

Oita Shows the Way

*Interview with
Oita Prefecture Governor
Morihiro Hiramatsu
by Shozo Hochi, editor
of the Journal of
Japanese Trade &
Industry*

When the Japan Institute for Regional Economics recently polled Japanese business leaders on which of Japan's 47 governors they are most interested in meeting, the winner was Governor Morihiro Hiramatsu of Oita Prefecture in Kyushu.

With a population of only 1.25 million, Oita is by no means a very large prefecture. In fact, for much of its history it has been quite poor, relying heavily on agriculture and tourism, and has suffered the same decline that has plagued most rural districts as its young people moved out in search of better opportunities in the metropolitan areas. Since Morihiro Hiramatsu became governor in 1979, however, things have changed.

One of the first things Governor Hiramatsu did was to initiate the "one village, one product" campaign to inspire local communities to take pride in producing local specialties. Although Oita is a middling 26th among Japan's 47 prefectures industrially, the presidents of the 1,053 corporations listed on the First Section of the Tokyo Stock Exchange ranked it second only to Tokyo in economic, cultural and political vitality.

Hiramatsu was born in Oita City in March 1924. After graduating from the prefectural Oita Middle School, he entered the Kumamoto Higher School (now Kumamoto University). His education interrupted by wartime service in the

Imperial Navy, he entered the University of Tokyo's Law School in 1946 and graduated in 1949, joining the Ministry of International Trade and Industry (MITI) that same year.

At MITI, Hiramatsu was in the Heavy Indus-

try Bureau's Electronics Industry Division and an early believer in the importance of computerized information processing for industrial and social development. While Hiramatsu was on leave from MITI to serve as Councilor in the National Land Agency's Secretariat, Oita Governor Masaru Taki urged him to come back to Oita as deputy governor. After nearly four years as deputy governor under Governor Taki, Hiramatsu succeeded him in April 1979. He was 55 at the time. Now 62, Hiramatsu has served two successive four-year terms and is approaching his third gubernatorial election.

Question: *Your "one village, one product" campaign was mentioned by Harvard's Ezra Vogel in his book, *Comeback (Case by Case: Building the Resurgence of American Business)*, which came out last year, as an example of Japanese dynamism. Could you explain how the idea originated and how it has developed?*

Hiramatsu: I traveled throughout Oita Prefecture during my first days in office. Everywhere I went people complained that their local industries were dying, their young people were leaving, and that there was no way they could survive without subsidies. No one seemed to have the energy to devise ways to get themselves out of this dilemma. But I was impressed with the variety in Oita's prefectural products and felt that every community must have something it could take pride in, and from this came my idea of "one village, one product." It was my aim to foment a psychological revolution by encouraging civic pride.

In November 1979, a little more than half a year after I became governor, I urged Oita's 58 mayors to seek out things in their towns and villages that they felt would have national appeal and to use these local products to foster renewed pride in their communities. I told them this local product did not have to be something that they manufactured. It could be a tourist attraction, local music or a local art or craft. The point was to find something which would stimulate the local people, especially young people, into energetic community-building efforts.

Q: *Originally two regions called Buzen and Bungo, Oita was divided into over a dozen small fiefs under the Tokugawa shogunate. Historically*

Morihiro Hiramatsu



and geographically it has always been a fragmented region. How did you get the whole prefecture behind the "one village, one product" campaign?

A: I took advantage of this fragmentation by using it to encourage competition among communities. If one community decided to make their local product *kabosu*, a citrus fruit prized for its juice, then another community could counter that with barley *shochu*, a distilled liquor, and another with fresh *shiitake* mushrooms.

Q: You have made special efforts to promote these local products, acting as Oita's salesman in advertising campaigns throughout Japan.

A: I have worked hard to sell Oita because I wanted people to know what's new and what Oita is doing. Not long ago, when we held an Oita Fair at Tokyo's prestigious Hotel Okura, we even brought in a giant fish tank to introduce our wealth of marine resources.

There was a time when *shochu* was looked down upon. Now, however, it's become a fashionable beverage offered in leading hotels and restaurants. Kitchomu, for example, is a brand of Oita *shochu* that is served at the best Ginza establishments, and Oita people living in Tokyo can be proud to say that they are from Oita. Along with revitalizing our industry, we've given Oita an identity as the home of the "one village, one product" campaign.

Q: In fact, your campaign has been so successful that Hokkaido, Kumamoto and other prefectures are also adopting it for themselves. Do you think this kind of movement will help to close the economic and social gap between the metropolitan centers and the outlying prefectures?

A: Slogans, public relations blitzes and exhortations to do better, of course, are not going to solve the outlying prefectures' problems. Selling these products must lead to a definite increase in income. At the same time, we have to find some way to overcome the traditional perception of urban centers as superior to country towns and villages. In the United States, no one would feel they'd come down in the world simply because they had moved from New York to, say, California. But in Japan, people still think of Tokyo as the nation's political, economic, industrial and cultural center, and Tokyo has been sapping the prefectures of both people and money. This isn't right.

I realize that the United States can be more decentralized than Japan is because the states came first and have banded together in a federal structure with considerable room for states' rights, but Japanese prefectures need to become strong enough to exercise "prefectures' rights." We've got to get rid of this image of being appendages to Tokyo.

There's an old saying that the way to stay healthy is to keep your head cool and your feet warm. It's the same for a country. How can we be healthy when all our blood and nutrition are being pumped to our head (Tokyo) and Japan's hands and feet (the prefectures) are left cold

and undernourished? Good government means making sure that the prefectures get their fair share of Japan's life-giving blood.

We have to make the prefectures more business minded. This is an age of local business, local competition and information networking among local governments. I'd like to see a cooperative federation of prefectures. Now that the economy has slowed down, special efforts have to be made to ensure continued economic growth in the prefectures. And this is where the gap widens between prefectural governments with strong leadership and those without.

Q: As well as being a constant source of ideas and energy, you have also invented some interesting terms. What, for example, do you mean by the "primondary" sector and your call for the abolishment of prefectures and the reinstatement of *han*?

A: The "primondary" sector refers to a new kind of industry that is neither primary nor secondary. Agriculture is a primary industry, but it's difficult to survive these days only by growing agricultural products. What's needed is value-added products. If you're growing *shiitake* mushrooms, for example, you've got to pack them and air freight them to Tokyo. They get there in just 90 minutes and Tokyo consumers are able to enjoy fresh *shiitake* mushrooms. The air freight isn't all that expensive, so, even keeping the final price to Tokyo consumers reasonable, we're able to get a much better price with just a little more investment.

All kinds of perishable foods could be handled this way. The kind of large-scale food processing company that would normally take care of the packaging and distribution is a secondary industry, but the individual farmers who take care of their own packaging and processing are more than primary and yet less than secondary; hence the "primondary."

On your second question, after the Meiji Restoration of 1868, the *han* or fiefs that had been the basic administrative unit under the shogunate were abolished and replaced by today's prefectures. In the process, however, political power was concentrated in the central government in Tokyo. This had the adverse effect of depriving the prefectures of their autonomy. Under the Tokugawa regime, each *han* was economically independent and local industries were vigorously promoted. It is this sense of independence and vitality that I would like to regain. And for this, we need a horizontal cooperative network among the prefectures instead of the vertical dependence on Tokyo that is now the norm.

Rather than having things radiate from a Tokyo hub, we need direct liaison and cooperation among the prefectures. We need to build up transportation and communications networks for the vigorous flow of people, products and information. These are the arteries and blood vessels so badly needed to get life-giving blood to this nation's hands and feet. So my call for the abolition of prefectures and the reinstatement

Every community has something to take pride in.

Prefectures need greater autonomy and stronger identity.

P R O F I L E

I'd like more "inter-local" diplomacy by-passing national governments.

The Kunisaki Technopolis will not be just another industrial park.

ment of *han* is a figure of speech referring to the need for greater autonomy and a stronger sense of community identity.

Q: *Two years ago you went to China, and last year to France, to explain your "one village, one product" campaign. I hear you had very good responses in both countries.*

A: I was invited to China by the mayor of Shanghai to talk about the "one village, one product" campaign. The response was overwhelming, and now I hear they've created their own slogans: "one neighborhood, one product" in the farming villages and "one factory, one product" in the manufacturing centers. In Hubei Province's Wuhan City, they are running a "one village, one treasure" campaign, and in Tianjin they've got "one person, one idea." All of these campaigns and projects are aimed at encouraging local initiative and imaginative applications for distinctive products.

I went to France at the invitation of the OECD (Organization for Economic Cooperation and Development) and lectured in Paris and other areas. There too, everyone caught on to my idea very quickly. My lectures were especially timely since they were in the midst of a movement in France to encourage greater local autonomy and less reliance upon Paris.

Q: *You are convinced that the local communities also have a role to play in enhancing international understanding and resolving Japan's trade friction with the rest of the world. Could you explain?*

A: We've had sister-city ties for a long time now, but these have traditionally been limited to artistic and cultural exchanges. I'd like to see an emergence of broader and more intensive regional interaction among local communities in different countries—what I call "interlocal" or maybe "interregional" diplomacy bypassing national governments.

Last August, with the help of Ezra Vogel at Harvard University, we arranged for a group of 20 young American farmers, housewives and rural school teachers to come to Oita to join community development leaders from throughout Kyushu in a Kyushu-U.S. Japan Young Leaders Conference on Regional Development held in the well-known hot springs resort of Yufuin.

Later, with some financial help from the prefectural government, a group of Oita farm wives went to California where they visited American farms and met with American farm wives. This year another group will visit Montana. I think it's important that we continue to encourage this kind of direct diplomacy.

Q: *Another major project that you are involved in is the technopolis that is being built on the Kunisaki Peninsula in the northern part of Oita Prefecture. One of 19 technopolises being promoted by MITI, this will be a pollution-free, high-technology complex complete with an industrial college, research facilities, libraries, an international conference hall, international air access and such cultural facilities as concert halls and radio stations. How will this*

technopolis contribute to the development of Oita?

A: We're already seeing the benefits. A number of major manufacturers—NEC, Sony, Canon, Toshiba and Fujitsu, to name a few—are building plants, and we've even had such American companies as Texas Instruments and Materials Research Corporation come in. The welcome these foreign-capital companies are getting is a clear indication of how open Japan really is.

The Kunisaki Technopolis is much more spread out than the conventional industrial park and will not have the closed, cold atmosphere such parks tend to create. The new production and research facilities will be surrounded by greenery and are part of a naturally engineered environment in which manufacturing and agriculture can coexist.

A conscious effort has also been made to avoid the formation of what might be called one-company towns, and we are urging the large corporations to share their technology with the smaller local companies so that these small companies can grow, maintain world-class technical standards, and develop the human resources they need to carry their own weight in the community.

Q: *With the way the yen has appreciated since late last year, there is a renewed urgency to expanding domestic consumption and changing Japan's industrial structure. How does the promotion of local industries and dynamic local economies fit in?*

A: We need a drastic change of policy. I don't see how we can get through this transformation period successfully with the same small-government and austerity policies that we have had so far. For example, we need expanded government bond issues for construction projects to expand public works spending. Savings are still strong and consumption weak in outlying regions, and this capital surplus should be channeled into public works and infrastructure. As I pointed out earlier, there are lots of railways and roads to Tokyo, but we need better transportation and communication links among the prefectures and local communities. It's not right to stint on domestic investment and consumption and to devote all of our resources to exports.

Also, while many of the large corporations are building overseas production facilities to get around the yen's appreciation, small companies can't afford that. That's why we need to encourage technology transfer to small local business, and it's going to be extremely difficult to maintain and expand the small business market without that kind of help. What we are pushing for is not company towns dependent on large manufacturers but highly diverse communities supported by a range of local high-technology companies. I look forward to the day when local industry has the people and the technology needed to produce products that are internationally competitive, because I'm convinced that that's the only way our communities are going to survive. ●