

2 Introduction

Economic History

Historically known as Yezo, Hokkaido played little part in Japanese life until late in the 19th century. Favouring the more temperate parts of the archipelago, the Japanese left the cold and wild northern island to the Ainu, an indigenous minority who some anthropologists believe share roots with the Inuit.

As Japan rushed to industrialize after 1870, exploiting Hokkaido's untapped agricultural and mineral resources became a national priority. Even today, the Hokkaido Development Agency continues under the auspices of the Prime Minister's Office.

A colonization commission was established in the 1870s and troops dispatched to develop and defend the island. American technical assistance was used widely in the early stages of development — which explains why many Hokkaido farms look distinctly North American.

In the following century, primary and heavy industries became the focus of attention.

Hokkaido reached its economic peak in 1972, the year that Sapporo hosted the Winter Olympics and brought the island to the centre of international attention. However, with the onset of the first "oil shock" in 1973, virtually all pillars of the local economy began to crumble. Hokkaido has been scrambling to recover ever since.

With the help of national assistance provided by general regional expansion programmes and by provisions for depressed coal mining areas, Hokkaido has increased tourism and food processing activities to help fill the economic void. New industrial and research parks have also been established to draw activity away from overcrowded Honshu.

Large-scale public works projects — particularly the 53.8-km Seikan Tunnel connecting the island to Honshu — have helped support Hokkaido through the worst of the crunch.

Thanks to these efforts, the island is now off the critical list. By 1987, the economic growth rate had rebounded to 6.6 per cent — higher than Tokyo's 5.4-per cent growth rate for the same year.

At ¥14.4 trillion (1988), Hokkaido's gross domestic product (GDP) may not be the largest of Japan's regional economies, but it puts the island in the same league as Belgium or South Korea.

Demographics

One of the most notable contrasts between Hokkaido and other regions of the country is the island's spaciousness — a rare find in overcrowded Japan. At 72.3 people/km², the island's population density is 20 per cent of the national average. This added elbow room creates a lifestyle significantly different from the rest of the country.

According to 1988 statistics, Hokkaido is home to 5.69 million residents, or 4.6 per cent of Japan's total population. The region's high unemployment rate — 3.7 per cent in 1988 versus the national average of 2.5 per cent — resulted in a net population decline of -0.02 per cent as residents left the region in search of jobs.

Island leaders are particularly concerned about the exodus of young and well-educated residents. Of 3 989 science and engineering graduates in 1990, only 791 found jobs in Hokkaido.

The population is split equally between rural areas and small towns and the island's six major cities. The capital city, Sapporo, has a population of 1.69 million. It registered the highest growth (19.3 per cent) of any major Japanese city between 1980 and 1990. Of the five other major centres — Asahikawa, Hakodate, Kushiro, Otaru, and Obihiro — none has a population over 400 000.

With over two million households (1988), Hokkaido has fewer people living under each roof (2.77) than all but two other regions in Japan. The island is remarkable in this respect as three-generation families are the rural norm.

The population structure compares to the national average. Just over 11 per cent of all residents are over 65 years of age, while just under 70 per cent are between 15 and 64.

In 1985, the workforce stood at over 2.6 million. The tertiary sector was the largest employer (64 per cent), followed by the secondary (24 per cent) and primary (13 per cent) industries.

Nearly half of all Hokkaidans pay rent and rental accommodation on the island is more spacious than in any other region of Japan. At ¥436 000, monthly household incomes are slightly lower than the national average (¥495 849), while average household expenditures are estimated at ¥370 318 (versus ¥390 904 nationally). In 1989, the average annual salary in Hokkaido was ¥3.3 million compared to the national average of ¥3.6 million.