The main island was formed in a rare volcanic process which is different from most of Japan's islands, in that it creates a flat island and a connected flat and shallow sea-floor. In contrast, the neighboring island of Nozaki (part of Ojika Town) has the high mountainous topography familiar across Japan. Access to the community is through two ferry lines, from Fukuoka city (Fukuoka prefecture) which takes about 5 hours and from Sasebo city (Nagasaki prefecture) which is 2 hours. The airport on the island is still in operation, but there is no regular service, only charters in high seasons. This remoteness is a blessing and a curse at the same time; most of the visitors spend the night on the island, but it is too far for the day-trip tourists.

Ojika’s history

The Ojika islands have a rich history, its name being mentioned as early as 732 CE in The Chronicles of Japan. In ancient times the island was an important harbour as the last stop for the Japanese missions towards the Tang dynasty China (7th – 9th century). Later in the early 17th century, Ojika was part of the few domains in Japan that was allowed to trade with other nations. This trade connection helped
build a rich community. In the same period, Ojika’s economy also prospered because of a flourishing whaling industry, which produced some of the wealthy families of the island like the Oda family. Christianity is also an important part of Ojika’s past. The arrival of the missionary Francis Xavier in 1549 brought Christianity to Japan and was welcomed by the people. As the religion gained unforeseen popularity, an edict was issued by the leaders of Japan in 1587, expelling missionaries, followed by a total ban of the religion by the Tokugawa Shogunate in 1614 century. In the 18th and 19th century, the hidden Christians slowly migrated towards the western islands of Japan, as far from the central administration as possible (World Heritage Registration Promotion Division, 2015). Ojika Island and neighboring island of Nozaki were one of these places of refuge. Both islands had a Christian community, and on Nozaki, a small brick church was built after the ban of the religion was lifted in 1873. Together with many other churches, this church has been added to the Tentative List of UNESCO World Heritage Sites in 2007 and is waiting for the final decision. Although Nozaki Island had been abandoned since 1971 a few years ago, the local primary school was renovated, and now functions as an accommodation for eco-tourism and school excursion groups.

The seclusion of the country, changing trade routes, regulation of whaling and the deterioration of the sea-life due to the global climate change all contributed to the decline of the local fishing industry, which changed the structure of this small but old community.

Community

Ojika town is going through a slow change similar to other islands and rural communities in Japan. The globalisation of the food market, migration towards the cities and ageing society of rural Japan together with an overall shrinking of the country’s population, causes some of the communities to struggle for survival or disappear entirely. Ojika town is no exception from these trends.

The population of the island peaked in the 1950s with around 11’000 (Local Government Finance, 2013) inhabitants, and decreased to 2,634 in 2015, as can be seen in Figure 1. This sharp fall of nearly 76% forced the remaining community to gather in on the main island, abandoning some smaller islands (most importantly the neighbouring Nozaki Island).

The ratio of the population above 65 years old was 43.4% in 2010 in Ojika, while Nagasaki Prefecture’s rate was 26.3%, and Japan’s national average was 23% in the same year. In 2015, the numbers changed to 46.4% in the case of Ojika and 26.8% in national scope (OTH, 2016). As we can see, the rapid ageing of Ojika’s community overpasses that of similar islands and the national average. This can be traced back to different demographic issues such as the birth-rate decline, the rapid ageing of the population, trend of late marriage, and the education migration towards the bigger cities, which are national wide problems in Japan (Coulmas, 2007).

Main Industries

Ojika’s traditional main industries are the fish and agricultural industries. The rare formation of the island through the constant flow of lava gives it a flat land surface suitable for crops and a flat seabed with a rich flora.

The traditional whaling industry in the 17th century gradually changed to fishing smaller fish like isaki, tai and squid. Collecting sea snails and abalone from the sea (both for its meat and its pearl) was also an important part of the local economy from a few hundred years ago, but with the recent change of the sea life, it is now restricted and done in a semi-artificial environment.

Agriculture also had a long history, as can be seen in the current shape of the island: in the late 1700s, by the order of the feudal lord of Hirado province (where Ojika belonged) two islands were connected using nothing but human and oxen power, to form the present island of Ojika, thus expanding the surface for agriculture.

Although agriculture and fishing are still an important part of the island’s life, a shift towards the service industry can be seen in the graph below.

The low hovering price of fish products, the rising of the petrol prices, climate change and the sea desertification is responsible for the falling number of families making a living off the sea, as explained in an interview with the town hall in 2015. The declining number of seamen together with the ageing of the community causes rising welfare costs together with the rising number of people working in the health industry. These are a few of the reasons why the working population ratio changed between the different types of industries. The service industry became more and more important from the 1960s, surpassing the primary sector in 1995 for the first time (OTH, 2010), as seen in Figure 2.
The average yearly income of the islanders is 2,439,720 JPN which puts it into the 1487th position from the total of 1741 municipalities in Japan. This is far below the 4,047,000 JPN average of Nagasaki Prefecture’s residents (Yearly Income Guide, 2018). There is a difference in the family size between rural and city areas. The metropolitan areas birth rate is significantly lower than those of the countryside, which together with the education emigration towards cities, and the support of the students leaving these countryside areas, puts a financial burden to the already low-income communities (Coulmas, 2007).

Tourism industry

The tourism initiatives on Ojika are often used as case studies in Japan. The main tourism products of the island are ecotourism, home-stay programs and heritage accommodations. The statistics shown in Figure 3. from Nagasaki Prefecture Government (from hereon NPG) are showing a slow but steady rise in the visitors between the 2005 and 2016 (NPGa, 2017).

Accommodation capacity data is only available in yearly summarized numbers in the 2009 and 2016 time period (NPGb, 2017). Further local investigation is needed to assess the seasonal fluctuations, and accommodation capacity before 2009. The available capacity data shows a slight decrease in number of beds, which is attributed to the closing of establishments. Similar to the capacity graph, the lowest number of accommodation establishments was in 2010 with 36 establishments, a short rise to 46 establishments was followed by a sudden drop to 41 in 2016 and 38 in 2017 (at the last visit to the island). This capacity change impacts the number of guests in the peak seasons.

Tourist spending in the destination from 2009 to 2017 is shown in Figure 4., together with the overnight stays in the same time period (NPG, 2017b). The year 2009 was taken as a base with 331.9 million Yen and the growth is expressed in percentage. In the last year of data available in 2016, 505.5 million Yen was overall spending. The growth of spending clearly shows a higher rate than the growth of the nights spent at the destinations, which according to the town hall officials, can be contributed to a rising quality of guests and changing of the services on the island.

Ecotourism

A part of Ojika town (set of islands) is part of the Saikai National Park, and the abandoned neighbouring island of Nozaki has a number of hiking trails and an eco-camp. Nature experience programs started in 2001, targeting the primary school and junior high school groups on their annual traditional Japanese school trips. While the island has been abandoned in the 1970s, the building of the old school has been renovated and is used as an accommodation facility for these groups.

Homestay program

The island’s inhabitants were always exposed to different cultures through travelers and traders. This had a long-lasting influence on the island’s culture, and the local people are still open to outsiders and foreigners. This open-mindedness led to the establishment of the homestay or farm-stay program.

In 2006 the families providing home-stay accommodation established the Ojika Island Tourism Promotion Committee,
which in the next year merged with the eco-tourism (Nozaki Island) and the tourism association to form the Ojika Island Tourism Association.

The home-stay program gained international recognition after being selected as the “Best Home-Stay program in the world”, by the People to People International Student Ambassador Program (USA), two years in a row (Local Government Finance, 2013). The program grew from an initial 7 families accepting tourist to about 50 families in 2010. The homestay, which is an important part of the island’s tourism product the atmosphere of the community, is open for any tourist.

**Kominka the heritage accommodation**

The accommodation supply was insufficient, and with the current slow tourism concept, a decision has been made to restore old abandoned houses, and create a new type of accommodation. The kominka, which means “old house”, is a perfectly restored house100year, while restored to its original beauty, has all the luxury amenities needed in a 21st-century accommodation (heated floors, double-glass windows, IH kitchen and other new technologies). The 6 kominka guest houses and a kominka restaurant was designed to attract a higher quality of tourist, with potentially higher tourism spending.

**RESULTS AND DISCUSSION**

The case study approach starts with a specific topic, but leaves space for the change of the research questions. The interview with different stakeholders of the local tourism industry helped bring up subjects that were unexpected, but crucial to the understanding of the current situations of the destination. While in some cases the opinion of private and governmental organisations differ, the major theme of insufficient supply of workforce, ageing community and the need for diversified income is mutual.

**Current issues in the destination**

**Nokubi Church and World Heritage candidacy**

The Nokubi Christian Church on the now abandoned island of Nozaki (in Ojika town municipality) is part of a group of churches and important sites, which have been included on UNESCO’s tentative list of World Heritage, in 2007. The decision for the inscription was planned to be handed down in 2016, and the number of visitors already showed a steady increase according to the town hall (interview in 2015). While the acknowledgement of cultural heritage is important, it also creates a problem for the island.

Nozaki Island is uninhabited, and apart from the campsite at the restored elementary school buildings, there are no tourism (or any other) facilities. The island can be reached from Ojika with a short boat ride, but that is not the only route. There is a concern that visitors will avoid going to Ojika, and visit the heritage site directly from Goto Island and other bigger islands south from Ojika (different municipality). This would put the financial burden of maintaining the church and the roads on the Ojika municipality, without generating any income for the community. Currently, the local administration together with the tourism association are planning to introduce a “harbour fee”, or “island entrance fee”.

The local municipality (of Ojika) also plans to build a Visitor Center on the abandoned island as well as improve the quality and safety of roads leading to the heritage site as told by local officials (in 2015 during an interview).

The church was to be enlisted on the world heritage list in 2016, but due to insufficient historical documents, the UNESCO committee asked for additional information and postponed the decision. It is an unfortunate turn for the local tourism industry, but the committee will reevaluate the nomination in 2018.

**Desertification**

The shallow underwater plateau around the island that gave a rich habitat to a diverse ecosystem is in danger of desertification due to changes in the global and local environment. According to research conducted by the local town hall (stated in a 2015 interview), the main reasons for the change of the ecosystem are

- global climate change,
- industrial development of China and Korea,
- overfishing,
- the agricultural development of the island.

This list reflects the local-global dimension of ecological degradation. While Ojika town cannot do much in terms of global climate change and the East Asian region’s development, the altering of the local ecosystem through overfishing and deforestation problems can be addressed.

The island’s native forests were all cut down and replaced by field for cattle as well as rice paddies and fields for crops. The small remaining area covered by forest is mainly alien species to the island, brought in from outside during the flourishing trade routes and forestry industry initiatives in the past 1000 years. While Ojika town and its islands are partly in the Saikai National Park, the preservation activity aims to keep alive the current flora, and there is no decision to restore the indigent forests. The agricultural land-use also causes fewer minerals to flow into the sea, which would be vital to have a flourishing sea life as told by officials from the town hall.

This slow change had its impact on the fishing industry, as it has been failing to contribute to the local economy at the same level as previously. Stress is also put on the fisherman families to look for other income options. One of the phenomena that show this change is that more and more longstanding fisherman families urge their children not to get into the family business. The result is that the average age of fishermen is slowly rising and once important income generating industries such as abalone diving are now nearly non-existent on the island.
FINDINGS

Ageing community and migration

The ageing of the community, together with the migration of young people towards the big cities, has a considerable impact on the tourism industry. Shrinking population causes declining service quality in some areas (transport, retail, etc.) and shrinking of the potential workforce population.

A more direct impact can be observed on the supply of tourism services accommodations and catering industries. More and more shops close down because of second retirements (as some of the owners started their business after retirement) or reduce services simply because the workload is too much for them or their ageing employees.

Although a new accommodation started business in 2015, the tourism industry members and the town hall are on the same opinion that there is a lack of supply of accommodations, and this problem will get worse in the following years.

While the population of the island, looking at the official numbers is 2456 (OTH, 2018), according to the residents, the real number is lower due to residents leaving the island for the university, but not changing their resident data. This means that, while the official statistics show them as “actively living on the island”, they are not part of the local workforce (as they live near the universities, sometimes 800km away).

This shows that the available capable workforce for the tourism industry to build on its expansion is even less than the official population numbers suggest.

Home-stay

The home-stay program is an important part of the island’s tourism product. The chance to spend a few days in a real rural Japanese home and experience the everyday life of a farmer or a fisherman is interesting both to foreigners and junior high school students from major Japanese cities such as Osaka and Tokyo. Also, this type of accommodation gives a chance for the community to be more involved in the tourism industry. Although through the home-stay program, the destination’s capacity was raised, which is crucial in the peak season, this supply is not flexible. Unlike hotels or other types of mainly business oriented accommodations where additional facility investment can expand the capacity, in the case of home-stay, the limit of the service is the community itself. The number of facilities - in this case, families - cannot be raised by investment.

Furthermore, while the demand for accommodations and this type of experience tourism is growing in the destination, the number of families participating is shrinking due to the shrinking of the population and the decreasing number of households. The ageing of the community also makes some households give up this secondary income (of tourism), as taking care of their elders is a priority to them, as stated by the local town hall.

Government initiatives for population grow

The local government started a few initiatives to generate „U-turn” (former Ojika residents returning to the islands) and „I-turn” (new people moving to the island) with mixed results. These programs were connected to tourism and an agricultural school (with free land-use after graduation).

The initiative of setting up the tourism association and developing Ojika as a tourism destination yielded results, as some returned to the island after working in big cities. Also, some of the employees of the association are newcomers, born and raised outside of the island.

Still, in the face of a declining population, raising population numbers is not a realistic goal. The town hall estimates that in the next 10 years the population will further drop to a level of 2000 inhabitants, and some predict that it can be stabilised around 1’500 people. This would mean further abandoned houses, villages, islands, and shrinking public services.

Volunteers and interns in the tourism industry

One of the new accommodation is dealing with strong seasonality in an innovative way. While the owner and his family is a fixed workforce in the business, during peak periods extra workers are also needed. The company is hiring part-time workers to fill the need, but in a small and ageing community, finding the right employees is difficult.

The accommodation is experimenting with a different way to fill the gap between available and needed labour, in the form of a volunteer and internships program. Through the internet, foreigners who want to experience rural Japanese life and rural tourism are invited to come to the island to help in the daily routine of the accommodation. This is an effective way to adjust the workforce to the seasonality of the market, without the negative effects of irregular employment on the community.

Families with secondary income

There is pressure on the community of the island to change its traditional way of living and adapt to the new circumstances. According to the local town hall, the drop in food product prices and the globalisation of the food market is pushing the income of the farmers and fishers lower and lower.

In the future the members of the community will have to be involved in more than one industry to reach a minimum level of quality of life. The local town hall has started a conversation with the residents and is promoting to diversify their income, and suggesting to expand into different industries. The farm stay program is one of the initiatives, which have set an example for other local families. The ratio of the secondary income at families, which are active in the farm stay accommodation service in all seasons, can reach 30% of the total income, as stated in a town hall interview.

This strategy of diversification strengthens the community’s resilience, as the existence of secondary income source gives
flexibility to the families and the community. The multi-
income families who enter the tourism industry through home-
stay or other services, can use their agricultural or fishery
income to soften the impact of tourism demand seasonality.

Follow-up

The follow-up after the interviews in 2015 and 2016 was
a short visit to the island in 2017. As part of the preparation
for the UNESCO World Heritage candidacy, an Ojika
resident officially moved to the island, changing its status
of an abandoned island. This was important for the local
government, as infrastructure development is difficult on
islands without residents. The visitor centre of the island has
been completed, providing information on the island’s wild
nature (being part of the Saikai National Park), and some
information on the abandoned villages. It is also a shelter for
visitors who are stranded on the island in case bad weather
makes it impossible for the ferry to take them back the main
island. An old Japanese traditional house was rebuilt, which
belonged to the government official responsible for the
community in the late Edo early Meiji period.

The volunteer and trainee program, where accommodations
try to give an interesting and important rural Japanese
experience tourism experience to foreigners is successful,
and seeing the potential benefits, more accommodations are
considering implementing it.

The local tourism association will have a foreign employee
starting in the new fiscal year (from April of 2018) as a
preparation for the possible growing number of foreign
visitors. This hiring is a continuation of the I-turn process,
where the local government is trying to attract people from
outside of the island, to work and live in Ojika.

CONCLUSION

This paper aimed to investigate the current situation in
rural tourism destinations in Japan, amidst the plans of the
Japanese government to double the inbound tourist numbers.
Along with the new targets for 2020, the government also
announced a program to promote the rural areas to the
foreigners. While tourism is seen many times as a possibility
for rural revitalisation, structural issues can put a halt on
development.

The case study of Ojika town, a rural island destination,
shows that there are difficulties in developing the tourism
industry supply in such small communities. The ageing
society, migration towards cities are some of the problems that
can put a strict limitation on the tourism industry’s capacity.

Ojika town tried to compensate for the lack of workforce
(and the lack of accommodation facilities) by innovatively
trying to get the community more involved in the tourism.
Minpaku, the home-stay program, became part of the
destination brand and also an important secondary income
for the fisher and agriculture families. However, the home-
stay program already reached its maximum capacity and also
started shrinking.

The process of creating a growth strategy for the tourism
industry has to be based on the present situation. The
example of Ojika town shows that detailed information is
needed, not just about the tourism aspect of a destination,
but also about the community behind it.

The tourism industry cannot be separated from its
surroundings, when assessing a destination, information is
needed on its surroundings. These community and socio-
culture information have to be included in the strategy-
making process. In some cases, before tourism capacity
development, the connected infrastructure - in this case, the
available workforce population - has to be developed first.
The central government’s plans for doubling the tourist number should also consider the supply limitations
of certain destinations.

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