

Report on the Research Project
**“Exploring Kyushu’s External Relations
and its Asian Strategy”**

December 2007
Japan Center for International Exchange

Foreword

Historically, Kyushu has served as a node connecting Japan to the world via East Asia, and its culture and traditions are closely tied to the Asian region. Following World War II, Japan's international relations emphasized ties to Europe and the United States, but from the 1970s on, Japan began to rethink its relationship with Asia, and Kyushu's geographical and historical advantages in dealing with the region came into the spotlight. In particular, starting in the 1990s, as China and South Korea began to enjoy remarkable economic development, Kyushu has become a focal point for exchange with those countries, further strengthening its ties to East Asia.

In recent years, Kyushu's trade with South Korea, China, and ASEAN has reached unprecedented heights. The seven prefectures of Kyushu have been competing and cooperating with one another as they seek ways to strengthen their ties to East Asia, and interdependence between Kyushu and East Asia is deepening. Within Japan, there is no other region that recognizes the importance of relations with neighboring countries as clearly as Kyushu.

This report, which is authored by Toshihiro Menju, presents the findings of a research project entitled "Exploring Kyushu's External Relations and its Asia Strategy." The study began with a comprehensive look at Kyushu's external relations—particularly with Asia—in terms of economic, cultural, and educational relations, as well as people-to-people exchanges and other aspects. Based on that analysis, the project considered options for Kyushu's external relations (especially interaction with Asia) in order to promote Kyushu's future development. Also, the survey examined the various international activities being conducted in each prefecture, shedding light on the diverse range of existing ties.

In addition, bearing in mind the proposed regional administrative reforms (*doshusei*) that would combine Kyushu's prefectures into a single regional state, the report tried to clarify the potential impact on and issues for external relations that might occur under a unified Kyushu. We hope that this report will offer insight into the approach being taken by Kyushu, whose activities are in the forefront of exchange with Asia.

I would like to express my gratitude to Citigroup for their generous support of this project. I would also like to offer my sincere thanks to the many government agencies, business organizations, think tanks, educational institutions, nonprofit and nongovernmental organizations, and individuals in Kyushu who so graciously assisted us in carrying out this survey.

Tadashi Yamamoto
President, JCIE

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I. Geographical and Historical Characteristics of Kyushu and its Overseas Exchanges

Kyushu is located at the western tip of the Japanese archipelago, surrounded by the Pacific Ocean, the East China Sea, the Yellow Sea, and the Sea of Japan. It is the closest point in Japan to China, the Republic of Korea, and the other countries of Asia, and has continually developed exchanges with the Asian continent.

The history of Kyushu shows that it was the region of Japan in which rice paddy cultivation was first carried out, and that it was the point where the newest culture and technology from Asia were introduced into the country. As the remains of a large settlement found in Yoshinogari, Saga Prefecture, indicate, advanced settlements were formed in this region during the Yayoi period. A golden seal from the Later Han Dynasty unearthed in Shikanoshima, Fukuoka Prefecture, reads “*Kan no Wa no Na no Kokuo* [King of the Na state, vassal of the Han Dynasty].” This seal was granted by Kuang-wu, an emperor of the Later Han Dynasty of China, indicating the existence of a power in what is now Kyushu that even the Later Han Dynasty recognized.

At the start of the era during which the Yamato imperial court ruled over Japan, many people from the Korean Peninsula came to settle in Japan, bringing with them the advanced technologies and cultures of the Asian continent and also introducing Buddhism. The gateway through which these new settlers arrived from the continent was Kyushu. During the seventh century, a building called the Tsukushi no Murotsumi (later known as the Kourokan) was built in present-day Fukuoka City, and from this building envoys were dispatched to the Sui and Tang dynasties of China to learn the advanced technologies and culture of the Chinese continent. The building was also used to receive envoys from China and the Korean Peninsula.

The port of Hakata developed during the eighth century as the gateway to China and the Korean Peninsula, and this period saw the emergence of wealthy merchants who made vast profits from trade with the Asian continent. The end of the eleventh century saw the development in Hakata of an area known as the Daitogai (Chinese Quarter), a residential district where the Sung people made their homes and carried out flourishing

trade. After this, Kyushu prospered as an important trading region for Japan's trade with Sung and Ming China.

In the latter half of the sixteenth century, firearms and Christianity were brought to Kyushu from Europe. The first guns came to Tanegashima, Kagoshima Prefecture, and within a very short space of time had spread across the whole country, bringing about enormous change to society during the time of the Warring States period. Christianity was brought from Europe by the Jesuit missionary Francisco de Xavier, and Christian beliefs spread across all of Kyushu, from the common people to the feudal lords, up until the start of the seventeenth century.

Toyotomi Hideyoshi, who brought about the unification of the whole country, set his sights on advancing into the Asian continent. He decided to dispatch troops to the Korean peninsula, and he built Nagoya Castle in present-day Saga Prefecture to serve as the stronghold for the dispatch of troops. The resulting conflicts were the Bunroku (1592) and Keicho (1598) Wars. Ceramic artisans were brought from the Korean peninsula to Japan during the upheaval of the wars, and they laid the foundations for the production of Kyushu's ceramics, of which the Imari Ware and Arita Ware of Saga are the best-known examples today. These ceramics were exported around the world by the East India Company during the Edo period, and ceramics remain a key industry of the region to this day. Ceramics have been recognized around the world as one of the best-known aspects of Japanese culture for centuries, yet it was in fact ceramic artisans from the Korean peninsula who built the base for this culture.

During the Edo period, the government's policy of national seclusion resulted in severe restrictions on exchanges with other countries but there was one region of Kyushu where an exception was made. On the island of Dejima in Nagasaki, trade was carried out with Portugal and the Netherlands, and this became Japan's sole point of contact with the West during the Edo period. Additionally, trade with the Korean Peninsula, which dated as far back as the Middle Ages, continued in Tsushima, just 50 kilometers across the Tsushima Straits.

Toward the end of the Tokugawa shogunate, the Satsuma Domain of Kagoshima was

defeated by the British in the Anglo-Satsuma War of 1863. Following this, the Satsuma Domain actually tightened its relations with Britain, strengthening both military and economic ties. This turned out to be an enormously important strategic move for the Satsuma Domain, which later joined the movement to topple the shogunate and played a leading role in the Meiji Restoration.

At the start of the Meiji period, the government worked to actively modernize the country. The most important facility in this regard was the Yawata Iron and Steel Works, which the government built in Kyushu. Kyushu thus became a crucial region in the industrialization of Japan. Overseas voyages became possible during the Meiji period, and a substantial number of people from Kyushu emigrated to places such as Peru and Brazil in South America, and the United States, including Hawaii, in North America. In particular, large numbers emigrated to Bolivia and Brazil from the western regions of Kyushu, which stretched from Nagasaki to Kagoshima. It is well known that the parents of the former Peruvian president Alberto Fujimori were natives of Kumamoto. Other emigrants from Kumamoto Prefecture worked on the construction of the Trans-Siberia Railroad in Russia until the outbreak of the Russo-Japanese War.

Fukuoka and other major cities suffered air raids by US forces during World War II, and an atomic bomb was dropped on Nagasaki three days after the bombing of Hiroshima, wreaking tremendous damage. In the post-World War II period, Kyushu became an important base for logistical support for United Nations' forces, composed mainly of US troops, when war flared up on the Korean Peninsula in 1950.

In the immediate aftermath of the 1953 ceasefire which brought an end to open hostilities on the Korean Peninsula, China and North Korea were under Communist rule and relations with the Republic of Korea, then under military rule, improved very slowly. Within this new Cold War context, Kyushu found itself unable to carry out exchanges with the countries of East Asia. However, diplomatic relations with the Republic of Korea were established in 1965, and with the country moving toward democratization, relations between Kyushu and the Republic of Korea gradually resumed. Kyushu's exchanges with mainland China also grew once Japan established diplomatic relations with Beijing in 1972.

Since the administration of a civilian president formed in Korea and mainland China embarked on a process of economic liberalization, Kyushu's exchanges with the rest of Asia have become increasingly active. As the economies of East Asian countries continue to expand, Kyushu, with its firm foundations of historical exchange, is increasingly promoting personnel and economic exchanges and further strengthening its economic ties with the Asian continent.

From Fukuoka, Tokyo is 1,100 kilometers away, or one and a half hours by airplane. Across the Tsushima straits, however, the Korean port city of Busan is a mere 200 kilometers away—an hour by plane or three hours by high-speed ferry. Seoul is only 90 minutes away by airplane, Shanghai an hour and 45 minutes, Taipei two hours, and Beijing two and a half hours. In other words, it is possible to travel from Kyushu to major cities in East Asia faster than to Tokyo. This geographical proximity, coupled with its vast historical and cultural ties, allows Kyushu to be the primary point of intersection between Japan and continental Asia.

II. The Status of Kyushu's Exchanges with Asia

Kyushu is referred as one-tenth of Japan's economy; it has 10.6% of the country's population, 11.2% of its area, and in 2005 accounted for 9.3% of its export value. Seen from a variety of angles, therefore, the region is equivalent to roughly one tenth of the whole country.

We have already seen that Kyushu has enjoyed a history of exchanges as Japan's gateway to Asia, and Kyushu is currently focusing on creating new ties and developing existing exchanges with the East Asian region as the linchpin of its future development. As Japan faces grave domestic issues such as an ageing population, a declining birthrate, and widening economic disparities, Kyushu regards collaboration with Asia as the key to breaking through to a better future. In other words, Kyushu aims to encourage its own development by uniting with the dynamism of developing Asia.

The reality is that China and other East Asian countries are maintaining a rate of economic growth that greatly exceeds that of Japan. Kyushu is already carrying out active exchanges with the region, not just in the economic sphere, but also in terms of the movements of people, culture, and arts and sciences. These exchanges are expected to expand more than ever in the future.

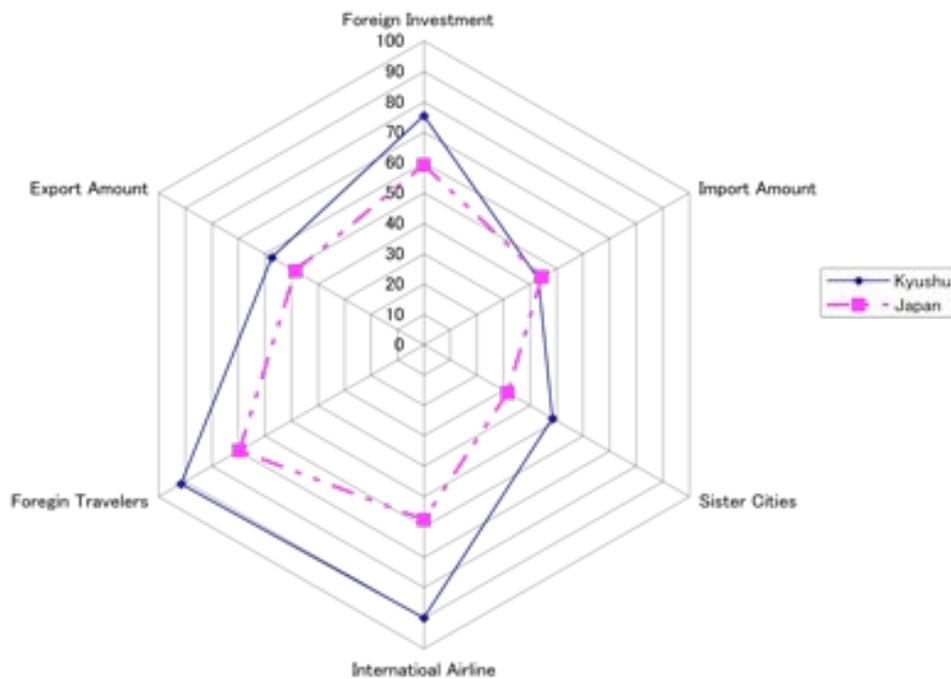
Kyushu's pioneering collaboration with East Asia has begun to develop into a strategy for the whole country. As an example, in the New Economic Strategy set out in 2006, the catchphrase of the Ministry of Economy, Trade, and Industry was "Contribute to the development of neighboring countries in Asia, and promote the establishment of an environment for growing together."

Along these lines, the Asian Gateway Initiative was set out in May 2007 under the government of Shinzo Abe. This initiative recognizes the need to face up to the fact that the era of Japan as the only economic superpower in Asia is over, and that there is now a possibility that Japan will be left behind by the continuing development of Asia. The initiative states that Japan will be able to share in the prosperity of other Asian countries by becoming the gateway linking Asia with the rest of the world and accelerating the pace of domestic reform. The Asian Gateway Initiative has the following seven priority areas: (1) a "big bang" in travel and transportation, (2) a strategy for international human resource development, (3) strengthening the capacity of financial and capital markets in Japan and Asia, (4) enhancing the competitiveness of "inward-looking" industries, (5) regional strategies to incorporate the energy and vitality of Asia, (6) enhancing and publicizing Japan's attractiveness, and (7) the creation of a common Asian development base.

The backdrop to this increased focus on Asia is the fact that East Asia now accounts for 25% of the world GDP, and there are predictions that this will increase to nearly 50% by 2050. Also, airports and seaports that surpass Japan's in terms of scale and facilities are under construction in the Asian countries neighboring Japan, and there is an increasing awareness that Japan will have to work harder than ever to maintain its position as an Asian leader within global markets.

Looking at the movement of people, mainland China (3.75 million people) overtook the United States (3.67 people) in 2006 for the first time as the top destination for overseas travelers from Japan. It is expected that an age of mass Asian movement will dawn in the near future. As a nation-wide movement for Japan to seek ways to collaborate with Asia gains momentum, Kyushu aims to continue to be a trailblazer.

Figure 1 Ratio of Asia's Importance vs. World, Kyushu and Japan(2005)



A. Overseas Economic Activity

Kyushu's gross product in 2005 (¥44 trillion) surpassed the GDP of Switzerland, the value of industrial shipments was approximately ¥20 trillion, and commercial sales turnover was approximately ¥48 trillion. Principle industries include integrated circuit manufacturing and automobiles, and with some of the finest manufacturing industries in the country, Kyushu shoulders a major part of the Japanese economy. What is the actual level of economic activity between Kyushu and the rest of Asia? This section will investigate the current status of collaboration between Kyushu and Asia in trade, investment, and tourism.

1. Trade

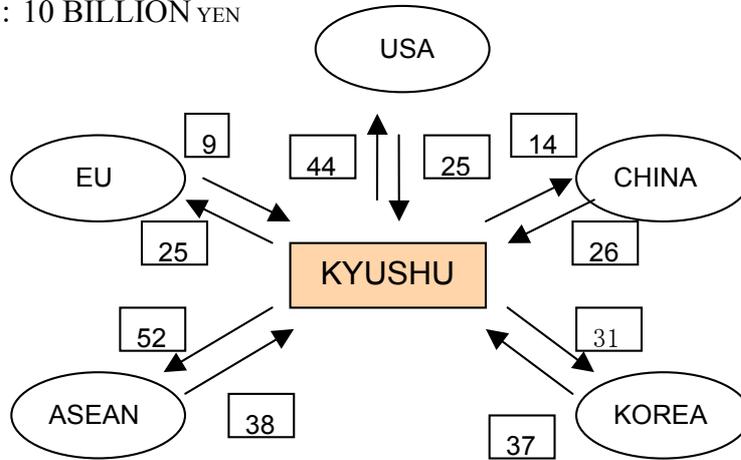
Looking at trade overall, Kyushu's trade has surpassed the national average, an indication of the region's vitality. Export figures for 2005 show a 57.3% degree of dependence on Asia, which is 8.9 percentage points above the national average. In other words, the region is highly dependent on the Asian economy. Exports to the Republic of Korea are particularly strong; nearly 10 percentage points above the national average. A breakdown by regional destination of exports from Kyushu shows Asia in the lead with ¥2.7528 trillion, followed by North America with ¥752.8 billion (16.4%), and the European Union with ¥606.3 billion (12.6%). Exports to North America have been on the decline for some time. Within Asia, the Republic of Korea accounts for ¥842.0 billion (17.5%) of exports, followed by ASEAN (the Association of Southeast Asian Nations) with ¥684.7 billion (14.2%), mainland China with ¥559.2 billion (11.6%), Taiwan with ¥368.0 billion (7.7%), and Hong Kong with ¥267.8 billion (5.6%).

Asia is also the leading source of imports, although not by quite the same margin as exports, accounting for a total of ¥1.9654 trillion (43.2%). Asia is followed by the Middle East with ¥1.3584 trillion, and Oceania with ¥375.6 billion (9.2%). A breakdown by country of imports from Asia shows mainland China in first place with ¥762.6 billion (16.8%), followed by ASEAN with ¥613.2 (13.5%), and the Republic of Korea with ¥383.0 billion (8.4%). The Republic of Korea's share of overall imports has continued to decline since 1990; it accounted for 18.4% in 1990 and had fallen to 8.4% by 2005.

Figure 2 Export and Import Trend of Kyushu

YEAR 1995

unit : 10 BILLION YEN

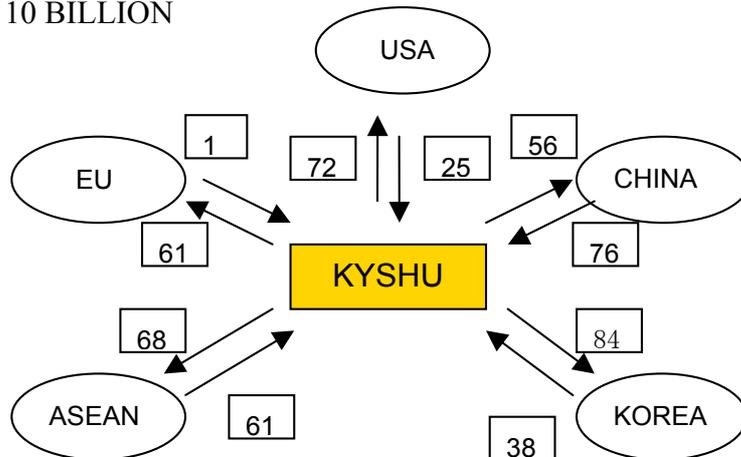


Source: Trade Statistics, Ministry of Finance

YEAR 2005

Unit : 10 BILLION

YEN



Source: Trade Statistics, Ministry of Finance

Looking at Japan's national average for imports, just as in Kyushu, Asia accounts for the largest share, followed by the Middle East and then North America. Asia accounts for a slightly larger share in the national average than it does in Kyushu due to the fact that although imports to Kyushu from Asia have shown an increasing trend, there have also been sharp increases in crude oil imports to Kyushu from the Middle East.

Taking imports and exports together, the volume of Kyushu's trade doubled over the ten-year period from 1995 to 2005 (an increase from ¥4.7896 trillion to ¥9.3572 trillion). Most of all, there was a huge increase in the volume of trade with Asia; trade with mainland China in particular saw massive growth, with the volume of exports increasing 4.1 times and the volume of imports increasing 3.1 times. Looking at other regions of Asia, over the past 10 years the volume of exports to the Republic of Korea has increased 2.8 times and the volume of imports has remained the same. Exports to ASEAN have increased only 1.3 times, and imports only 1.6 times.

Looking at Japan as a whole, trade volume has increased 1.7 times over the past 10 years (an increase from ¥73.0797 trillion to ¥122.6059 trillion). Just as in Kyushu, trade with mainland China has expanded; the volume of exports has increased 4.3 times and the volume of imports 3.5 times, rates of increase roughly equal to those of Kyushu.

Most recently, in 2005 Kyushu's trade figures showed exports of ¥4.8073 trillion, up 6.7% over the previous year and the fourth consecutive year-on-year increase, while imports were worth ¥4.5499 trillion, up 25.4% over the previous year and the sixth consecutive year-on-year increase; the figures for both imports and exports were all-time records. Kyushu accounts for 7.3% of the country's total exports, and 8.0% of imports.

Let us look next at imports and exports by item. The three top export items from Kyushu—machinery and equipment, metal items, and chemicals—account for just under 90% of the region's exports. Exports of metal items in particular have expanded greatly over the last five years, rising by 60.1% as a result of increased demand for iron and steel. Kyushu's imports and exports of electrical machinery, regular machinery, and metal items are well above the national average, with the volume of exports of electrical machinery in particular breaking the one-trillion yen mark for the first time in 2004. In the past, semiconductors accounted for a large share, but since 2002 exports of imaging equipment such as digital cameras and camcorders have shown a large increase.

Figure 3 Export From Kyushu

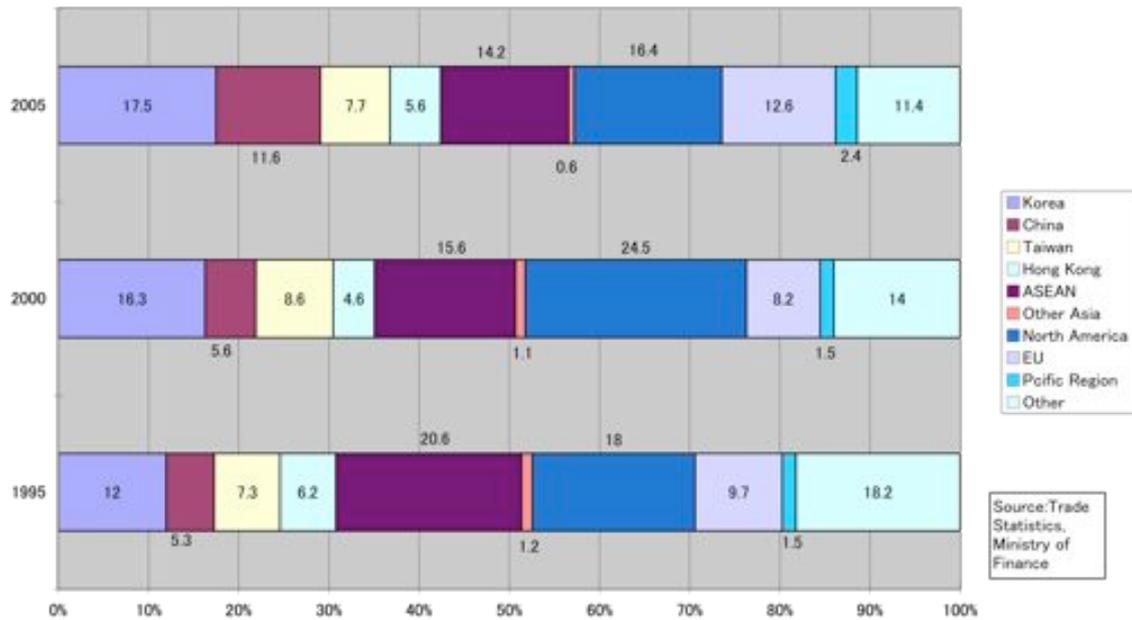
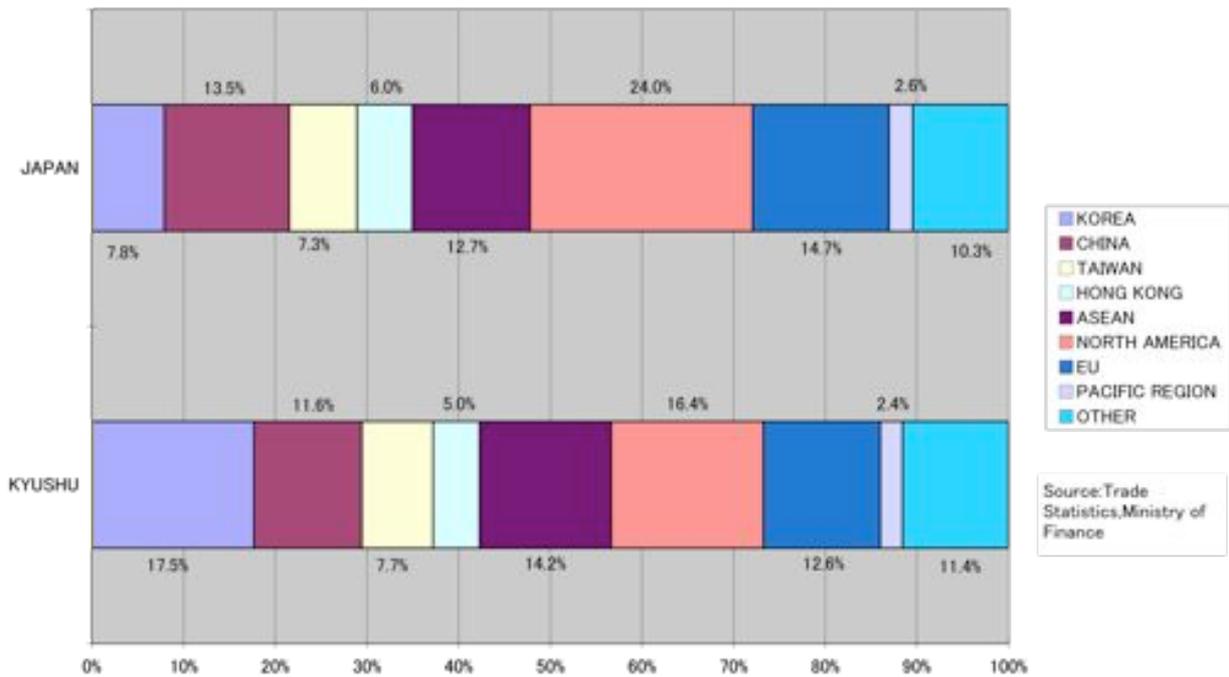


Figure 4 Export Destination Country for Kyushu and Japan(2005)



The overall volume of imports increased 60.5% from ¥2.8354 trillion to ¥4.5499 trillion over the five-year period from 2000 to 2005. A particularly big increase was seen in mineral fuels, principally oil and raw oils, which approximately doubled in import

volume and accounted for 45.3% of imports in 2005. These were followed by machinery and equipment (16.0%), foodstuffs (10.9%), and metal raw materials (7.1%).

The main export items from Kyushu that have a high share of the national total are tires and inner tubes (41.6%), ships and vessels (26.8%), imaging equipment (20.1%), and flat-rolled iron and steel products (12.7%).

2. Investment

As of 2005, there were 668 cases of movement into overseas markets by Kyushu-based companies (the establishment overseas of corporate bodies by companies whose headquarters are in Kyushu, etc.). The number of cases of fresh overseas investment stood at 42, which was the highest since the all-time record of 54 cases in 1996 (movement of Kyushu companies into overseas markets peaked during the three-year period from 1994 to 1996, when there were around 50 cases every year). At the national level the number of cases per year was in the order of about 1,000, but it declined in 2005, making Kyushu's willingness to invest very noticeable.

The most common destination of Kyushu companies moving into foreign markets is Asia, which accounts for 75.3% of all cases, followed by North America, accounting for 13.5%. In other words, Asia and North America together account for nearly 90% of Kyushu's movement into overseas markets. Within Asia, mainland China accounted for the largest percentage of cases at 38.9%, followed by ASEAN at 19.8% and the NIEs (Newly Industrializing Economies) at 18.7%.

Of the Kyushu companies moving into overseas markets, the proportion moving into Asian markets is 16.2 percentage points higher than the national average. Likewise, the proportion moving into mainland China is 16.8 percentage points above the national average. Most recently, in 2005 there were 18 cases of new movement into mainland China, 13 into Taiwan, two into Thailand, and one each into Indonesia, Vietnam, India, United Arab Emirates, Germany, Italy, the US, Havana, and Brazil.

What is the situation concerning movement of foreign companies into Kyushu's

markets? There is generally a tendency for foreign companies moving into Japan to be over-concentrated in the Tokyo area, and there is a huge disparity between the movement of foreign firms into the capital region and movement into the provinces. However, movement of foreign firms into Kyushu is on the rise. According to the *Kyushu Investment Environment 2005* (Kyushu Bureau of Economy, Trade and Industry), which compiled the results of a survey of 114 foreign companies that had moved into Kyushu, there was a steady increase from a total of 16 cases of investment into Kyushu during the 1970s to 26 during the 1980s and 38 during the 1990s, and from 2000 to 2004 there were 24 cases. Breaking the total number down by prefecture, entry of foreign companies is overwhelmingly concentrated in Fukuoka, which accounts for 85%. In terms of industry type, 67% are service industries and the remaining 33% are manufacturing industries.

Since 2004, there have been 12 cases of movement of major foreign companies into Kyushu. These vary widely, with three from the US, three from Germany, two from the Republic of Korea, two from mainland China, one from the UK, and one from India. Broken down by industry type, automobile and software-related companies are prominent, and from Asia there were companies from mainland China (software and automobile-related), the Republic of Korea (software, sightseeing bus business), and India (software). These cases are connected to Kyushu's core industries; automobile manufacture, semiconductor manufacture, and related industries. Each prefecture in Kyushu is currently making a substantial effort to attract foreign companies, and the results of attracting Asian companies are beginning to become apparent.

3. Tourism

The number of Japanese people traveling overseas in 2005 was 17.4 million, the second highest figure ever. In Kyushu, however, which has strong links to its near neighbors, the number of overseas travelers fell 4.5% over the preceding year to just 1,004,000. This was due to a nationwide trend of Japanese citizens avoiding travel to either mainland China or the Republic of Korea as a result of the recent deterioration of bilateral relations with both countries. The effects of the dispute between Japan and the Republic of Korea over territorial issues, as well as intensifying anti-Japan

demonstrations across mainland China in April were felt throughout much of Kyushu.

At the same time, the number of foreigners recorded entering Kyushu's ports and airports from overseas rose 11.9% over the previous year in 2005 to over 630,100, the fourth consecutive year-on-year increase. This is believed to be primarily due to visa exemptions for Korean and Chinese nationals.

Korean nationals were exempted from short-stay visas beginning March 1, 2005, for the period of the 2005 World Expo in Aichi, and the exemption was later made permanent. There was a partial lifting of the ban on Chinese group sightseeing tours to Japan in September 2000, but with concerns that people might abscond after arriving in Japan in order to find work here, visas were limited to people registered in Beijing, Shanghai, or Guangdong, which have many people from the wealthier classes.

Visa restrictions were further relaxed in September 2004, however. People on school trips were granted visa exemptions and tourists registered in Tianjin City and the provinces of Liaoning, Shandong, Jiangsu, and Zhejiang were allowed to join sightseeing tours on group tourist visas. In July 2005, this latter visa category was expanded to cover all of China, so that people registered in any of China's provinces are now able to obtain group tourist visas. As a result of the government's policy of relaxing visa restrictions, the number of Chinese visitors has increased greatly, not just to Kyushu but throughout Japan.

The breakdown of foreigners who entered the country in 2005 via Kyushu shows that 91.5% of entrants were from Asia, a proportion which continues to be considerably greater than the national average of 69.6%. The Republic of Korea tops the list with 60.8%, a number which far exceeds the national average of 27.0% and points to the strength of Kyushu's people exchanges with it. Following the Republic of Korea on the list comes Taiwan (94,000 people) and mainland China (48,000 people). The number of overseas travelers from Taiwan decreased in 2003 due to the effects of SARS (Severe Acute Respiratory Syndrome), but had recovered by 2005. Following the relaxation of visa restrictions mentioned above, there is expected to be a rapid increase in the number of visitors from China.

4. International Transportation Infrastructure

The biggest international airport in Kyushu is Fukuoka Airport. As of January 2007, there were air routes linking Fukuoka to 24 domestic cities and 16 cities overseas: Seoul, Busan, Jeju, Hong Kong, Beijing, Shanghai, Shenyang, Dalian, Qingdao, Guangzhou, Taipei, Manila, Bangkok, Ho Chi Minh City, Singapore, and Guam. There are several flights a day to and from some of these cities, including Seoul, Shanghai, and Taipei. International flights are available from both Nagasaki Airport and Kagoshima Airport to both Seoul and Shanghai, while Kumamoto Airport, Oita Airport, and Miyazaki Airport all have flights to Seoul.

There are 27 major ports in operation in Kyushu, including the ports of Kitakyushu and Hakata, where a large number of international container liners are served. The volume of goods transported between Japan and China is increasing rapidly, and since twice-weekly, high-speed cargo ships linking Hakata and Shanghai in 26.5 hours went into service in 2003, Kyushu has been acting as a transshipment station for domestic economic zones such as Kanto, Kansai, and Chubu.

The port of Hakata has 88 container services sailing to the Republic of Korea every month, 76 to China, 32 to Southeast Asia, four to Europe, four to Central and South America, and two to the west coast of North America. The port of Kitakyushu has 92 container services to China every month, 60 to the Republic of Korea, 28 to Southeast Asia, 12 to Taiwan, two to Australia and New Zealand, one to Russia, and one to the west coast of South America.

Transportation infrastructure linking Kyushu with Asia worthy of special note is the high-speed ferry *Beetle*, which links Fukuoka and Busan in just two hours 55 minutes. The service, which is operated jointly by Japan Railways Kyushu and the Korean company Miraejet Co., Ltd. transports more than 300,000 passengers a year and has made day trips by ship possible between Japan and Korea. The close geographical proximity of the two countries, which are separated only by a narrow strait, together with the weak yen and the ease of using a ferry, has led to a rapid increase in the

number of Japanese and Korean tourists visiting each other's country.

5. Future Trends

Looking at Kyushu's economic relations with China and the Republic of Korea, while relations with China are roughly at the same level as those of Japan overall, Kyushu's exchanges with the Republic of Korea are at a markedly higher level. Close-knit human networks in different fields have been formed between Japan and the Republic of Korea as a result of the people exchanges that have taken place over the past few decades.

Meanwhile, experts at the Kyushu Bureau of Economy, Trade and Industry take the view that the period of pioneering fresh exchanges with the Republic of Korea has come to an end, and that we are now in a period of maturity. Japanese investment in the Republic of Korea is falling at least in part because of the fact that the wage differential is lessening and the technological disparity between Japanese and Korean companies has all but disappeared in recent years.

Looking at the kinds of goods traded between Kyushu and the Republic of Korea, there is mutual import and export of intermediate commodities (machine components, etc.). As products become more sophisticated, the manufacturing process becomes multistage; it would appear that the Republic of Korea undertakes the relatively simple stages, while Japan takes charge of the processes requiring advanced technology, and so components are thus transferred in both directions between the two countries. This mutual transfer suggests that, depending on the products, intermediary commodities are being produced to the same level in both the Republic of Korea and Japan. Some of the major Korean companies, such as Samsung, and their affiliated companies have a level of international competitiveness on par with that of their Japanese competitors. However, these companies excluded, Korea's industrial base is not particularly broad. On the other hand, in Japan's small to medium-sized manufacturing industry, companies across a broad spectrum of fields are concentrated in specific regions, and this concentration allows the development of products that meet a wide variety of different requirements. This is one of Japan's strengths, and it has been pointed out that this gap between the two countries will not be easy to fill in.

Meanwhile, there is the possibility that relations between Kyushu and China may well become more dynamic in the future. Not only are Kyushu-based companies continually moving into mainland China, but companies from China have also begun to set up business offices in Kyushu in recent years. In the past, low manufacturing costs were the biggest incentive for Japanese companies to make business advances, and while costs are not as attractive as they once were, efforts to ensure a certain level of sophistication of products and to improve productivity mean that production in China still remains attractive to Japanese companies. Furthermore, in contrast to the mature markets of Japan, China offers an immense market in which individual incomes are on the increase. Consequently, it remains a highly attractive country for a large number of Japanese companies.

As far as technology is concerned, there is a huge qualitative difference between Japan and China, and there is thus a strong tendency for Japanese companies to only take standardized product lines into China to be manufactured locally. China, on the other hand, is interested in developing products with high added value rather than merely having standardized production lines, and so is encouraging investment in this field. Also, as vast capital is generated in China, a trend has started to emerge in which Chinese companies acquire small to medium-sized Japanese industry firms in order to lessen the technological gap between the two countries. Some members of the Japanese business world are eying this development warily.

Regarding Kyushu's relations with ASEAN members and other Asian countries, cooperative relations in manufacturing industry approaching the level of those with the Republic of Korea are developing between Kyushu and advanced countries such as Taiwan, Singapore, and Malaysia. As East Asia develops into one of the world's largest manufacturing bases, Japan is taking a central role in intellectual power, while China is taking a central role in manufacturing; a system is taking shape in which Asian countries are dividing labor through cooperation over production processes with Japan and China as an axis. A structure is now in place in which the products manufactured in this way are exported to the US, Europe, and the rest of the world, and the wealth they create enriches Asia.

B. People Exchanges

1. Sister City Exchanges

Sister cities are an important bridge for exchanges linking the regional community with countries overseas. The sister city relationship is a link between regional communities that transcends national boundaries, aiming for mutual regional development and international friendship. Japan's first sister city affiliation was between Nagasaki City and Saint Paul City in the United States in 1955, and as of July 2007 there are 1,431 municipalities with sister city partnerships.

By country, most of the sister city partners are in the United States (438), followed by China (324), the Republic of Korea (116), Australia (108), and Canada (68). One would expect Kyushu, which has close links with Asia, to have a higher proportion of sister city partnerships with Asia than the country as a whole, and the actual figures are shown in Tables 1 and 2.

Of all Japan's sister city partnerships, 20.3% are with China, whereas the percentage of Kyushu's sister city partnerships that are with China is higher at 27.0%. Sister city partnerships with Korea account for only 7.6% of the national total but 18.4% of Kyushu's total; more than 10 percentage points higher. On the other hand, Kyushu's sister city partnerships with other countries are in roughly the same proportion as Japan as a whole, indicating that within Asia, Kyushu's relations are markedly stronger with the Republic of Korea and China.

Table 1: Sister City Partner Countries by Prefecture

	China	Republic of Korea	USA	Other Asian countries	Other	Total
Fukuoka Prefecture	6	6	8	1	5	26
Saga Prefecture	4	6	3	0	4	17
Nagasaki Prefecture	7	2	5	1	10	25
Kumamoto Prefecture	5	3	6	0	5	19
Oita Prefecture	8	5	3	1	12	29
Miyazaki Prefecture	4	2	7	1	1	15
Kagoshima Prefecture	7	4	4	1	5	21
Total	41	28	36	5	42	152
Percentage	27.0	18.4	23.7	3.3	27.6	100

(As of July 2007)

Table 2: Sister City Partner Countries for All Japan

	China	Republic of Korea	USA	Other Asian countries	Other	Total
All Japan	290	109	414	43	575	1431
Percentage	20.3	7.6	28.9	3.0	40.2	100

(As of July 2007)

Following are some case studies of sister city exchanges with Asia.

a) Oita City and Wuhan City, China

Oita City concluded a sister city partnership with Wuhan City, China, in 1979 through the mediation of Nippon Steel Corporation Oita Works in Oita City. Exchanges between the two cities started when Nippon Steel Corporation Oita Works participated in a modernization project in the iron and steel complex of Wuhan City, with over 200 Japanese technicians staying in Wuhan for an extended period.

Wuhan City is the capital of Hubei Province, and it developed as the main city for economy, finance, and trade in China's central region. It has a population of over 8.5 million people. Oita City, meanwhile, is the capital of Oita prefecture and a major urban area with a population of 460,000 people. As well as official visits between the cities by members of the municipal governments and the municipal assemblies, exchanges have been promoted in a number of other areas, including economy, culture and the arts, education, sports, and agriculture.

In addition to regular exchange events, in 2004 a group called Oita City Disabled Person's Welfare and Friendship Wing visited Wuhan City, with the participation of disabled persons, members of their families, and welfare support volunteers, at an international exchange activity for disabled persons. The Wuhan Orchestra, which was formed in 1992 and is the biggest orchestra in China's central southern region, also visited Oita.

Furthermore, Oita City established the Oita City Information and Exchange Liaison Department in Wuhan City in 2005 as a base for exchanging information about Oita. The Liaison Department is situated within the Wuhan Service Center for International Exchange, and in addition to providing a matching service for partner companies (including joint venture companies) in both cities, it also supports exchanges between citizens' groups and makes arrangements for people traveling to Japan from Wuhan as tourists or on school trips.

b) Nagasaki City and Fuzhou City, China

Trade in Nagasaki with China, the Netherlands, Portugal, and other countries began in 1571 with the opening of Nagasaki Port. The Chinese were the most numerous of the foreign merchants who visited Nagasaki, and at the end of the seventeenth century there were 10,000 Chinese people living in Nagasaki, which had a population then of just over 50,000 people.

Even today there are many people of Chinese heritage living in Nagasaki City, and as most of them are originally from Fuzhou City, the two cities concluded a sister city partnership in 1980. Fuzhou City is the capital of Fujian Province, and as well as being the center of government, economy, and culture of Fujian, it has also long prospered through trade with Southeast Asia in addition to its trade with Japan.

A number of projects have been carried out under the sister city partnership involving the transfer from Nagasaki City of technology needed by China in the areas of agriculture, forestry, and fisheries; water supply projects; and the environment. Technology transfer projects have continued up until the present, with specialist technicians dispatched from Nagasaki City to Fuzhou City, and personnel dispatched

from Fuzhou City to Nagasaki City to learn about technology. There have also been exchanges between citizens of the two cities—citizens' groups from Nagasaki often visit China, where there are lively exchanges, such as the participation of the Nagasaki Peron Team in the Fuzhou City Boat Race.

To mark the twenty-fifth anniversary of sister city exchanges, in October 2005 Fuzhou Day was held in Nagasaki City, and Nagasaki Day in Fuzhou City. During Fuzhou Day, the square in front of Nagasaki Station became the venue for a panel display about Fuzhou, Chinese dancing, Chinese fiddle performances, and a quiz rally. During Nagasaki Day, there was a panel display showing Nagasaki City's tourism as well as other events.

c) Nango-ku, Misato Town (formerly Nango Village), Miyazaki Prefecture, and Buyeo, Republic of Korea

The former village of Nango (now Nango-ku, Misato Town) in Miyazaki Prefecture has a great many historical records and traditions suggesting that there were close exchanges with the ancient Kudara (Baekje) Kingdom of Korea, and as part of its tourism development, the village has been working on the creation of Kudara-no-Sato, a Kudaran town. Ever since a survey team was sent to the Republic of Korea to study the Kudara Kingdom in 1986, many residents of the former village of Nango have been to the Republic of Korea and visited Buyeo, the ancient capital of Kudara. A sister city agreement with Buyeo was signed at a ceremony in 1991 in order to further expand exchange.

Kudara Hall, a tourist facility with the theme of the Kudara Kingdom, was completed in Nango in 1990 as part of the project for the creation of a Kudaran town. A party from Buyeo came to visit the village, along with a cultural mission led by the Chairman of the Korean international cultural association. The Kudara town has signs and information boards in Korean, as well as paving stones and roof tiles carved with traditional Korean patterns. The Kudara Hall and an arbor that recreates a building overlooking Buyeo vividly demonstrate Korea's traditional beauty, and the Kizuna no Suzu bell sent from Buyeo as a sign of friendship is on display.

Ever since the conclusion of the sister city partnership, exchange activities have been actively promoted. There have been exchange visits on the theme of Kudara by archaeologists and ethnologists, and goodwill visits by various groups. There is an annual student homestay exchange program between Nango Junior High School and its sister school in Buyeo, and there are mutual exchanges between the traditional Shiwasu Festival of the former village of Nango and Buyeo's Baekje Cultural Festival. Many local residents of Nango have come to feel an affinity for Korea and are able to give greetings and introduce themselves in the Korean language as a result of these vigorous exchanges with Korea.

2. Civil-Sector Exchanges with Asia

a) The Asian-Pacific Children's Convention in Fukuoka

The Asian-Pacific Children's Convention in Fukuoka was established in 1988, and every year since the summer of 1989 it has invited a great number of children from Asian countries to Fukuoka. The Asian-Pacific Exposition Yokatopia was held in 1989 to celebrate the 100th anniversary of the founding of Fukuoka City, and the first Asian-Pacific Children's Convention in Fukuoka was held on this occasion with the aim of encouraging exchanges among children, who will become the cornerstone of future exchanges with Asia. The inaugural project saw 1,110 children from 35 countries and regions invited to Fukuoka.

The project has been carried out every summer since then, with 400–500 children from around 40 countries and regions invited to Fukuoka, where they take part in homestays, school visits, and cultural activities together with citizens of Fukuoka. As well as the project to receive children, there is also the Mission Project, in which approximately 80 Fukuoka children selected from applicants aged between elementary school fourth grade and senior high school third grade visit five Asian countries or regions, where they attend local schools and experience homestays.

The Asian-Pacific Children's Convention in Fukuoka is an NPO that came about from an initiative of the Fukuoka Chamber of Commerce and Industry and local economic circles. It receives financial support and cooperation from local businesses and the

municipal government, and carries out planning and administration through the support of a total of some 1,000 volunteer staff and 400 homestay host families.

b) Terra People Association

The Terra People Association is an international exchange group based in Saga City. It was established in 1983 by Mr. Takeo Koga, a former high school teacher, and carries out regional activities focusing on international exchange, international cooperation, regional development, and education to foster a shared global sense (international understanding education).

The Terra People Association carries out a homestay program, the Small World Program, under which overseas students studying in Japan are taken into ordinary homes in Saga; so far over 1,300 people have taken part in the program. The association also carries out an ongoing Japanese-Korean youth exchange project, under which young people from the Republic of Korea are invited to Saga to take part in homestays. The project aims for mutual understanding between young people from the Republic of Korea and Japan through activities such as a Japanese speech contest, displays of ethnic performing arts, and camp activities.

The association started a project to give aid to Thailand in 1987. At first, the project sent musical instruments, writing implements, and used clothes to Thailand with the cooperation of ordinary citizens; in 1990, it began providing scholarships to junior and senior high school students in the northeastern region of Thailand. It also began a cooperation project in Myanmar in 2004 with a subsidy from the Ministry of Foreign Affairs. A model farm has been set up for agriculture and livestock rearing through an agricultural system that circulates resources, and the project involves transferring agricultural technology and fostering human resources among the local people. The Terra People Association carries out study tours every year, in which ordinary people who support the association's work visit Southeast Asia and take part in homestays there.

c) Genkaijin Club

The Genkaijin Club was formed in 1996 by private citizens in the town of Arita, Saga

Prefecture, with the aim of overcoming the past conflict between Japan and the Republic of Korea and promoting exchanges between citizens of both countries. The term “Genkaijin” refers to people on either side of the Genkai Sea, which separates Japan and the Republic of Korea, who feel a sense of solidarity through sharing the same cultural and lifestyle sphere; “Genkai” symbolizes the closest distance between the two countries, to which the suffix *-jin*, meaning “person” or “people,” was added.

The Genkaijin Club carries out activities to increase the participants’ affinity for Korean culture, including: the Genkai Juku (“Genkai Cram School”), in which lecturers are invited to speak on Japanese and Korean history, culture, and exchanges, and the Kanfu Juku (“Korean Style Cram School”), in which there are classes in *kimchee* (spicy Korean pickled cabbage), Korean cooking, and other familiar aspects of Korean culture. The club also holds Korean language classes, Japanese-Korean musical exchange gatherings, and exchanges of traditional culture such as ceramic culture, tea ceremony, and shows of traditional performing arts. In addition, the club has presented six universities in the Republic of Korea with 20,000 books in Japanese as well as everyday and cultural implements, and carries out study visits to the Republic of Korea for citizens to learn about its history and culture.

3. Overseas Students and Education

There were 122,000 overseas students in Japan in 2005; the highest number ever recorded. The majority of these were from East Asia, of which 80,000 were from China, 16,000 from the Republic of Korea, 4,000 from Taiwan, and 2,000 from Malaysia. Although the number of overseas students coming to study in Japan continues to increase, overseas students make up only 2.6% of all university students, which is low in comparison to other countries. For example, 6.4% of students in the US are from overseas, 17.8% in the UK, 10.4% in Germany, and 14.8% in Australia, which are all far greater than the proportion of overseas students in Japanese universities.

Meanwhile, systems are also being put in place in China and the Republic of Korea to receive students from abroad. Graduate schools based on the American model of a course system are well on track in both the Republic of Korea and China, and with

systems in place domestically to produce doctorates in large numbers, the number of overseas students at postgraduate level from Southeast Asia and other areas is increasing.

It was noted previously that the majority of overseas students coming to Japan are from China and the Republic of Korea, but there is a trend for the top students from these countries wishing to study abroad to aim for English-speaking countries such as America or Australia. The popularization of university education in Asia is advancing together with rising national incomes, and as a result there is said to have been a drop in the quality of some of the overseas students coming to Japan to study.

While this trend is evident, most of the students coming to Japan from Asia have more energy, in terms of a strong desire to learn and to improve themselves, than Japanese students, and they provide a good stimulus to Japanese students and instructors. In the current situation of declining student numbers due to the falling birthrate, overseas students are an extremely important presence in Japanese universities, and they are a vital resource in the sense that they have the elements to encourage the revitalization of education in Japan.

Higher education institutions in Kyushu include 71 universities, 47 junior colleges, and nine technical colleges. As of May 2006, there are 233,000 university students, 202,000 junior college students, and 9,000 technical college students studying at these institutions. There are 11,949 overseas students studying within Kyushu, which at 2.8% of the total student population is comparable to the proportion nation-wide. There are 8,239 students from China and 1,347 from the Republic of Korea, meaning that students from these two countries are in the majority, just as they are for Japan as a whole.

Unique among Kyushu's universities is Ritsumeikan Asia Pacific University in Beppu, Oita Prefecture. This university opened in April 2000 through the collaboration of three parties from the public and private sectors: Oita Prefectural Government, Beppu Municipal Government, and the Ritsumeikan Academy. As of April 2007, approximately 2,300 overseas students from 78 countries and regions and approximately 3,000 Japanese students are studying at Ritsumeikan Asia Pacific

University. Classes are given in both Japanese and English, and students are able to take classes in both languages. The undergraduate departments are the College of Asia Pacific Studies and the College of Asia Pacific Management, and in the graduate school there are the Graduate School of Asia Pacific Studies and the Graduate School of Management.

In the future, the universities will be expected to enhance their preparation for accepting overseas students in order for Kyushu to play a central role in fostering Asia's human resources. From an educational point of view, there is a need for more universities to have a fuller curriculum of classes that can be taken in English, while support systems for overseas students will also be necessary. Furthermore, there will have to be a consistent construction of programs such as job placement programs to assist graduates in finding work in Japanese companies within the Kyushu region and elsewhere.

C. The Main Players in Kyushu's Overseas Exchanges at the Regional Level

1. Kyushu Bureau of Economy, Trade and Industry; Ministry of Economy, Trade and Industry

The Kyushu Bureau of Economy, Trade and Industry is a regional institution within the Ministry of Economy, Trade and Industry. The bureau deals with the implementation of comprehensive government policy centered on such areas as the creation of competitive industries; support for mid-scale, small, and medium-sized enterprises; promotion of Asian business exchange; and nurturing environmental and energy-related industries. The two priority policies for fiscal 2006 were the creation of competitive industries that made use of Kyushu's strengths and support for business development in Asia.

Regarding the former, the Kyushu Bureau of Economy, Trade and Industry has plans to foster development in next-generation industries such as biotechnology and robots, in addition to promoting more established industries such as the environmental and recycling industries. Additionally, the Bureau is working to upgrade industries such as press working, metal molds, and pneumatics, which form the foundations of manufacturing industry, and is also playing a central role in efforts to foster new human

resources as the population ages.

Regarding support for business development in Asia, the Bureau is working to implement measures that will enable collaboration with the dynamism of Asia, and also make it possible to make use of Kyushu's geographical proximity to Asia in increasing the international competitiveness of regional companies. For example, the Bureau hosts a number of forums and business exchange conferences under the Asia Link Kyushu project, which gives support and information on regional developments to Kyushu-based enterprises oriented toward business development with Asia.

The Bureau also makes use of the experience provided by past exchanges with China and the Republic of Korea in order to strengthen its efforts to support business exchanges between Kyushu-based enterprises and businesses in growth industries in these two countries. The Bureau also encourages local businesses to employ overseas students who have studied in Kyushu. These students are vital human resources for both further exchange and successful entry into Asian markets.

2. Kyushu Economic Federation

The Kyushu Economic Federation (known as "Kyukeiren" for short) is a comprehensive regional economic group made up of roughly 900 member corporate businesses with offices in the Kyushu and Yamaguchi region. It was established in 1961 with the aim of increasing the buoyancy of Kyushu's economy and integrating the region's economic circles. Under its slogan, "Kyukeiren: Action and Policy Implementation," Kyukeiren continues to engage in a range of proactive activities.

Kyukeiren conducts a variety of surveys and research on the industry and economic challenges that businesses in Kyushu face. It then compiles these survey results and gives a full report to the government and other relevant parties. In addition to these activities, the Kyukeiren also carries out proactive international exchange, principally with Asia, and other activities to promote cordial relations and economic cooperation.

Regarding collaboration with China and the Republic of Korea, Kyukeiren hosts the Pan Yellow Sea Economic and Technological Exchange Conference, at which

representatives of the government and the private sector of Kyushu, China, and the Republic of Korea meet. It also plays an active role in planning bilateral international conferences between Kyushu and countries overseas such as the Kyushu-China Industry and Technology Conference and the Kyushu-Republic of Korea Industry and Technology Conference. It also carries out concrete exchange activities aiming for the formation of a Pan Yellow Sea economic zone; these activities include hosting the Pan Yellow Sea Business Dialogue, a platform for discussions between economic bodies and businesses from Kyushu and the two countries, and working to resolve various business issues in the Pan Yellow Sea region.

Kyukeiren also continues to carry out human resource exchange projects, such as a project to invite journalists from Asian countries to Japan and the Kyushu Asia University Project, under which overseas and Japanese students studying in Kyushu and Yamaguchi Prefecture carry out joint research while lodging together at a camp during the summer vacation. The Kyukeiren also works to get a grasp of the latest information from regions overseas by dispatching investigation teams every year; in recent years it has dispatched teams to ASEAN member nations and China.

In order to promote the dissemination of information overseas as well as exchanges in fields such as industry, tourism and human resources, Kyukeiren collaborates with Kyushu Economy International (chaired by Mr. Michisada Kamata, Chairman of Kyukeiren) to promote overseas PR and exchange activities for Kyushu as a whole, such as the joint publication of the English-language newsletter *Kyushu*.

3. Kyushu Economy International

Kyushu Economy International was established as a unified organization made up of economic groups, regional public bodies, and public and private corporations based in Kyushu. It was established in 2001 in order to revitalize Kyushu through industrial and human resource exchanges between the region and countries overseas and carry out international economic exchanges.

This organization acts as a comprehensive point of contact for overseas companies and

provides an information service in order to attract these companies to do business in Kyushu. It also disseminates information regarding Kyushu's international exchange activities and provides information about the status of biotechnology and environmental industries; important industries for Kyushu's future.

Kyushu Economy International hosted the Kyushu-Korea Economic Exchange Conference in Busan, Republic of Korea, in 2007, with exchanges of opinions and inspection visits aiming for business collaboration in the fields of the environment and information technology. The organization also hosted a symposium for business people from Kitakyushu, Kumamoto, and Oita about Vietnam, which is attracting growing interest after China and the Republic of Korea.

4. Kyushu Regional Strategic Council

The Kyushu Regional Strategic Council, which was established in 2003 as a forum for government and private-sector meetings, developed out of an exchanges of ideas and opinions between the Governor's Association of Kyushu Region and Kyukeiren. Based on its concept of "Only One Kyushu," the Council works to promote studies and concrete policy implementation for development strategies that are uniquely "Kyushu."

The Strategic Council is made up of the governors of each prefecture of Kyushu, Kyukeiren, the Federation of Chambers of Commerce and Industry in Kyushu, the Kyushu Association of Corporate Executives, and the Kyushu Employer's Association. The present Chairman is Mr. Michisada Kamata, Chairman of Kyukeiren, the Vice-Chairman is Mr. Kenjiro Kaneko, Governor of Nagasaki Prefecture and Chairman of the Governor's Association of Kyushu Region, and there are 26 council members.

The Kyushu Regional Strategic Council has compiled demands for the central government to put in place a high-speed network around Kyushu at an early stage, and has adopted an emergency resolution relating to securing revenues set aside for road construction. Also, the Kyushu Tourism Strategy Committee was established within the Kyushu Regional Strategic Council in 2004 in order to discuss policy for activities to attract tourists to be carried out efficiently by Kyushu as a whole, rather than

individually by each prefecture as has been the case so far. The Kyushu Tourism Strategy Committee held deliberations about an integrated tourism strategy covering all of Kyushu, and compiled a report, *Kyushu's Tourism Strategy*, in October 2005. *Kyushu's Tourism Strategy* advocated the establishment of the Kyushu Tourism Promotion Organization in order to bring about an efficient and effective tourism strategy.

5. Kyushu Tourism Promotion Organization

The Kyushu Regional Strategic Council recognized the need for a tourism strategy embracing the whole of Kyushu, and the Kyushu Tourism Promotion Organization was established in April 2005 as an organization for the prefectures of Kyushu to jointly carry out tourism promotion. Each prefectural government contributes staff to the Kyushu Tourism Promotion Organization and projects are carried out with economic bodies also taking part in the planning.

Kyushu does not attract sufficient tourists in comparison to Hokkaido or Okinawa, and there is a relatively sluggish trend in the region's tourism. The goal of the Kyushu Tourism Promotion Organization is to make the best use of the opportunities given by the development of tourist infrastructure such as the Kyushu National Museum and the opening of the Kyushu Shinkansen (bullet train), and for Kyushu as a whole to cooperate and concentrate its efforts on reviving the region's tourism industry. The Kyushu Tourism Promotion Organization is already carrying out activities aimed at major markets in Japan and overseas to bring in tourists, and is also working to actively disseminate the attractions of Kyushu in major urban areas in Japan and cities in East Asia.

D. Overseas Exchanges at the Prefectural Level and their Characteristics

1. Fukuoka Prefecture

Fukuoka Prefecture has the largest population of all the prefectures in Kyushu as well as a vibrant economy. Geographically, Fukuoka Prefecture is nearer to the Asian continent

than anywhere else in Kyushu, with the exception of Tsushima (Nagasaki Prefecture). Fukuoka has more active exchange with Asia than any other prefecture in Kyushu.

To date, one pillar of Fukuoka's exchange projects with Asia has been the Japan-Korea Strait Coastal Region Governors' Meeting. This meeting has been held once every year since 1992, and is hosted by the member local governments in rotation. The members are Fukuoka Prefecture, Saga Prefecture, Nagasaki Prefecture, and Yamaguchi Prefecture from Japan, along with Busan Metropolitan City, Jeollanam-do Province, Gyeongsangnam-do Province, and Jeju-do Province from the Republic of Korea. In addition to meetings of the governors and mayor of the four prefectures, three provinces, and one city, there have been a wide variety of exchange activities between these geographically close members. These exchanges include youth exchanges, exchanges of environmental technology, exchanges relating to fisheries, region-wide tourism cooperation projects, projects to encourage economic cooperation, and citizen friendship events.

Fukuoka Prefecture has concluded a sister province partnership with Chiangsu Province in China, and lively exchanges between the two are carried out, including youth and university academic exchanges as well as the dispatch of survey teams in various fields. Furthermore, under the leadership of Governor Wataru Aso, Fukuoka Prefecture concluded friendship agreements with Bangkok in June 2006 and Delhi in March 2007. Fukuoka has traditionally had strong ties with Korea and China, and exchange initiatives with the rest of East Asia and India are beginning to take root. At present, exchanges with Bangkok and Delhi are mostly cultural exchanges for the purpose of mutual understanding, but the possibility of expanding into other fields in the future is on the rise.

In addition to general exchanges relating to economy and culture, Fukuoka Prefecture is also making an effort to nurture and transmit youth culture as a shared Asian culture. The Asia Youth Culture Center was set up within the Fukuoka International Exchange Foundation, an organization established by the prefectural government. The Center's portal website, which is in Japanese, Chinese, Korean, and English, includes young people's music and art that transcends boundaries, as well as information on

volunteering and comparisons of the latest trends.

Fukuoka Prefecture sends artists to Asia and invites Asian youth culture leaders to events in the prefecture as cultural ambassadors. The prefecture is also involved in efforts to create new concepts for Asian youth culture, and in 2007 it took applications for the Japan-Korea Digital Manga Contest and hosted the Japan-Korea Manga Festival. These projects bear a resemblance to efforts by the central government to transmit manga overseas as an aspect of Japan's soft power, but whereas the emphasis of government-level activities is on disseminating information of Japan's new culture, the emphasis of Fukuoka Prefecture's approach is on fostering the shared culture of Asian youth. In this sense, Fukuoka Prefecture's activities may be appraised as an enduring approach that focuses on nurturing a feeling of unity with Asia in the long term.

Fukuoka Prefecture has established offices in Hong Kong, Shanghai, Seoul, Frankfurt, and San Francisco, and it dispatches trainees to Taiwan. The prefecture also carries out activities to support the development of overseas business by companies from the prefecture and to attract companies from overseas, as well as to promote tourism and other aspects of the prefecture.

As may be seen from the above, Fukuoka Prefecture takes an extremely active stance toward its foreign relations. Fukuoka Prefecture is exceptional in the way it makes proactive efforts toward international exchanges despite facing the same tight financial constraints as other prefectures. This active stance toward exchanges with Asia is due very largely to the leadership of the present prefectural governor. His vision and conviction that furthering exchanges between Fukuoka and Asia will bring future benefits to Fukuoka gave rise to the prefecture's current stance of active exchanges with Asia.

2. Saga Prefecture

Saga Prefecture formulated the Saga Prefecture Vision for the Promotion of Internationalization which began in 2001 and has a ten-year focus. The main points of this vision are: (1) international dissemination of information relating to Saga Prefecture,

and strengthening of collaboration with organizations and individuals related to Saga Prefecture; (2) implementation of substantive exchanges, with a focus on the Republic of Korea and China; (3) facilitation of collaboration with municipalities and private-sector bodies; (4) improved convenience for foreign residents in Saga Prefecture through information, support for everyday life, etc.; and (5) promotion of understanding of prefectural citizens toward international cooperation through support for NGOs.

Saga Prefecture conducted a survey in fiscal 2006 in cooperation with other prefectures on photochemical oxidants. The survey was an environmental technology cooperation project of the Japan-Korea Strait Coastal Region Governors' Meeting and was aimed at pollution control measures. Also, the Japan-Korea Strait Coastal Region Tourism Exchange Meeting was held in Saga Prefecture in order to discuss tourist routes covering Japan and the Republic of Korea. Teachers from both countries were invited in order to attract school trips to the region. Additionally, Saga Prefecture also participated in a tourism briefing for travel agencies and the media held jointly in Taiwan by Japan and the Republic of Korea.

Saga Prefecture has stationed overseas liaison officers in Beijing and Shanghai, China, as well as Taiwan and the Republic of Korea, in order to promote the overseas business of companies based in the prefecture. The prefecture also dispatches one member of the prefectural government to each Jeollanam-do Province, Republic of Korea, and Liaoning Province, China, for a year in order to learn the language of the host country and to further deepen exchange between Saga Prefecture and these provinces. Furthermore, a foreign person who has experience of living in Saga and has close relations with the prefecture is appointed to be the Yoshinogari Goodwill Ambassador, and this person works to strengthen the prefecture's foreign relations.

3. Nagasaki Prefecture

Nagasaki Prefecture formulated the Nagasaki Prefecture New Plan for the Promotion of Internationalization in 2007. The plan has five basic strategies: (1) promotion of regional development through historical, cultural, and peace exchanges; (2) promotion of economic and industrial technology exchanges; (3) strengthening of international

collaboration with distinctive character; (4) strengthening of the foundations of Nagasaki as a region of exchanges through internationalization; and (5) promotion of regional development of a region in which foreigners play an active part and live together with local residents.

The number of foreign residents in Nagasaki Prefecture as of December 2005 is 7,216, an increase of 70% since 1996. The number of overseas students is, as of May 2005, 1,139, an increase of 250% since 1996. Meanwhile, the number of foreign tourists (tourists who stay overnight) during 2005 was 315,000, an increase of 70% since 1996.

During the Edo period, Nagasaki Prefecture was the only point of contact Japan maintained with the outside world, and has historically maintained strong ties with China. Festivals such as the Kunchi Festival and the Lantern Festival are distinctively representative of Nagasaki culture and serve as a reminder of the prefecture's close connection with China. Nagasaki Prefecture was working on exchanges with China even before the resumption of diplomatic relations between Japan and China; after diplomatic relations were resumed, Nagasaki Prefecture concluded a sister city affiliation with Fujian Province, China, with which it has historically had close ties.

Nagasaki Prefecture established an office in Shanghai in 1991 and a friendship affiliation in 1996. Projects have been carried out in Shanghai to promote exports of Nagasaki brand products. In its exchanges with China in recent years, Nagasaki Prefecture has concentrated particularly on attracting group tourism and promoting exports of goods manufactured in the prefecture.

Regarding relations with the Republic of Korea, Nagasaki Prefecture is a participant in the Japan-Korea Strait Coastal Region Governors' Meeting along with the prefectures of Fukuoka, Saga, and Yamaguchi, and has engaged in exchanges with the region of the Republic of Korea on the opposite shores of the Sea of Japan. Tsushima in Nagasaki Prefecture has historically been a stopover in exchanges with Korea, and exchanges with the Republic of Korea are currently carried out in Tsushima daily. Because of Nagasaki's history as one of only two cities in the world to suffer an atomic bomb attack, it hosts various different international peace events for eternal world peace and

also proactively promotes international cooperation activities in the environment and medical care relating to radioactivity.

(4) Oita Prefecture

Mr. Morihiko Hiramatsu, who was appointed Governor of Oita Prefecture in 1979, began the One Village, One Product movement across all the municipalities of Oita Prefecture in 1980. A unique approach in the field of international exchange and cooperation, the movement attracted attention throughout Japan. The One Village, One Product movement, in which local residents take one special product of their area and cultivate it through their imagination and creativity, is a local economic activity; at the same time, it encourages the formation of local human resources and a local sense of identity. A particular feature of the movement is that while it is local, it also aims to be a form of global activity with a worldwide focus. An important point to note is that the One Village, One Product movement is not limited to Oita Prefecture, but has also been developed as an international movement in agricultural villages in Thailand and other parts of the world.

Following an appeal by Governor Hiramatsu for the heads of different regions of Asia to meet together to discuss regional development and regional activation through mutual exchanges of expertise in regional community building, the Asia-Kyushu Regional Exchange Summit was held in 1994. This first summit, which was hosted by Beppu City, Oita Prefecture, was attended by 46 regions from nine countries; the summit was held eight times through 2002.

Mr. Katsusada Hirose was appointed Governor of Oita Prefecture in 2003, and in addition to taking over former Governor Hiramatsu's labors, he has also continued to search for a new shape to the prefecture's international exchanges. Oita Prefecture currently has three basic policies in this area: (1) promotion of an environment capable of enabling international exchanges to give rise to vitality and competitive power in the region, with a focus on China and the Republic of Korea; (2) promotion of community building to create a vibrant prefecture in which overseas students and other resident foreigners coexist with local people; and (3) fostering civil-sector groups and human

resources to take charge of international exchange and cooperation. Oita Prefecture carries out exchanges with a diverse group of overseas regions without having any sister-city partnerships. Oita has close relations with China, and there is a sea route linking Oita and Shanghai. In 2004 the Oita Prefecture-Shanghai Business Mission was sent to Shanghai, where it held informal talks with people from economic circles and carried out market research. Youth exchange projects are also carried out between Oita and Shanghai.

Recently, there has been a major effort to expand student exchange programs. The main reason for this development was the establishment of Ritsumeikan Asia-Pacific University in Oita Prefecture in 2000. While students from Asia account for the majority of overseas students studying in Oita Prefecture, there are a total of 2,800 overseas students from 78 countries or regions. This makes Oita the prefecture with the second largest overseas student population in the country after Tokyo. The Oita Prefectural International Students Policy Committee, made up of universities in the prefecture, related local authorities, economic groups, and others, was launched in 2003, marking the establishment within the prefecture of an alliance between universities and regional groups for the purpose of implementing comprehensive policy relating to overseas students. The following year, 2004, the specific non-profit organization University Consortium Oita was established as an organization to give support to overseas students while encouraging exchanges between prefectural residents and overseas students. University Consortium Oita carries out a range of activities, including placements of overseas students in local companies for internships.

5. Kumamoto Prefecture

In its basic planning, Kumamoto Prefecture advocates community development for a prefecture open to the world, and in today's increasingly borderless world it places importance on fostering international awareness among prefectural residents. Particular priority is being given to efforts to further the understanding of other cultures among children, who will be the leaders of the future. For this reason the Japan Exchange and Teaching (JET) Program, which brings young foreigners to Japan to teach English, is being actively promoted. Kumamoto Prefecture also aims to receive overseas students

and trainees and to make proactive use of programs with sister-city regions for reciprocal dispatches of young people.

Kumamoto Prefecture has treated sister-city partnerships as the basis for exchanges, and currently maintains partnerships with Guangxi-Zhuang Autonomous Region, China; Montana State, USA; and Chungcheongnam-do Province, Republic of Korea. The sister-city partnership with Guangxi-Zhuang Autonomous Region was agreed to in 1982, since which time Kumamoto Prefecture has held high school sports exchanges with the region and has received and dispatched education observation teams. In addition, Kumamoto Prefecture and Guangxi-Zhuang Autonomous Region have held reciprocal industrial exhibitions, and Kumamoto Prefecture exhibited items at the China-ASEAN Exhibition held at the Nanning International Convention and Exhibition Center, Guangxi.

Momentum for a sister-city partnership with the Republic of Korea built up due to the opening in 1979 of the route from Kumamoto to Seoul, the prefecture's first regular international airline route. The sister-city partnership with Chungcheongnam-do Province, Republic of Korea, which has many geographical, cultural, and industrial similarities to Kumamoto Prefecture, was concluded in 1983. A variety of exchange events have been held to date, and in 2005 junior high school hockey players from Kumamoto Prefecture took part in an exchange match in Chungcheongnam-do Province. From the Korean side, there has been a visit by the provincial governor and an accompanying party, as well as visits by groups to attract tourism, high school sports teams, Japanese language students, agricultural observation teams, and people from associations of traditional artisans.

6. Miyazaki Prefecture

Miyazaki Prefecture formulated the Plan for the Promotion of Internationalization in Miyazaki Prefecture in 2006. With an overall theme of everyone together building a lively prefecture open to the world, the plan sets out six pillars for the prefecture's internationalization projects: (1) promotion of the development of human resources with an abundantly international outlook; (2) promotion of international cooperation that makes

use of diverse international exchanges and regional characteristics; (3) promotion of a society in which diverse cultures coexist; (4) nurturing of industry able to respond to economic globalization; (5) facilitation of exchanges through tourism and resorts; (6) construction of the foundations for promoting internationalization.

Miyazaki Prefecture carries out a range of projects based on these pillars. As a prefecture, Miyazaki has no sister-city partnerships, and is concentrating on exchanges with the Republic of Korea, which is the destination of Miyazaki Airport's only international flights. Particular efforts are being made in the field of grassroots exchanges: a project is being carried out to receive junior high school students from the Republic of Korea and to send students there from Miyazaki Prefecture, and there is also a project to send senior high school students to the Republic of Korea to visit schools and participate in homestays. Also, under the Wings Partnership 21 project, which was carried out in 2006, disabled persons living in Miyazaki Prefecture, their families, and volunteers visited the Republic of Korea for exchanges with local disabled persons.

Regarding economic exchange activities, Miyazaki Prefecture has established an office in Seoul to act as a bridge between companies from the prefectures and companies from the Republic of Korea. Also, although Miyazaki Prefecture has made an extensive effort to attract tourists and conventions, the number of foreign people staying overnight within the prefecture in 2004 was just 87,000—a relatively low number in comparison to other prefectures in Kyushu. Of these tourists, 58% are from the Republic of Korea, followed by 15% from Taiwan and 6% from Hong Kong. However, the number of tourists from the Republic of Korea other than regular sightseers, such as those who come to play golf, are on the rise, and the prefecture is making efforts to attract school trips from the Republic of Korea and China. Also, as agriculture is a key industry, Miyazaki Prefecture is making proactive efforts to survey the demand overseas for agricultural, forestry, and fisheries products from the prefecture and to carry out sales activities. Governor Hideo Higashikokubaru, who was elected in 2007, has concentrated on domestic and overseas tourist PR, and the results of his efforts are starting to appear.

7. Kagoshima Prefecture

Due to its geographical situation in the southwest of Kyushu, Kagoshima Prefecture has been a base for exchanges with China, East Asia, and other regions. With making use of the prefecture's geographical characteristics and historical ties an important consideration, Kagoshima Prefecture is carrying out international exchanges with a focus on Asia under the slogan "Forming international exchange networks across Asia."

Kagoshima Prefecture places particular emphasis on Hong Kong, Singapore, China's Jiangsu Province, and the Republic of Korea's Jeollabuk-do Province, holding regular exchange meetings with these regions and carrying out economic, tourism, sports, and youth exchange activities. In the regions that are the focus of these exchanges, Kagoshima Prefecture sets up an Asia Kagoshima Club together with local people who have an interest in exchange. It supports management of the club in the expectation that the club will act as a base for exchanges with the prefecture.

Kagoshima Prefecture hosted the Kagoshima-Hong Kong exchange conference in 1980, and since then exchange conferences have been held every other year, alternately in Kagoshima Prefecture and Hong Kong. Members of the prefectural government have been based in Hong Kong since 1985, and the Hong Kong Kagoshima Club was formed in 1999 by natives of Kagoshima and others connected to the prefecture. In recent years, volleyball teams from Hong Kong have come to Kagoshima Prefecture, Hong Kong has participated in Kirishima International Music Festival, and the prefecture has accepted students studying Japanese language and culture. Exchanges from Kagoshima have included business discussions relating to agricultural, forestry, and fisheries products, as well as a visit to Hong Kong by a high school brass band.

The first Kagoshima-Singapore exchange conference was held in 1982, and conferences have been hosted alternately every other year since then. Just as in Hong Kong, the Kagoshima Club Singapore was founded in 1999. There have been youth and sports exchanges with Singapore, in addition economic exchanges in the spa (hot spring) industry, which Singapore is working to develop, and exchanges between companies in a variety of sectors.

Exchanges with Jiangsu Province, China, developed following technological cooperation in the field of agriculture in 1985, after which there were visits by survey teams and projects to dispatch young people. On the economic front, there have been business discussions regarding Kagoshima Prefecture products in Nanjing and Shanghai, and pilot shops have been opened. Kagoshima Prefecture concluded an agreement with Jiangsu Province over exchange conferences, and hosted the first exchange conference in 1998. Conferences have been held every year since then, hosted alternately in Kagoshima Prefecture and Jiangsu Province. Kagoshima Prefecture has received observation teams from Jiangsu Province in fields such as agriculture and education, and personnel from the travel industry were invited to Kagoshima in 2006.

Kagoshima Prefecture signed a joint declaration concerning the promotion of friendship and cooperation with Jeollabuk-do Province, Republic of Korea, in 1989. The prefecture hosted a Kagoshima-Jeollabuk exchange conference in 1994, after which time regular exchange conferences have been held. There are lively exchanges between the local authorities of both sides, as well as cultural and sporting exchanges. Just as in Hong Kong and Singapore, the Jeollabuk-do Kagoshima Club was established in 1999.

8. Other Cities

Fukuoka City established the Panel for Fukuoka's 21st Century Plan during the latter half of the 1980s in order to create a vision for the future of the city. Nearly 6,000 local people attended the hearings, as a result of which a basic scheme for the future image of the city was formulated, taking exchanges with Asia as its central concept. Following this, the Asian-Pacific Exposition Yokatopia was held in 1989 to further the city's ties with Asia, and since then exchanges with Asia have been carried out in earnest.

From 1990 onwards, Asian Month has been held every year in the city to keep the spirit of Yokatopia alive. Asian Month is held every September with the aim of promoting further understanding of Asia among the residents of Fukuoka City, and increasing the understanding of Asian people toward Fukuoka. Various events relating to culture, performing arts, and academia are held in different locations around the city, offering

local people the chance to come into contact with the diverse cultures of Asia.

Events during Asian Month include Asian Stage, which gives performances of dance and other traditional performing arts; Asian Food Stall, which gives people the chance to taste food from Asian countries cheaply and conveniently; and Asian Plaza, which has miscellaneous goods and accessories from Asia on sale. In addition, Focus on Asia: Fukuoka International Film Festival, which screens films from Asia, is currently attracting attention. Furthermore, multilateral projects are also carried out for the whole city to understand and have exchanges with Asia, such as the award ceremony for the Fukuoka Asian Culture Prize. This prize is awarded to individuals or groups who have made noteworthy achievements in preserving and creating the diverse and unique cultures of Asia.

Another pillar of Fukuoka City's cultural exchanges with Asia is the Fukuoka Asian Art Museum, which was founded by the municipal government. Completed in 1999, the Fukuoka Asian Art Museum is the only museum in the world to systematically collect and exhibit works of contemporary Asian art. The museum does not just exhibit works of art; it is an interactive art museum that functions as a forum for the citizens of Fukuoka to become familiar with the art and culture of Asia through various art exchanges. These exchanges include inviting artists and researchers from Asia to Fukuoka for a residence program and research into Asian art. The parent organization of the Fukuoka Asian Art Museum is the Fukuoka Art Museum, which was opened in the latter half of the 1970s and has since been a nationwide pioneer in holding exhibitions relating to contemporary Asian art.

III. Kyushu and the Movement for Wide-Area Local Government

Discussions are being held over the future introduction of the *doshu-sei* system of wide-area local government, which could well have a major impact on the state of Kyushu's exchanges with Asia. The *doshu-sei* system is a new system of regional government that essentially involves the abolition of the current prefectures and urban

prefectures, and their integration and reorganization into far larger administrative units (*doshu*). Sufficient discussions to finalize the specific details and the demarcations have yet to be held, but the limits of the present Japanese system of administrative divisions have become apparent and the recognition is gaining ground that the transfer to the *doshu-sei* system of wide-area local government is unavoidable.

The Local Government System Research Council, an advisory body to the prime minister, submitted a report in February 2006 in which it concluded that the introduction of the *doshu-sei* system was appropriate. Then Prime Minister Shinzo Abe appointed Mr. Yoshimi Watanabe as the Minister of State for the Regional System. The Council for the Vision of the *Doshu-sei* System has carried out deliberations under Mr. Watanabe, and is scheduled to compile an interim report by the end of 2007, and to formulate a vision of the *doshu-sei* system, which will include the principles of, and a blueprint for, the system during fiscal 2009.

At the same time, a *doshu-sei* system investigation committee was launched within the Liberal Democratic Party of Japan, and in January 2007 the *Doshu-sei* System Sub-Committee into Tax and Public Finance and four other sub-committees were established, and discussions commenced. An interim report was released in June 2007; the interim report states that the *doshu-sei* system will be brought about within eight to ten years. The interim report contains the following three principles: (1) the central government is to decide the basics of policy, and the main body implementing policy is to be the *doshu* or the basic local authority; (2) regional organizations of the central government are to be abolished and control transferred to the *doshu*; (3) state-subsidized projects are to be assigned sources of funds and transferred to the *doshu* or the basic local authorities.

Meanwhile, the National Governors' Association released its report, Basic Thinking Concerning the Doshu, in January 2007. This contained seven basic principles regarding the *doshu-sei* system: (1) the *doshu-sei* is to promote decentralization of power; (2) the *doshu-sei* system is to have two layers, the *doshu* and the basic local authority; (3) fundamentally, internal administration is to be the unalterable responsibility of the region; (4) the system is to include the dismantling and reorganization of the central

government ministries and agencies; (5) regional authority to enact far-reaching ordinances is to be established; (6) highly autonomous and self-organized regional tax and public finance systems are to be created; (7) the opinions of the regions are to be fully taken into consideration.

In response to the developments above at national level, there have been active discussions of the *doshu-sei* system in Kyushu. The Kyushu Regional Strategic Council, which was established in October 2003 by the Governor's Association of Kyushu Region and the Kyukeiren in order to promote research and concrete policy for a uniquely Kyushu development strategy, drew up the Report on the *Doshu-sei* System as part of its activities in October 2006.

This report sees the introduction of the *doshu-sei* system as necessary for the following six reasons:

1. It will activate Kyushu and enrich the everyday lives of residents.
2. It will reform the system of centralization of authority.
3. It will reform the system of municipalities and prefectures.
4. It will erase the two-tiered administration of central government and prefectures.
5. It will improve the crisis of funding between the central and regional governments.
6. Kyushu will prosper as an integrated East Asian base.

The report also puts forward the following three systems that need to be constructed for the introduction of the *doshu-sei* system.

1. A system for promoting the decentralization of power so that Kyushu can decide matters relating to Kyushu.
2. A system to bring about an autonomous economic zone in Kyushu that will prosper as an East Asian base.
3. An efficient system of public finance between the central government and the regions.

The report of the National Governors' Association, "Basic Thinking Concerning the *Doshu*," is characterized by its strong expectations for an autonomous Kyushu distanced from the constraints of the central government, together with the fact that it considers

the introduction of the *doshu-sei* in the context of a strong awareness of its relations with East Asia. The report harbors expectations for collaboration with Asia, which is undergoing vigorous growth, while also being conscious of the intensification of competition with the various regions of Asia; the desire of Kyushu to boost its presence by uniting and holding its own against Asia comes over very strongly.

It could be said that because Kyushu is a single island it has greater cohesiveness than other regions and is more positive toward the *doshu-sei* system. Kyushu is far removed from the center of Japan, and this has given it a competitive edge in its relations with Asia. Geographical circumstances encourage the unification of Kyushu and lead to the strengthening of the Kyushu identity; together with the limits of carrying out overseas exchanges on the basis of the prefecture and the sense of crisis at regional level, it would explain why Kyushu is working proactively on the *doshu-sei* system.

Also, the Report on the *Doshu-sei* System includes an item on the formation of a multipolar Kyushu. This item states that Kyushu already has a good balance of different types of industry and tourism, and that it is necessary to make full use of these resources to arrange a strategic base for industry that complies with the special characteristics of Kyushu. The report insists on the need to relieve excessive over-concentration and to work for integrated development in Kyushu; this would come from adjustments between the four prefectures in the north (Fukuoka, Saga, Oita, and Nagasaki), in which there is thriving industry and the incomes of residents are relatively high, and the three chiefly agricultural prefectures in the south (Kumamoto, Miyazaki, and Kagoshima).

Kumamoto in particular, which is situated in the central part of Kyushu, hosted branch offices of central government institutions and was considered the central city of Kyushu before World War II. Even now, Kumamoto still has branch offices of some government institutions, such as a local finance bureau, a taxation bureau, the Ground Self-Defense Force Western Army Headquarters, and the regional office of Japan Post; it thus serves as a counter-balance against over-concentration in Fukuoka.

Although the *doshu-sei* system is absolutely vital for Kyushu when Asia is taken into account, there is deep-seated anxiety in the southern prefectures of Kyushu, which are

in financial difficulties and are facing a marked ageing of the population, that the results of the *doshu-sei* system are likely to be concentrated in the northern prefectures. Also, there are concerns that strengthening collaboration with Asia will lead to over-concentration in the cities, and the rural villages are likely to be left behind. The biggest issues over the introduction of the *doshu-sei* system are persuading the factions that would prefer to maintain the status quo, and building consensus within Kyushu over how to construct a framework for spreading the results and the benefits of the *doshu-sei* system across the whole of the region.

IV. Issues Facing Kyushu's Foreign Diplomacy and Future Prospects

Kyushu has strong historical and cultural ties with the neighboring countries of Asia as a result of its geographical proximity to the continent, and is the region of Japan carrying out the most substantial exchanges with Asia. If one looks mainly at Tokyo, Kyushu is a remote region. Seen from the perspective of Asia, however, Kyushu is on the front line of exchanges with the continent.

It is recognized that the indigenous regional culture and customs of Fukuoka, Nagasaki, and many other regions of Kyushu bear strong historical and cultural connections to Asia. The culture based on these traditions has not just been preserved as a relic of the past; as may be seen in Nagasaki City and Fukuoka City, and also in the relations of Nango-ku, Misato Town (formerly Nango Village) with Buyeo, in the Republic of Korea, attempts are being made to use the historical ties in these regions as a community-building resource for regional revitalization and development.

In addition to these specific historical links, vigorous efforts toward exchanges with the Republic of Korea and China are being carried out by businesses and civil-sector organizations. The result is a level of openness toward Asia and a proactive spirit of acceptance not seen in other regions of the country. During the 1980s, "internationalization" in other regions of Japan came to mean activating exchanges with the West, yet prefectures in Kyushu were working on sister city and other exchanges

with Asia even before this time—over the years, they have carried out cultural and youth exchanges, and even technology transfer exchanges, with Asia. There can be no ignoring the fact that underlying the activation of economic exchanges in recent years are the human networks of trust that have been built up in this way over the long term.

Furthermore, it is not just specific people or organizations that have relations with Asia, but Kyushu as a whole that shows itself to be receptive to the continent. The sort of prejudices some people hold toward the people of neighboring Asia, which have often been pointed out in other regions, appear to be rare in Kyushu. The high-speed ferry *Beetle*, which links Fukuoka and Busan in slightly less than three hours, symbolizes the way the psychological distance between Kyushu and Asia has been shrinking in recent years. A feeling of unity as a single region is starting to emerge between Kyushu and its near neighbors.

As an example of this, in 2006 leaders of various circles within the civil sectors of Fukuoka City and Busan formed the Fukuoka-Busan Forum. The Forum aims to find a model of inter-regional cooperation that transcends national boundaries, and at its first meeting in Busan in 2006 it stated its aim of searching for a way for the two regions to develop exchanges into cooperation, and cooperation into a community. Through the Forum, there were calls from the business and civil sectors of both cities for a friendship year between the two cities and for the streamlining of various procedural formalities in order to create a single, regional economic sphere encompassing both sides of the channel; vigorous discussions are thus starting over the possibility of forming a region that transcends national borders.

It should be mentioned that the main force in Kyushu promoting exchanges with Asia is the fact that the governor and other officials from the administration unite with economic circles to draw up strategies for Kyushu toward Asia, and concrete projects are already in development. Organizations are formed for the purpose of carrying out business activities that go beyond simply exchanging opinions or issuing declarations—examples of this are Kyushu Economy International and the Kyushu Tourism Promotion Organization—and the efforts that are being carried out on a regular basis in Kyushu are activities without parallel in other regions.

There is also lively cooperation between prefectures within Kyushu over international affairs, a good example of which is the Japan-Korea Strait Coastal Region Governors' Meeting. The prefectures of Fukuoka, Saga, Nagasaki, and Yamaguchi on the Japanese side cooperate closely with each other, and have carried out substantial exchange activities with the Korean side in specific regional community issues other than economy, such as the environment and education. This system of neighboring prefectures working in cooperation with each other to carry out exchanges with another country is not seen in any other region. It could be said that the feeling of regional unity in Kyushu was generated with a strong awareness of relations with Asia.

Although it may be seen from the preceding paragraphs that Kyushu has relatively strong collaboration with Asia compared to other regions in Japan, there nonetheless remain a number of issues of concern.

One such issue is that networks with Asia other than China and the Republic of Korea are relatively weak. Given Kyushu's geographical proximity and the depth of its cultural links with these two countries, it is only natural that the region's links with these countries should be stronger than with the rest of Asia; however, it has not formed particularly strong links with Southeast Asia, even though one would expect that Kyushu would feel an affinity for this region as well.

On the economic front, the ever-increasing horizontal division of labor is not limited to Japan, China, and the Republic of Korea, but is taking place across a wide region that encompasses Southeast Asia as well. Nonetheless, there have still been only a few cases of proactive movement into Southeast Asian markets by Kyushu companies. On the other hand, there is a movement getting under way to initiate exchanges with Thailand and India, as is the case in Fukuoka, while some prefectures are looking to the future and carrying out more exchanges with Southeast Asia than before. A major issue is to what extent these exchanges beyond China and the Republic of Korea will be made into a major trend.

In this context, the sort of method that will be particularly important is the formation of

frameworks for local authorities to cooperate with each other—as in the example of the Japan-Korea Strait Coastal Region Governors’ Meeting—and carry out activities by division to address a range of topics, building exchanges that bear substantive results one step at a time. Kyushu’s exchanges with China and the Republic of Korea were not built in a day, but are the result of a long process of trial and error and have finally yielded results. In this sense, the same sorts of efforts are needed with respect to Southeast Asia. Rather than having efforts made by individual prefectures or municipalities, it would be desirable for Kyushu as a whole to draw up a strategy for exchanges with Southeast Asia, and for exchanges addressing individual issues and themes to be carried out within this overall strategy. Furthermore, it is necessary to build up low-key, multifaceted exchanges involving areas such as citizen’s exchanges, youth, culture, and art.

Also, it has been pointed out from an economic perspective that Kyushu’s companies lack the breadth of focus and the global vision of the firms and major corporations of Tokyo. While giving due importance to regionality, they also need to have a broad focus that encompasses Asia as a whole.

Although Kyushu’s citizen-level exchanges with Asia are becoming increasingly active, there will be a need for exchanges and cooperation that further address regional community issues to be carried out among civil societies; these exchanges will have to involve Japan, China, the Republic of Korea, and, furthermore, Southeast Asia.

It is expected that the numbers of travelers passing through, overseas students, and foreign residents from Asia in Kyushu will all increase in the near future. The different prefectures in Kyushu are working with to support tourists and overseas students, but the effort thus far has been insufficient, perhaps because of the low concentration of foreign residents in comparison to other regions.

The population of Kyushu is aging above the national average, and in the rural villages there is a steady increase in the number of settlements in which people aged 65 or over have exceeded the threshold of 50% of the population. There are a great many industries such as agriculture, forestry, and fisheries, as well as foodstuffs and handicrafts, which

have stayed content with their relatively low added value and have become pillars of the local economy as local industries; the population of people working in these fields is steadily getting older. There is a possibility that discussions will eventually begin over the issue of accepting foreigners, particularly from Asia, in order to prevent rural communities and the industrial field from hollowing out. The situation is not yet being taken seriously in the different prefectures in Kyushu, but when economic integration starts to bring full-blown movement of people with it, Kyushu's exchanges with Asia are going to face a new and crucial period.

It is expected that in the future globalization will advance in diverse forms, and that Kyushu's relations with Asia will face a variety of unpredictable challenges. However, there is no doubt that Kyushu is already one step ahead of other regions and can be expected to take the lead over the rest of the country, looking to a future in which it meets the rest of Asia face to face. By exhibiting this leadership, Kyushu will establish an unshakeable presence, not just within Japan, but also in Asia. Whether or not this will be possible will depend on the awareness and the actions of the prefectural governors of Kyushu and other members of the administration, of people connected to the economic world, of grass-roots exchange organizations, and of the regular citizens who interact with Asian people; it certainly appears, though, that Kyushu is steadily heading in this direction, one step at a time.

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