SNOW COUNTRY: SKIING, GLOBALIZATION, AND
RURAL ECONOMIC DEVELOPMENT IN JAPAN

A THESIS SUBMITTED TO THE GRADUATE DIVISION OF THE
UNIVERSITY OF HAWAI‘I AT MĀNOA IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF

MASTER OF ARTS

IN

ASIAN STUDIES

AUGUST 2016

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Keywords: Japan, tourism, skiing, rural development

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Dedication

This thesis is dedicated to my mother, Carole Allen, who unfortunately passed away in 2014 shortly before I received word that I’d been awarded a scholarship to conduct research in Japan. Despite living some 6,000 miles away and knowing little about the country, her encouragement of my aspirations was always a source of strength.
Acknowledgements

I am indebted to numerous parties for their assistance during the course of my research. I am grateful to all of my interviewees—their willingness to share both their time and opinions was fundamental to helping me understand the Niseko region’s development experience. I benefitted from the guidance of several faculty members of Hokkaido University, most notably Professors Noriaki Nishiyama, Katsuyuki Nishikawa, and Tadashi Endo. I’d also like to thank Hokudai’s Center for Advanced Tourism Studies for hosting me as a research student, and the Japanese government’s MEXT scholarship program for making my fieldwork possible.

My earliest interest in Japan was kindled by Professor Samuel Yamashita of Pomona College, and I am deeply thankful that I signed up for his classes. While at UH Mānoa, I was fortunate to take classes with and receive advice from Professors Lonny Carlile and Yuma Totani, both of whom also graciously served on my thesis committee. My committee chair, Professor Mary McDonald, helped shape this project from its beginnings; her patience, insight, and optimism were instrumental to its completion. I’ve also been the beneficiary of Professor Gay Satsuma’s procedural guidance and am very appreciative of her constant efforts on my behalf.

Allison Uchima has been a leading presence in my life for the past decade; her intellect and fortitude encouraged me to continue challenging my academic boundaries and I am lucky to have had her at my side. And finally, I owe more gratitude than can be conveyed here to my father, Mel Allen. His unerring support has indelibly enriched my life and I hope that this project’s completion can begin to repay some of what he has given.
Abstract

Hokkaido’s Niseko region is now Japan’s most famous ski destination, attracting tens of thousands of winter recreationalists each winter to its powder-draped slopes. The overwhelming majority of these skiers and snowboarders are now foreigners. Yet, just fifteen years ago the mountain and its ski resorts were practically unknown outside of the country. This thesis examines the area’s rapid transition to a globalized tourism model and discusses why this occurred, how it has positively and negatively impacted the surrounding towns, and what other Japanese rural municipalities can learn from Niseko’s development experience. Following Pred (1984), the case study is contextually located across several intersections, including the area’s and Hokkaido’s historical legacies, the individual biographies of regional stakeholders, and the tension between localities and globalization in the process of place-making.

The present study was conducted from the summer of 2015 to the spring of 2016, and focused on personal interviews with area government officials and local residents that have been involved with Niseko’s rapid change. The thesis first covers the evolution of mountain recreation and skiing in Japan, then moves to an overview of the Niseko region. It details the economic and demographic benefits that inbound tourism has brought, as well as the negative consequences of the area’s largely unmanaged tourism industry and the difficulties it has faced in its efforts to become a year-round destination. Before concluding, several proposals are offered that might assist other areas seeking to capitalize on or increase inbound visitation to their regions. By looking at globalized ski tourism in Niseko, this study highlights a potential new paradigm for revitalization efforts in Japanese rural communities.
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The entry for Tuesday, January 19th, in the “1,000 Places to See Before You Die” 2016 desktop calendar reads, “Winters can dump up to 50 feet of powder snow on the mountains of Japan’s Hokkaido Island. Niseko, a resort area increasingly popular with Australian skiers, gets more of this perfect snow than top North American sites like Whistler and Vail could dream of, creating some of the world’s greatest ski runs” (Schultz, 2015). A consumer calendar is perhaps not the usual place to read about a location that is reshaping a country’s tourism paradigm, but this mountain destination, located in rural Hokkaido far from Tokyo’s busy entertainment districts or Kyoto’s historic temples, is, from a tourism perspective, arguably Japan’s most significant. Over the past 15 years it has rapidly developed to become the country’s foremost ski resort, and is one of the few within Japan’s flagging ski industry to be experiencing growth. The way in which this has been accomplished forms the overall inquiry of this thesis, with special attention paid to the area’s utilization of a globalized tourism model which focuses on inbound visitors rather than domestic guests, and whose principal actors have been foreigners, not Japanese.

The resort’s rise and current domination of Japan’s inbound ski market is easily summarized with a single statistic. According to a report in Nippon no Gelende (ニッポンのゲレンデ), a magazine about the ski industry published each autumn, during the 2014-2015 season more foreign skier visits—an estimated 390,000—were recorded at two of Niseko’s resorts, Grand Hirafu and Niseko Village, than the estimated 356,385 foreign visits totaled by the other 54 ski areas on the magazine’s list combined (Anon., 2015). While some of the country’s ski areas did not provide statistics for this survey, the result is still staggering, and indicates that for
many foreign skiers the Niseko region (including neighboring Hirafu) has essentially become synonymous with Japan’s entire ski industry.

Given its geographical position, many questions relating to Niseko also pertain more generally to Japan’s rural areas. When looking at “the regions” of Japan or their development from an academic perspective, one is immediately faced by a host of interrelated processes that are of great concern to Japan’s future. When a periphery is suspended between a growing world economy, boom and bust economic bubbles, and rural decline, where and how can tourism work? How, when, and where do non-local forces and global economic forces arrive in a periphery? How do newcomers, whether they are investors, tourists, workers, or new residents, attach to Japanese communities? What are the observable or felt impacts and adjustments in the local economies, and is this economic development? If it is, to what extent can the local or national state be credited?

Many of these issues remain unanswered. There has yet to be much academic study—particularly in English—of Japanese localities as global leisure or sports destinations. Because I see Niseko as an area that can provide a case for the study of the above questions, I have undertaken the present research with the help of a MEXT scholarship, allowing me to study and interview in Hokkaido. This thesis presents my findings concerning three main questions related to the area’s changing circumstances since the early 2000s: first, why was it Niseko which initially attracted international attention, and not other ski destinations within Japan? Second, how has international investment and an increase in foreign visitors affected the region’s demographics, and what types of impacts, both positive and negative, has the rapid tourism development caused on those living nearby? And finally, how can Niseko’s experience with tourism globalization provide guidance for other areas of Japan that seek to revive their
economies through tourism? While this paper’s case study is Niseko and its ski resorts, common rural problems, such as depopulation, a scarcity of employment, and a lack of optimism about the future, are challenges facing many Japanese localities. If these issues have been noticeably alleviated in the Niseko area, it follows that the region’s development experience may be relevant not only for snowy mountains with lifts, but also for a wide swath of the Japanese countryside looking for new ways of achieving local revitalization.

Methods

The questions for this thesis were framed by literature in several intersecting fields of Japanese Studies. They could be answered by reading documents, as well as by speaking with local stakeholders in the ski areas of several towns in Hokkaido. I conducted my field work from the summer of 2015 through the spring of 2016, primarily through interviews with both foreign and Japanese regional stakeholders. These interviews were typically around one hour long and were voice recorded; they were then transcribed for use in this document. Quotes will not be attributed to specific individuals, in order to preserve the anonymity of my interviewees, but their employment roles and interview dates are listed in my appendix. I formally spoke with 5 foreigners and 6 Japanese, whose occupations ranged from area business owners, hospitality managers, local government officials, a consultant to several Japanese ski grounds, and one professional skier. I also engaged in participant observation by visiting the Niseko region frequently during both summer and winter, as well as traveling to several other ski resorts in Hokkaido for comparative purposes. The interviews serve as the backbone of my case study section. To my knowledge, this study is the first in which the opinions of local stakeholders—
those who have been actively participating in the growth and development of the region’s tourism industry—are heard in an English academic setting.

The municipalities in this study are located in western Hokkaido. They are Niseko (Niseko-chō), an independent town as of this writing, Kutchan Town (Kutchan-chō), and Kutchan’s subdistrict of Hirafu, which borders Niseko town and is the largest, most important accommodation center for the ski destination commonly known as Niseko. These towns lie near two major mountains: Mt. Annupuri to the west, on whose slopes lie the main ski areas, and Mt. Yōtei to the east, an imposing stratovolcano whose beauty is a major regional selling point. The Shiribetsu River flows between the two mountains on its way to the Sea of Japan. Rail stations are located in Niseko, Hirafu, and Kutchan, following the Hakodate Main Line, a path of settlement by the Japanese in Ainu lands during the late 19th century (Mason, 2012). However, in the present-day these rail stations are small and served primarily by one-car diesel trains, making automobiles a near-necessity for local residents.
Can tourism stimulate Japanese regional revival?

This study hopes to contribute to the academic understanding of tourism in Japan’s space-economy. Japanese tourism practices have attracted researchers, particularly after Japan’s domestic “economic miracle” of the 1960s and 1970s created a more leisure-friendly society. One significant work was Graburn’s 1983 book *To Pray, Pay, and Play: the Cultural Structure of Japanese Domestic Tourism*, as well as his 1998 article, titled “Work and Play in the Japanese Countryside,” in Linhart and Fruhstuck (1998). Carlile (2008) traced the ways in which the Japanese government’s tourism policy has changed in the post-war period, while Soshiroda (2005) examined a similar theme dating back to 1859. The problems associated with Japan’s “resort boom” of the 1980s and early 1990s are covered well by both Funck (1999) and Rimmer (1992). Furthermore, recent efforts at using tourism for rural revitalization, including regional branding schemes and non-traditional tourism, such as farm tourism, have been well-chronicled. Jones et al. (2009) examined the “Shinshu brand” of the Nagano region; Arahi (1998) surveyed rural tourism’s potential and “farm inns”; and Knight (1994 and 2000) explored how Japanese forests have been repurposed from timber to tourism and how villages have attempted *mura okoshi*, or village revitalization.

Several trends emerge from these and related studies. To summarize briefly, a significant number of Japanese currently prefer to spend their tourism money abroad, resulting in an outflow of money from the domestic economy. The collapse of numerous bubble-era resorts has left many towns with underutilized or entirely useless facilities, in addition to debts accrued as the result of public-private leisure investments. Peripheral population decline continues to be an unfortunate reality throughout Japan in the 21st century, and yet, some of those same regions are
still highly attractive for leisure: the pastoral, the *furusato*, and the “natural,” these, or
commoditized versions of them, are still sought by recreating city dwellers.

The somewhat dated but venerable “resort life cycle” model, first proposed by Butler in
1980, also relates to tourism and rural revival. Although the theory has been disproven in some
cases (Agarwal, 1997), the idea of resorts having a “life cycle,” rings true for the challenges of
Japan’s older domestic destinations. Under this model, places pass through distinct stages of
development and ultimately either “rejuvenate” themselves or enter a decline; this suggests basic
questions about Niseko’s particular circumstances that I will further examine in Chapter 3. For
example, is the area’s current situation a type of second-coming, having undergone rejuvenation
so drastic that it almost qualifies as a completely new resort region? Is the current boom period
also beginning to show signs of maturation, and will issues of overcapacity present the real
danger of future stagnation and/or a decline? The cyclical nature of Butler’s model bears more
than a passing resemblance to what has transpired in Niseko, even if other elements of his theory
do not hold. For one, we must now account for the process of foreign capital inserting itself into
the town, suggesting the cycle to be driven more by the dynamics of capital accumulation than
by a life cycle. And secondly, Butler’s original model assumes that local control occurs during
the “involvement” stage, but we must ask whether and how the local can manage rapid resort
growth at this level.

How do we see global economic inflows attaching to places in Japan? The bubble
economy of the 1980s left the real estate sector both attractive and vulnerable to an ensuing wave
of purchasers from abroad, as I will discuss in Chapter 2, yet how could some distant regions be
of interest to foreign investors? And is it true that Japan’s globalization is “managed
globalization,” as seen by Schaedel and Grimes in their 2002 book *Japan's Managed*
Globalization: Adapting to the Twenty-first Century? The authors argue that government policies continue to support domestic businesses and shield them from full global competition, but this protection is incomplete due to a decline in state power since the 1990s. They call their concept “permeable insulation.” I will ask through this research whether this has been true for Niseko, or if my case study instead shows that some sectors of Japanese industry—e.g., tourism—are internationalizing with very little public sector involvement, leading to a state of “unmanaged globalization” that is now challenging both local and national agencies to respond. Interestingly, this book was published in the same year that Niseko’s inbound boom began. My questions and findings about this process in Chapters 4 and 5 demonstrate a lack of control by both regional and local governments; this does not support the permeable insulation model for Japan’s tourism industry.

Underlying all of the above is the idea of place and place-making: by what means does a locality define itself, and how do contextual elements like history, nature, and social conditions negotiate with one another to give rise to present-day circumstances? The idea of place as a continuous process, as articulated by Pred (1984), is useful when considering the various factors that contribute to a given area’s development. As much of this thesis is concerned with the reasons behind Niseko’s recent inbound growth and how that has affected local residents, it is a study of place. My case study sections will employ Pred’s language and framework to emphasize that the region’s current status is the result of numerous intersections, and that these influences continue to operate in shaping the area’s future.
Conceptualizing the Japanese ski industry and Niseko

In contrast to the Japanese tourism industry as a whole, English work on Japan’s ski areas is relatively scarce. Okpyo Moon conducted an anthropological study of one village with a ski ground in 1989, but as the industry’s situation has changed significantly since the 1980s its current relevance is somewhat limited. Also writing during Japan’s ski boom, Shirasaka (1984) created an interesting typology of ski resorts, in which mountains were divided into three types—National, Regional, or Local—according to factors such as the total length of their ski lifts, the number of days during which the resort is open, and where the guests were drawn from. The study is useful for its snapshot of the industry at that time but its current relevance is again limited by its age: disregarding the fact that the “International” resort, of which Niseko is now certainly a member, did not yet even exist, all of the “National” resort examples are drawn from Honshu (Nozawa Onsen, Shiga Kogen, Naeba, Zaō Onsen, Hakuba, etc.)—Hokkaido is nowhere to be found.

More recent work does exist, although it is not common. While not academic, in a piece for The New York Times Brooke (2005) chronicles the many struggles which Japan’s contemporary ski industry has faced, while noting that an Australian company had recently purchased Niseko Hanazono—this purchase will, of course, be discussed later in this paper. One of the few academic articles was done by Kureha (2008) of Tsukuba University, whose study “Changing Ski Tourism in Japan: From Mass Tourism to Ecotourism,” also traces the major decline in skier visits that occurred in the aftermath of the bursting of Japan’s bubble economy. Toward the end of his piece, the growth of Australian ski tourists visiting Niseko is mentioned, as well as the importance of future diversification for Japan’s ski industry. Kureha argues that the domestic model, which typically catered to large numbers of skiers who were satisfied
sliding down crowded, groomed slopes, should move to embrace alternative forms of winter entertainment, such as off-piste skiing, as well as other leisure activities, like snowshoeing or cross-country skiing. All of these activities are summarized as a type of “ecotourism.” As will be explained in Chapter 3 of this paper, Niseko’s embrace of off-piste skiing played an important role in its ability to attract foreign skiers, so Kureha’s thoughts here are significant.

Given the relative newness of its growth, writing specific to the Niseko region is somewhat rare in both English and Japanese. Of particular note is that previous coverage of Niseko has, for the most part, not explored the impact on the local community or why the development has occurred: the “what” of the situation is covered but not the “why” or the “how.” The aforementioned Kureha wrote a piece in 2014 which looked at recent spatial change in greater Niseko’s Hirafu Village, and his article provides a good overview of how extensive the condominium development has been. However, it does not delve much into the reasons behind that development, or how Hirafu’s tourism has affected the surrounding towns. Similarly, a short 2011 article in The Financial Times by Robbins discusses some of the larger development corporations that were coming to the region, but does not look at whether this was helpful or harmful for local residents. A 2013 Japan Times piece also chronicles the increased inbound ski tourism, as well as the immediate effects of the Tohoku earthquake and radiation scare on visitor numbers, but again neglects real examination of the reasons behind Niseko’s rise (“Niseko Puts Faith in Powder to Revive Tourism Boom” 2013).

Slightly more is written about the area in Japanese, including a paper by Endo and Ohseko (2010) which focused on the area’s internationalizing tourist base, and particularly the increasing numbers of guests coming from Asia, rather than Oceania. Ozawa (2011) provides a detailed history of skiing in the Niseko region, from its beginnings around 1912 through the
onset of the current foreign boom, with a concentration on space composition, in a similar vein to Kureha’s article mentioned above. For a thorough account of the region’s development, to coincide with the resort’s 50th anniversary, the Committee for Publishing a History of Ski Resort Development at Hirafu released a 215 page book in 2011, titled *A History of Powder Skiing in Niseko*, as well as a very abridged (30 pages) English version. Unsurprisingly, the majority of these books are devoted to the pre-2001 time period, leaving the current situation under analyzed. While present-day Niseko has not been completely ignored by researchers in either English or Japanese, previous work has prioritized the region’s history and current tourism trends, leaving the wider impacts of those trends—and the relevance of Niseko’s development model for the Japanese tourism industry as whole—largely unexplored.

Finally, an important model for my questions about Niseko is Yamamoto and Gill's (2002) “tourism production system,” as articulated in their case study of Japanese tourists visiting Canada’s Whistler resort. When turned around and applied to inbound Japanese tourism rather than outbound, it provides a strong framework for understanding why so many foreign operators in the Niseko region have found success. Yamamoto and Gill argue that guests are channeled to certain destinations based on established supply-side relationships—for example, a company in the origin market country has links with an accommodation or tour provider in the destination country, and this strongly influences where outbound travelers will choose to visit and stay. I suggest that it has not been a coincidence that Niseko’s tourism has been heavily influenced by the nationalities of those developing accommodations in the area. First, it was Australians building and aiming at other Australians, while more recently it has been Asia-based corporations purchasing or constructing hospitality sites. Subsequently, and in line with Yamamoto and Gill’s model, do we see major increases in visitors from Asia? These trends are
investigated and further discussed in Chapter 4. The concept of a tourism production system, in which supply-side linkages can determine which potential visitors ultimately become inbound customers, seems very relevant to present-day Niseko.

My following chapters investigate the arrival of a global wave of tourism investment in a Japanese periphery. Chapter 2 will ask how Niseko’s development was shaped through questions about the tourism industry in Japan, how skiing came to the country, and how resorts fared throughout the 20th century, especially during the “ski boom” that began in the 1980s and abruptly ended in 1994. Chapter 3 will examine the Niseko region, and ask why the first foreign investment came to that particular mountain and not elsewhere in Japan. Chapter 4 asks how Niseko’s increased inbound ski tourism has fit into the two closest municipalities, Niseko town and Kutchan, and then examines some of the positive impacts that have resulted from that trend. Chapter 5 is devoted to the problems and negative impacts that have resulted from Niseko’s inbound tourism model, and also contains a few suggestions for other areas of Japan that might seek to emulate the region’s recent development strategy. Finally, I offer some concluding thoughts and briefly discuss why this area remains such a phenomenon within Japan’s tourism industry.
Chapter 2
Mountain Transitions and the Resortification of Japan

Skiing, sport, and even tourism are all part of a larger category: leisure, or to use the Japanese loan-word, *reja*. Some authors have argued that, considering this commonly-used word derives from a foreign language, the very concept of “leisure” is to Japan something of a borrowed notion (Linhart and Fruhstuck, 1998). Yet, regardless of linguistic arguments, activities that can at least partially be classified as *asobi*, or play, have a significant history within Japanese society, pre-dating the Meiji Restoration and the founding of a “modern” country.

As in many pre-industrial countries, the time investment required by an agrarian economy limited the initial growth of leisure pursuits in Japan. In the countryside, religious festivals served to some extent as time for “play.” Given the stratified nature of Edo-era society and the strict prohibitions on citizens moving about the country, religion also provided one of the only legitimate reasons for ordinary people to participate in travel. The practice of pilgrimage had existed for centuries in Japan but grew in scope during these years, owing to the newly unified nature of the country, as well as the roadways maintained to support the mandatory *sankin kōtai* system, in which regional feudal lords were required by the Bakufu to travel to Edo and spend alternate years in the capital. Often done as a group, called *kō*, pilgrimages tended to focus on visiting specific destinations, such as famous temples, shrines, or holy summits (Berque, 1993).

During the Tokugawa era, urban centers, especially the new capital of Edo, experienced major population growth and flourished economically, and here the aforementioned stratified society, in which most citizens had no possibility for social advancement, led to excesses of energy being channeled into a world of pleasure seeking and entertainment, largely creating the
well-known culture of the floating world: *ukiyo-e* (woodblock prints and paintings that typically featured portraits of courtesans, other scenes from the pleasure quarters, and landscapes/travel scenes), *kabuki* (dramatic) and *bunraku* (puppet) theater, and its accompanying *shamisen* music (Linhart and Fruhstuck, 1998). Many people also ate, drank, and socialized during *hanami*, the cherry blossom viewing tradition of spring.

Japan swiftly industrialized during the Meiji era, and as occurred in the West, industrialization also brought many new forms of leisure to the increasingly affluent (both in money and in free time) populace. It is at this time that the idea of sport as a leisure activity began to assert itself. Previously, things like the martial arts had existed within the country, but those activities which fall under the umbrella of *budō*—for instance, archery and swordplay—were more moral and physical exercises than they were "sports," or competitive activities with enjoyment as the ultimate goal. The appellation "*dō,*" as in *kyuudō* and *kendō*, meaning "Way of," was intended to express the moral aspect of these pursuits, showing them to be more akin to disciplined practices like *sadō*, Japan's tea ceremony, than to something like baseball or golf (Linhart and Fruhstuck, 1998). It is also significant that, prior to Meiji, the class system restricted such militaristic activities to the samurai, and thus the spread of sport as a mass form of leisure was not possible.

The abolition of class stratification, the end of the prohibition on travel, the advent of industrialization and its accompanying relative affluence—all of these combined to lead to major changes in how leisure was practiced by Japanese society. Here, the relevant aspect of this transition is the development of skiing in Japan and the way in which mountains were transformed from places of religious mystery to full-service leisure destinations, in both summer and winter. These changes eventually led to the existence of Japan's first ski grounds as well as
the surprising popularity which greeted this new sport during the beginning of the 20th century.

Transitions in thought during the Meiji Period

The name of Japan's central mountain range was not invented until 1896, when a foreigner named Walter Weston published *Mountaineering and Exploration in the Japanese Alps*. These "Japan Alps," as they're now known, run throughout the center of Japan's main island of Honshu but had never been collectively conceived of before this time, being viewed rather as a disparate series of peaks that, at most, could be grouped into several regional ranges (Wigen, 2005). Individual mountains often had several names, and topographical maps issued by the prefectures were quite lacking, with numerous errors in the contour and drainages of slopes. Guidebooks for potential climbers were almost non-existent in Japanese; as one man complained at the time, "Most merely name the ranges, or say that such-and-such a mountain exists, in the style of a place-name index..."(Wigen, 2005). In short, before this time, the way in which the region, and mountains in general, were conceived of betrayed a lack of scientific geographical knowledge, whereby the smaller can be imagined as part of a greater whole and categorized accordingly. The naming of the "Japan Alps" was the first sign of the mental shift that was to occur over the next two decades.

One reason for this lack of knowledge was the insufficiency of the period's infrastructure. It was exceedingly difficult for a Tokyo urbanite to access mountains even as nearby as those found in Nagano prefecture, which today amounts to only about a two to three hour trip by rail. In the late Meiji period, however, this ease of access simply did not exist—while rail was present in major urban centers, such as the line between Yokohama and Tokyo that had been constructed in 1872, it had not yet reached many rural areas, including the interior Chubu region where the
Japan Alps lay. Rail first stretched into Nagano in 1888 and Niigata in 1904, and while rail lines into more peripheral regions like Tohoku and Hokkaido were gradually constructed for resource extraction, it continued to take considerable effort to simply reach a mountain’s base. A sample itinerary, written by one of the leading proponents of alpinism at the time, Shiga Shigetaka, proposed a trip from Tokyo’s Ueno station to Naoetsu, a port city in Niigata prefecture, via a climb of Mount Norikura, a well-known summit on the border between Gifu and Nagano prefectures and Japan’s third highest volcano. The estimated time for this journey was an entire month (Wigen, 2005).

The lack of infrastructure also contributed to the seasonal nature of rural visitation, with almost all trips to alpine regions taking place during the summer and early autumn, before winter in these snow-filled districts came down in force and made them nearly inaccessible from late November until the spring thaw. Wigen writes that “vast stretches of alpine Japan remained almost deserted, especially in the beautiful fall and winter seasons…” (Wigen, 2005). This seasonality had serious consequences for businesses that relied on travelers, including onsen. Driven by the same volcanic processes that had produced the peaks that often sat at their backs, hot springs were (and still are) widespread throughout Japan, but the inability of visitors to reach these areas during the winter meant that the innkeeper’s ability to remain open during the colder months of the year was extremely limited. Combating this issue would prove instrumental to the development of skiing in Japan, about which more will be said later.

Meiji-era Japan was, thanks to the unequal treaties signed with Western powers, very concerned with its status as an “advanced nation,” and this comparative consciousness also permeated the rhetoric of mountain exploration. Japan’s lack of progress in alpinism when compared with the West was lamented by the writers of the time, such as Shiga and his disciple
Kojima Usui, and efforts at climbing exhorted as one means by which Japan could raise itself as a nation. Given the association between standing atop a peak and “conquering,” it particularly rankled that many of Japan’s peaks were being climbed by Western mountaineers, such as the pioneering 1860 climb of Mt. Fuji by the British diplomat Rutherford Alcock (Alcock, 1861).

Additionally, to Shiga and his contemporaries the mountains were about education and seeking new perspectives on one’s world. This mountain-inspired enlightenment was thought to take two distinct forms. The first stemmed from a belief that abundant scientific knowledge about the world could be found through mountain climbing. The alpine was viewed as a laboratory, and climbers of the time would carry notebooks to catalogue the various flora and fauna they might find, in addition to making observations about geology and climate. The charter goal of the Japan Alpine Club, founded in 1905, was "to pursue scientific, literary, and artistic studies of mountains and all the phenomena therein, including alpine forests, lakes, streams, meadows, waterfalls, fauna, flora, rock formations, and meteorology..."(Wigen, 2005) This practice gave mountaineering a scientific sheen, underscoring the way it was viewed as more of an educational endeavor than a pleasurable one.

There was also a strong link between scientific observation and sensory exaltation: through the cultivation of a "mountaineering spirit," the enterprising climber will, standing on a peak looking down on the world below, not only comprehend the nature of the physical earth but also experience a type of personal epiphany. As Shiga wrote in his 1894 book Nihon Fūkeiron (On Japanese Landscape),

“When you gain the summit and look down, it is as though a gorgeous painting were opening up at your feet, revealing the contours of the earth’s surface spreading out before you. Once you gain this view, you will feel as though you are no longer in the realm of human things, but have been lifted up above the heavens...Such a sight will make your heart expand, and your spirit will soar. Once you have experienced the sublime qualities of mountains; once you have awakened to their magnificent splendor; once you have taken a deep breath of the alpine air...then your mind will become like those of the gods and sages, and you will experience firsthand the glow of divine wisdom...”(Wigen, 2005).
As described by Shiga this experience has religious overtones, hearkening back to ideas about the alpine as a "world of the gods," but importantly, the insights here are gained through an active participation in the mountains, rather than an observation of them, as was common in the pre-Meiji era. The calls for an enhanced mountaineering spirit during the later stages of the Meiji period were focused on the ability of mountains to educationally supplement human experience—Kojima writes that one could "experience the changes of four seasons in a single day; both temporally and spatially, [mountain climbing] offers a compressed, intensified experience of the cosmos…"(Wigen, 2005). This vision of the alpine as a learning ground was a distinct change from the religiously-oriented position that had preceded it, and a general change in consciousness was occurring that embraced active participation in areas which had previously been seen only as sacrosanct destinations for pilgrimage.

**From education to recreation**

In 1910, skiing was first introduced to Japan via Austrian military officers who had come to the country to conduct inspections of the Japanese armed forces (Kureha, 2008). This marked the beginning of a new transition in thought regarding the mountains: they were to become locations not for education and enlightenment, but for fun—for leisure. In a surprising departure from earlier times, this would particularly be true during the winter, with activities like skiing being popularized and, owing to increased infrastructure and the access it provided, drawing ever-larger numbers of people to snow-clad landscapes. Several magazines and journals of the period, published in Japan but written in English, attest to the new types leisure being popularized within the country. The images and stories contained within these works provide evidence that, increasingly, the mountains of Japan were to become playgrounds for both
Japanese and foreigners alike.

The 1939 issue of *Japan in Pictures: Overseas Edition* has a remarkable advertisement on its opening page. Placed by the Board of Tourism Industry and Japanese Government Railways, the caption reads, “Fresh Snow Calls the Skier: A party of three breaking trail through virgin snow on Mt. Norikura, popular skiing resort in the Japan Alps.” The left page holds a large photograph of a skier in flight, soaring through the air, while the right shows the winding steps of skiers hiking up the mountain’s side.

Lifts, of course, did not exist in Japan until the post-war period, so any type of alpine activity, including skiing, required one to move up the slope under one’s own power. Accordingly, skiing’s attractiveness in the 1920s was greater among a certain subset of the population, especially college students, due to its novelty and the fitness requirements (Ozawa, 2011). Yet in 1939 it appears that, while not as popular as a spectator sport like baseball, it had nonetheless grown considerably—enough that a mountain could now be seen as a “resort,” a significant departure from the way in which alpine areas had previously been conceived.
This is reinforced by a second article found in this journal, titled “Skating and Skiing in Japan.” Covering two pages, it opens with this revealing paragraph:

“There used to be a time not so long ago when the Japanese people as a whole looked forward to as mild winters as possible. For winter meant long hours indoors, huddling over charcoal braziers to keep warm. Outdoor recreation in that chilly season was unknown. But the introduction of winter sports has changed all that. In sharp contrast, today, many thousands pray for the snow to be heavy and the thermometer to drop as much as it may below the freezing to point to assure the best conditions for skiing and skating.”

The way in which winter was viewed had changed with the introduction and popularization of snow sports. No longer were the cold months merely a non-productive time, when agricultural work could not be performed—they now held their own benefits, as the period in which the new sports of skiing and skating could be enjoyed throughout much of the country. Furthermore, this article also points to the changing demographics of participants in skiing, with the author writing, “Skiing is popular not only with men but with women as well. The number of feminine enthusiasts is legion.” The piece itself is written by a Ms. Leslie Nakashima, and this broadening of the audience again points to skiing being something more than a niche pastime for the populace. Perhaps most remarkably, the article goes on to talk about how those who were unable to leave Tokyo managed to participate:

“For the benefit of those unable to get away from Tokyo, skiing has been brought to them right in the metropolis. Snow is transported from the north by train and is spread over a 150-ft. high schanze built in the Korakuen Stadium, where ordinarily professional baseball is played. For a nominal admission charge, the ski enthusiast can enjoy the fun and thrill of jumping or slaloming. It is a novel sight to see people, in skiing costume and with skis on their shoulders, making their way into the stadium right in the heart of the capital.” (Anon., 1939).

Another journal was titled Travel Bulletin, and was published by the N.Y.K. shipping company, or Nippon Yusen Kaisha, which has been Japan’s foremost shipping line since the Meiji period and ran a number of cruise routes between Japan, Asia, North America, and Europe, prior to WWII. In the January issue for 1936, a short but very interesting article written by Ms. Barbara Perkins is titled “Why I Like Wintering in Japan.” Skiing was again the focus of winter leisure in Japan, with the author saying, “Under the radiant sunshine, which is such a fortunate
feature of a Japanese winter, skiing is one of the best of sports.” The popularity of the sport amongst the domestic market is also remarked upon, as “Japan took it up with unbounded enthusiasm when it was introduced there some twenty-five years ago…Annual championships are now held, so are inter-collegiate contests, under the auspices of the National Skiing Association.” (Perkins, 1936).

Besides skiing, the Perkins article also introduces an additional advantage of leisure in the mountains: the *onsen*, or Japanese hot spring. As she states, “It’s not only the dramatic slopes and the snow conditions that make [skiing] so popular—it’s also the inviting inns at the spas, where a hot-spring bath and a warming and subtly-cooked meal await you after a session in the snow.” As mentioned earlier, before the advent of winter sports, *onsen* were almost solely warm-weather destinations, and many early ski grounds in fact resulted from innkeeper efforts to attract business during the months of snow (Shirasaka, 1984). Yet the frontispiece of the January 1936 *Travel Bulletin* is a photograph of a snow-encased wooden building with a caption reading, “Snow View at Seki Hotsprings.” It appears that attitudes toward *onsen* as a strictly seasonal venture had changed, as well.

A third journal, *Travel in Japan*, a quarterly published jointly by the Tourist Industry Board and Japanese Government Railways, provides further evidence that hot spring bathing had become an important element of visiting mountain destinations. The article appears in the Winter 1938 edition, and is titled “Mountain Hot-Spring Inns.” After an introduction, the great popularity of mountain *onsen* is mentioned: “The Japanese as a nation have a passion for hot bathing—a fact which accounts for the great popularity of hot-spring resorts practically throughout the year. Spas in mountainous country are particularly lively in the winter and summer when they become headquarters for skiers and for mountain-climbers respectively.”
This passage shows that winter sports had an appreciable impact on the usage patterns of hot springs: the strategy of building ski trails behind *onsen*, combined with the rising popularity of skiing, resulted in an increase of winter travelers and caused hot springs to now be popular throughout the entire year. It even appears that winter had become something of a high-season for mountain-based *onsen*, a far cry from the deserted nature that characterized winter in these areas during earlier decades.

**The post-war period: constructing a nation of leisure**

World War II put a sudden halt to further ski ground expansion, but Japan’s eventual postwar “economic miracle” revived tourism development almost as quickly. By the 1980s, the country’s first mountain playgrounds had been joined by large numbers of golf courses, theme parks, and beachside developments, as Japan charged headlong into its attempt to become a “resort archipelago.” As early as 1969, leisure was viewed as a potential path for bringing stimulus to the periphery, with the “New National Development Plan” suggesting resort facilities be constructed to attract newly-affluent urban Japanese (Funck, 1999). However, the oil shock of 1973 ended these plans, and it was not until other attempts at building an industrial base in rural areas had conclusively failed that tourism and the service sector moved back to the forefront. Beginning in the early 1980s and culminating in the 1987 passage of the “Resort Law” (officially: Law for the Development of Comprehensive Resort Areas), Japan’s central planners emphasized the need to create a “resort archipelago” as a means of both enriching rural regions as well as decreasing the number of hours worked by urban workers. The government consciously sought to encourage city dwellers to allocate more time for leisure, at least partially
in reaction to international pressure, as something that would allegedly bring Japan more in line
with working situations in the United States and Western Europe (Rimmer, 1992; Funck, 1999).

In contrast to traditional sightseeing, which had begun to decline beginning around 1985,
“resorting,” or travel to destinations that permitted the practice of sports and various recreational
activities, increased, with *onsen* being the most popular overnight travel purpose (Funck, 1999).
Ski resorts, theme parks, and museums also become increasingly fashionable. At the same time,
the Japanese countryside had seen its population decrease alarmingly as urban centers absorbed
increasing numbers of the workforce. Often, the older generation were the ones left to watch
over family farms while the children moved to the cities. Creating non-agricultural jobs in rural
areas, and thereby attracting a younger demographic back to those regions, was of tantamount
importance to ensure the future viability of life outside the sphere of influence of Japan’s cities.

Ironically, while it was hoped that tourism would be the engine to drive rural economic
progress, this concentration of elderly in the countryside proved highly problematic for a service-
oriented industry like tourism, as there were few young members in the local communities to
staff the resorts once they had been built. This was an issue that was mostly ignored by Japanese
central planners, and will be discussed at more length later in this chapter.

The following diagram, from Rimmer (1992), shows the effects that the government
hoped would result from the passage of the Resort Law. It is a reflection of the highly optimistic
thinking of planners that there are absolutely no ill-effects to be found on the chart—all steps
lead inevitably to ones further down the chain, eventually resulting in the so-called “wealthy and
viable regional society.” In short, the diagram paints a picture much like the belief uttered in the
1989 movie *Field of Dreams*: “If you build it, they will come.” The act of construction is viewed
as sufficient; once the facilities are there, the regional economy will reap the benefits of both
employment opportunities for local residents as well as being able to develop side businesses that cater to visitors, like restaurants, souvenir shops, etc. Taxation revenue will increase, from both visitor consumption and an increase in permanent residents. The development of a tourism industry, which raises per capita area income and provides more job opportunities, is thus directly tied to a growth in human resources and the afore-mentioned “viable regional society” (Rimmer, 1992).

In the midst of Japan’s bubble economy of the 1980s, the ideas of the Resort Law found a receptive audience, and at first it seemed to be a highly successful piece of legislation. It was created to stimulate resort construction, and it undoubtedly did that—or more accurately, it stimulated resort planning. There were a few reasons that local governments responded so favorably to Prime Minister Nakasone’s proposal. First, many politicians in the periphery were conscious of their provincial status and were quite aware of the wage disparity between their
regions and those in the larger cities. Thus, eager to “keep up” with the ideas originating in Tokyo and to make their localities more attractive to potential returning urbanites, they embraced the “resortification edict” and worked to approve projects that seemed to go along with its spirit. Second, and perhaps most problematically, there were serious corruption risks with the symbiotic links between regional officials and the large construction conglomerates which were looking for new land on which to build—this issue will be further explored toward the end of this chapter (Rimmer, 1992; McCormack, 1995).

A third reason was that, relatively speaking, there was indeed a paucity of leisure developments throughout Japan. Prior to the legislation, there were 60 major resorts under development throughout 40 prefectures in Japan; seven prefectures were not even represented. These areas included seventy-two different types of activities, with hotels, golf courses, marinas, and ski grounds being the major players (Rimmer, 1992). In relation to Japan’s population of approximately 122 million, this was actually a rather small number of developments, at least compared with that found in the United States. Interestingly, considering the Tohoku region’s poor economic state today, it was actually the leader in resort development before the implementation of the Resort Law, accounting for over a third of the total hectares dedicated to resorts, with both Kinki and Chubu nearly tied for second place at around 15% (Rimmer, 1992).

Both the absolute number and the composition by region would soon change following the 1987 resort promotion legislation. From 60 planned resorts prior to the “Resort Law,” by 1990 that number had risen to a remarkable 850, with about 650 of those projects having progressed beyond the purely theoretical stage (Rimmer, 1992). While there have been many problems—as will be discussed—regarding sustainability and ultimate viability, the legislation had an enormous immediate impact in terms of spurring resort planning growth. This was
particularly true for the geographical distribution of planned destinations, which moved
distinctively southward, with Kyushu and Okinawa absorbing a disproportionate share of the
new plans (Rimmer, 1992).

It is worth noting this southerly shift because it illustrates perfectly the way in which
industrial regions were embracing tourism as a new means for economic growth. Kyushu was
historically a major industrial center for Japan, specializing in heavy industries like coal, iron and
steel, and shipbuilding. Yet it was now being seen as a potential locus of leisure activities, with
nearly 27% of the region’s total land area being designated for use under the Resort Law. This is
not something usually associated with an industrial base, but when the history of the region is
considered, a certain logic is revealed: first, the government had attempted to broaden Kyushu’s
industry through investment into the automobile manufacturing business. It then sought to attract
electronics manufacturers and the high-tech industry by promoting itself as a “Silicon Island.” It
was only when these approaches did not bear the expected results that planners turned to tourism,
hoping that this sector would somehow prove to be successful where previous efforts had fallen
short (Rimmer, 1992).

**How the “Resort Law” functioned**

To understand the effects, it is important to look at the ways in which this Resort Law
actually functioned. First, six ministries/agencies of Japan's government were involved with the
writing of this legislation. These were the Ministry of Industry and Technology (MITI), the
Ministry of Transport, the Ministry of Construction, and the Ministry of Agriculture, Fishery,
and Forestry, as well as the Agency for Self-Government and the Agency of National Land.
Notably, all of these sections of government are involved with the supply side of tourism—with
land use and acquisition, with construction, etc. Although this law was allegedly designed for the purpose of boosting demand for recreation and tourism, the ministries responsible for consumption were conspicuously absent; neither the Ministry for Social Affairs nor the Labor Ministry, as part of the demand side of tourism, were involved in the drafting of the Resort Law (Funck, 1999). It is hardly surprising, then, that the Resort Law propagated a regional development policy grounded primarily in principles that focused on project construction rather than the consumers who were ultimately expected to make use of the facilities.

In the minds of the legislation's writers, the construction would result in the development of large, multi-functional resort areas that could offer opportunities for sports activities, general recreation, education, cultural experiences, as well as providing new spaces for business conferences. This understandably expensive undertaking was not envisioned as a public sector enterprise, however. Importantly, the Resort Law aimed at having private sector enterprise be responsible for the actual implementation of projects, while prefectural authorities would receive proposals and choose a winner from the submitted plans. These "designated resort areas" would be selected on the basis of distinctive natural features and feature special development zones of up to 3,000 hectares for the actual built environment (Funck, 1999).

In order to attract the desired private sector investment, the Law offered several incentives, particularly in the form of tax breaks and low-interest loans. However, some of these provisions were only available for so-called "third-sector" projects, where both the private and public sectors would collaborate to finance and develop a resort area (Rimmer, 1992). The national and prefectural governments also promised the provision of basic infrastructure, such as transportation routes, in order to enhance the appeal of building in rural areas. Ironically, many environmental regulations which had been introduced in the early 1970s as a means of
restraining the excesses of attempts at industrial growth in the countryside were reduced or completely removed, paving the way for the construction of resorts in previously protected landscapes. Restrictions on the conversion of agricultural land to other uses were also largely eliminated (Rimmer, 1992). In a country with a relative scarcity of inhabitable land like Japan, the opening of new areas was fiercely attractive for construction companies and may have been the most effective "carrot" for getting companies to invest in resort development.

**Overcapacity, Bubble, and Bankruptcy**

From the beginning, there appears to have been a gap between the perception of central planners regarding the benefits of tourism and the amount that the domestic market could support, and the local realities of sustainability and viability, which depended on specific factors like geographical location and the make-up of the land, transportation routes, and actual consumer demand. In the first place, Tokyo officials were seemingly overambitious with their resort plans. In 1999, the total built-up environment of Japan accounted for 5% of its area. However, under the Resort Law, the "designated areas" were to cover 18% of Japan's land, with the "special development zones," or the places within those areas allotted to facilities and the built environment, covering 2.3% of the country's acreage (Funck 1999). That is a staggering number—Japan's constructed acreage was projected to increase by nearly 50% from resort development alone.

Besides the sheer audacity of the Resort Law, there were other major issues regarding the planning and implementation of projects. As mentioned, proposals were to be generated by the private sector, and then sent to prefectural and national officials to be judged. However, the reality of what occurred appears rather different. Plans would sometimes be submitted even
when their backers and funding sources were not specified—a bit like applying for a loan and vaguely stating that you have "some collateral," without ever naming what it is. Furthermore, in the rush to build resorts, many of these cobbled-together proposals were actually approved by the planning authorities. Out of the first eight prefectural plans approved, 20% of the private sector projects did not specify which company would be responsible for the actual implementation. As an additional example, Hyōgō Prefecture originally envisaged a "designated area" within which would be constructed 41 projects, yet 12 of those projects neglected to name a definite investor. This is a clear case of construction hysteria overruling due process, and indeed, a 1992 survey of 13 prefectures found that only two-thirds of investors in Resort Law-inspired projects had held a definite development plan with provisions for a feasibility study, requirements that would seem to have been basic common sense (Funck, 1999).

Unfortunately, even when companies acted with good faith and commenced with the building of resort areas, the construction of facilities was often the easiest part. This is precisely due to the nature of many of the companies most heavily involved in resort development. The investors came overwhelmingly from "hard" sector industries, such as construction, transportation, and the like, rather than "soft" service sectors, which would have had more experience in providing a rewarding customer experience. Therefore, while a beautiful hotel may have been built, the company running it now knew almost nothing about the hospitality industry. These big Japanese companies were typically hoping for a fast return on investment rather than seeking to create a sustainable destination, and thus real estate and golf club membership sales to corporate customers were the focus, rather than the needs of individual consumers.

Geographical concerns also should have been taken more into account when developments were being considered for approval. A "national development plan" for tourism is
something of a contradiction, as tourism is dependent on experiencing something unique at a particular destination: a single concept for tourism across a whole country can result only in failure (Funck, 1999; Yamamoto and Gill, 2002). Because of the uniformity of the tourism vision emanating from Tokyo, far too many of the proposed projects were extremely similar: 37 prefectures wanted to build golf courses, 23 sought ski resorts, 26 planned yacht harbors and 25 planned for hot spring facilities (Funck, 1999). This inevitably led to oversupply, something that the trend in the numbers of golf courses illustrates with clarity: from a mere 23 before WWII to 1,582 in operation by 1988. While a growth in demand in the post-war period certainly called for more than 23 courses nationwide, devoting .5% of Japan's total land to golf courses is more questionable (Rimmer, 1992).

Other problems with location occurred due to the tension between leaving tourism to the market economy and the desire of planners to fit a particular "resort archipelago" vision. The legislation allowed for one approved "designated area" per prefecture aimed at giving each region an equal chance at tourism-driven rural development, but this clearly violates the free-market principles that planners had wanted to inject into the process with their emphasis on private sector-led growth. Instead of prefectures competing against each other from the beginning, with only the most suitable sites being chosen, prefectures could choose their own "designated areas." More emphasis was sometimes placed on locating it in such a way as to create a balanced regional structure within a certain prefecture and less on whether the tourism market would support that destination. New areas also frequently did not take pre-existing sites into account, leading to a concentration of resort facilities and a massive competition for the "consumption yen," to the detriment of both the new and old tourism locations (Funck, 1999).

Many of the problems outlined above perhaps stem from a similar source: the Resort Law
was a case of the national government in Tokyo "legislating development" of the periphery with very little input and involvement from local officials and the residents who lived in the affected areas. The negative consequences of this lack of local involvement were pervasive, and may be seen in two ways. First, it contributed to the unfortunate paucity of accurate knowledge of local market conditions displayed by central planners. For instance, as mentioned earlier, in some areas rural depopulation had left the local labor supply severely aged and mostly unsuited for the types of service industry jobs that would need to be filled once resorts had been constructed. Nonetheless, planners used the rhetoric that the employment opportunities created would directly benefit the local people, and also counted on being able to fill their positions from those local populations, with neither proposition proving very accurate (Funck, 1999).

Secondly, in some instances public-private partnerships were created, with "third-sector" companies being set up to construct and run a planned resort. While this sounds like local involvement, control was usually more in the hands of company officials rather than local politicians. Furthermore, the real problem lay in what occurred once economic conditions deteriorated. As the bubble burst, private investors quickly fled the construction of resorts and left the mountain of debt to the public sector—villages and towns suddenly discovered that they were bankrupt through no fault of the local residents (Cunningham, 2012). It is one thing for a single company to financially struggle or go bankrupt, but it is quite another for public entities like towns and even prefectures, as this leaves little recourse for the citizens living in these areas.

A final major issue surrounding the resort boom in Japan is somewhat difficult to measure yet almost certainly was present: the sycophantic relationship between regional officials and the large construction and transportation companies involved in building the new resorts. Not only were most of the conglomerates aiming for short-term financial gain rather than
sustainable tourism, the "construction political economy" posed a substantial corruption risk, where it is alleged that numerous contracts were awarded to cartels of companies who would then help to re-elect those officials and eventually provide them with salaried positions when they retired from the government. It is hard to state with certainty how widespread this pork-barreling truly was, but it is true that there was a political crisis in 1993, wherein some of the most powerful national officials, including a former Minister for Construction, two governors, a major city mayor, and the heads of Japan's four largest construction companies, were all arrested relating to various crimes of corruption (McCormack, 1995). When analyzing Japan's past efforts at resort tourism, it is important to keep in mind that sometimes it is not only policy but also human fallibility that can lead to the success or failure of a project.

**Skiing and the resort boom**

Ski resorts were one of the more popular types of destination to be constructed during Japan’s economic surge. The first signs of skiing as a truly mass sporting endeavor arguably began sometime during the 1960s, as the pace of economic growth in Japan rose rapidly—skiing’s popularity, already somewhat established prior to the Second World War, returned and increased, and newly discerning ski tourists began to seek out not the "spas with snow" of the early era, but larger ski grounds. These would, ideally, possess both reliable snow conditions as well as varied landforms on which to ski (Shirasaka, 1984). Construction of ski grounds was significant during the ’60s and ’70s. Depending on the source, there were between 400-600 extant ski grounds in Japan by the middle of the 1970s, and they were spreading geographically: in contrast to the concentration of resorts in central Japan that was seen before this period, ski areas were now being constructed across the country, from the Kinki region to Hokkaido. Hokkaido
alone saw nearly 100 new ski grounds established between 1960 and 1980, and existing areas also expanded in response to the new competition (Kureha, 2008).

According to national polls, in 1956 only 0.3% of Japan's total population were skiers. By 1972, this figure had jumped significantly, to 6% of the approximately 110 million people living in the country (Kureha, 2008). The construction of ski grounds, and the subsequent arrival of many new ski tourists in need of accommodation, began to impact rural, agriculturally-based economies, as many residents discovered the money that could be made by establishing a minshuku—a Japanese guest house. Minshuku had begun decades earlier in onsen towns, with farmers offering spare rooms to visitors, but the major expansion of the rural tourism industry during the high-growth period offered many more opportunities to make additional income if residents were willing to renovate their houses to accommodate guests. Ski towns were particularly suited for this business because a major ski area could attract tens of thousands of visitors each winter, and conveniently, winter months were not often used for agricultural activity. In many mountain towns, minshuku displaced previous forms of rural part-time work, such as silkworm raising and charcoal making. The effect was even more dramatic in the regions near the largest, most successful ski resorts, such as Hakuba in Nagano prefecture, which sits surrounded by seven separate ski grounds, where minshuku actually surpassed agriculture as the dominant method by which residents supported themselves (Kureha, 2008).

The ski industry continued to steadily expand throughout Japan's high-growth economic period, and by 1980, there were approximately 800 ski grounds in Japan. A half-decade later, according to some sources that number sat north of 1660 (Anon., 2013b). Incredibly, in only five years, the number of ski grounds had more than doubled. By 1993, 17% of Japan's total population, or about 18 million people, participated in alpine skiing, an extremely high figure
These types of astronomical numbers are characteristic of Japan's "ski boom," a time that coincided with Japan's bubble economy, when land prices soared due to rampant speculation and capital was invested in new projects with reckless abandon. Along with golf courses, ski grounds were the most visible example of leisure and tourism's growth, as the above numbers attest: resorts were being developed anywhere and everywhere as the snow rush intensified.

While this growth would not prove to be sustainable in the long-term, the rapid expansion of the ski industry brought large amounts of money into Japan's countryside during the years for which the boom lasted. Each new ski ground meant jobs building trails, lodges, and lifts, and some of them had an even wider impact, as the construction industry was extensively employed in creating new infrastructure to service these previously isolated communities, with roads and rail lines needed to connect the towns to larger hubs. Existing resorts also had to continuously improve their facilities to remain competitive. The construction, along with the minshuku industry, combined to create a very different type of rural economy than that which had been there previously. One significant difference was labor retention during the winter months—before snow tourism, many farmers, or children of farmers, had left their homes during the winter to seek seasonal employment in factories or other businesses, in an effort to supplement their income when agriculture could not be conducted. However, due to skiing's impact, there were now more jobs available even during the winter, whether at the resort itself, as a minshuku owner, in the construction industry, or perhaps as a small-business owner catering to visitors.

A factor in the explosive growth of ski grounds was government policy, especially the 1987 Resort Law aimed at promoting economic growth in Japan’s periphery through the development of leisure centers. Ski grounds were a popular choice as investors chased the law's
numerous financial incentives, including low-interest loans, tax exemptions, and sometimes even
direct subsidies for resort construction. The national government also intimated that they would
provide all reasonable transportation infrastructure if the chosen region was in need of such
upgrades. And very importantly, the law relaxed environmental restrictions, eliminating many
restrictions on the conversion of agricultural land and making it much easier to build in
previously protected forests and watershed zones—areas which often contained the mountains
that were prime venues for ski grounds (Rimmer, 1992).

Collectively, the effects of the 1987 Resort Law accelerated an industry that was, as seen
from the statistics referenced earlier, already careening along a development path with little idea
of where it might be headed. Due to the ready availability of capital and land price inflation
during Japan’s bubble economy, the expected consequences of heedless growth were not felt,
and the building binge continued. The oversupply of ski grounds was kept afloat due to an
artificially inflated economy, but of course this was not recognized at the time. Instead, both
private companies and village councils saw the constant growth in the number of skiers and
rushed to construct their own ski area, and for a time, their strategy seemed to pay off. Otaki
Village, Nagano Prefecture, for instance, is a village that is now burdened with some of the
highest debt in the country. However, during the boom years, the local ski ground of Ontake
Kogen used to have “long lines of vehicles winding their way out of the Otaki Valley into the
evening after a day of skiing,” leaving the villagers with “garbage bags full of large bills from
sales of lift tickets” (Cunningham, 2012). It was a time when movies like 1987’s “Watashi wo ski
ni tsuretette” (“Take Me Skiing!”) were released to great commercial success, but a day of
reckoning was approaching for the Japanese ski industry, and indeed, for the Japanese economy
as a whole.
That day arrived in 1991, when Japan’s economic bubble suddenly burst, and the country was swiftly plunged into crisis. It would take a few years for the impact of this to fully affect ski tourism numbers, but in 1994 the number of times that people were transported by ski lift fell by over 200 million from the previous year, and ski resort development subsequently ground to a halt: only 48 ski destinations have been opened since 1994, compared to the hundreds that began business in the 1980s (Kureha, 2008). As urban capital withdrew from the periphery in response to the new economic situation, many ski grounds were left with little ability to upgrade their facilities. For instance, there were 2,333 chair lifts built during the ski boom, but only 495 were constructed in the decade of 1994-2004 (Kureha, 2008). The decline was particularly steep due to the structure of the domestic tourism industry. Yamamoto & Gill’s “tourism production system” operated in ski tourism in a similar way to that present in overseas travel: a system of packagers, working with both resort destinations as well as transportation and lodging firms, marketed ski trips to individuals and groups, such as companies or schools. When the bubble burst, all of these consumers cut back on leisure travel, resulting in major revenue shortages for both the ski hills as well as the service industries that depended on them for their business models.

As Japan’s “lost decade” turned into the 21st century, would new hope appear for winter sports in Japan? Like many other sectors in post-bubble Japan, some winter sports areas looked to globalization to revive their fortunes in the new millennium. If skiing's reign as one of Japan's favorite sporting pastimes was not to be relegated to history, it would have to find a new avenue toward growth, one which relied not only on Japan's domestic market but also incorporated a new influx of foreign visitors. This phenomenon appears to have begun in southwestern Hokkaido, centered around the resort of Niseko. Whether and how the Niseko region has grown
while other Japanese ski areas decline constitute the central questions of this thesis. The region’s history and development across the arc of the national trends already introduced, as well as the ramifications of the area’s recent internationalization, are the topics of my subsequent chapters.

Figure 4: Changing distribution of Japanese ski areas over time
Source: Kureha, 2008
Chapter 3
Case Study, Part I—Niseko’s History, Context, and “Why Niseko?”

The Niseko region is located on Japan’s northernmost island of Hokkaido, roughly two hours southwest of the prefectural capital of Sapporo by road or rail. As my case study site, it serves as the cornerstone of this thesis, and this chapter will provide an introduction to its history, its development as an international ski resort over the past 15 years, and attempt to answer the question: why was it Niseko, and not some other location in Japan, that attracted foreign investment and experienced such rapid growth in a very short amount of time?

Nature and history shape Niseko

Due to its Hokkaido location on a resource frontier, Niseko’s early history is somewhat different from that of many other ski destinations in Japan. As detailed in Chapter 2, many mountain resorts in Honshu were originally centered around onsen; after skiing was introduced to Japan in the early 20th century, some enterprising hot springs owners decided to clear a few trails behind their businesses as a winter attraction to bring additional guests. Niseko, too, would have a tangential relationship to onsen but the area’s first core industry was something quite different: mining.
Around 1806, the Matsumae Domain began to mine the first sulfur at Mt. Iwaonupuri, just behind Niseko’s main mountain of Mt. Annupuri. Sulfur was transported to the port of Iwanai, and then sent to Japan’s mainland for manufacturing goods like match heads. At this time, Hokkaido was not yet even part of the country we know as Japan; it was called Ezo. The island would be formally annexed in 1868, as the new Meiji government came to power. Aside from the mine workers, there were no significant settlements of Japanese in the Niseko area until 1892, when the first Japanese people began living in the village known as Kutchan, which would be formally incorporated the next year (Committee for Publishing a History of Hirafu Ski Resort Development, 2011). The Shiribeshi River provided the primary route of travel and settlement around the foot of Mt. Annupuri.

In 1894, one of these first settlers discovered a hot spring and decided to found an onsen in 1897 called Yamada Onsen. Located on the eastern slopes of Mt. Annupuri, this onsen would be the beginning of what is known today as the Hirafu district—now a part of Kutchan Town and the largest and most famous of Niseko’s resort developments. Several other onsen subsequently opened in what is now known as the town of Rankoshi. Most significantly, in 1904 railway service reached the region with the opening of the Hakodate to Otaru route on the Hakodate Main Line, following the Shiribeshi River and serving Niseko, Hirafu, and Kutchan. This new accessibility encouraged interest in the area’s scenery and hot springs, leading the district to become one of the larger onsen destinations in Hokkaido (Ozawa, 2011). All of these towns offer splendid views of Mt. Yōtei, the solitary volcano which provides much of the region’s scenic appeal.

It was just under a decade later that recreational skiing was first introduced to Kutchan. As mentioned in Chapter 2, skiing came to Japan in 1910 via Austria, brought by a military
officer who’d come to inspect the Japanese Imperial Army, and this Colonel von Lerch would make his way to Hokkaido, and then to Kutchan, in 1912. He visited the region in April, intent on leading an ascent of the iconic Mt. Yōtei; before doing so he held a demonstration of ski technique for the local residents, skiing at a hill to the west of Kutchan’s train station located within what is now called Asahigaoka Park (Ozawa, 2011). This was the beginning of greater Niseko’s ski industry, and the sport slowly grew in popularity amongst those living in vicinity.

While several runs were opened behind Yamada Onsen in 1923, and these would eventually grow enough to host the 1938 All-Japan Intercollegiate Alpine Ski Championships, skiing remained a purely human-powered activity due to the lack of lifts, and thus was largely the domain of the young and fit. These essential elements of the mechanized modern ski industry did not reach Niseko until the early 1960s, and originally were not even installed for the purposes of sliding down the mountain on long planks of wood. Instead, in 1961 Kutchan town was seeking business investment and, in conjunction with a company called Hokkaido Fiberboard, wanted to take grass-cutters to the large swathes of sasa, a type of bamboo plant which grows abundantly on the slopes of Mt. Annupuri, to create a wood product often used for the rear portions of the televisions and radios being manufactured at the time. Unfortunately, these plans fell through, and the town was stuck with a defunct lift sitting on Annupuri’s slopes.

As it happened, the following year was the 50th anniversary of skiing coming to the region, and Kutchan pushed to have the 1962 All-Japan Alpine Ski Championships be held at the mountain. This aspiration was granted, the bamboo-gathering lift was converted to ski use, and the Niseko Kōgen Kankō Co. (Niseko Highland Tourism Company) was founded. The lift opened to skiers in mid-December of 1961, offering the mountain’s first mechanized access and establishing the resort now called Niseko Grand Hirafu (Committee for Publishing a History of
With skiing now open to a much larger section of the population, local farmers also first saw the potential of converting their dwellings to minshuku, and soon seven enterprising residents of Hirafu had opened their doors to serve visitors.

Three years later, in 1965, was the beginning of the mountain’s competition era. A second corporation, calling itself the St. Moritz Lift Company in an ode to the famous Swiss alpine resort town which had become a sister city to Kutchan in 1964, opened a lift in Hirafu to carry skiers up the mountain. The new lift and ski trail was located slightly to the south of the existing infrastructure built by Niseko Kōgen, so the Hirafu area of Annupuri now had two separate lift companies, each with its own ski trail, and each seeking its own customers. This competition would drive lift and lodge facility development: within two years, both companies extended their lifts a further 200m uphill to reach 800m in elevation. By 1972, when the Sapporo Olympics were held, these lifts had extended to 1000m (Ozawa, 2011).

1972 also saw the opening of Niseko Annupuri International Ski Resort, located about 20 minutes by car to the south and west of Hirafu but still on the slopes of Mt. Annupuri, which further intensified the competition for ski customers in the area. In Hirafu, farmland had already been converted into two parking lots by 1973, and the St Mortiz Lift Co.’s Niseko Alpen Hotel also opened. Two years later, Niseko Kōgen responded with its own Niseko Highlands Hotel. Local residents were also increasingly embracing the minshuku business, constructing additions to their homes to accommodate skiers visiting from outside the region. Just under a decade later, another lift company called Niseko Higashiyama (now known as Niseko Village) opened between Hirafu and Annupuri International, resulting in four separate ski areas operating on the same mountain by 1982 (Ozawa, 2011).
Niseko’s ski boom and bust, 1980-2002

Fortunately for the region’s tourism industry, the Japanese economy remained robust during the late 1970s and 1980s, and especially from the early ‘80s guests were never in short supply. In 1985 the Niseko Kōgen Kankō company in Hirafu was sold to Tokyu Land Corporation, a major developer in Japan, and this company remains the current owner of the resort now called Niseko Grand Hirafu. As the “ski boom” entered its height, Niseko too experienced great popularity, and the region saw immigrants from Tokyo seeking an alternative lifestyle come to Hirafu and open pension (bed-and-breakfast-style lodging houses). In 1987, Yamada Onsen, which had been Hirafu’s first hot spring when it opened in 1897, was sold to a resort development company, signifying corporate Japan’s increasing penetration into the region’s leisure industry (Ozawa, 2011).

Toward the end of this period of affluence, the mountain’s final lift company, Niseko Hanazono, opened in 1992 on Mt. Annupuri’s northeastern side. The following year also saw one very important innovation: the introduction of an electronic ticketing system, the precursor to today’s Niseko United ticket. Called the “Niseko Free Passport,” Annupuri International, Higashiyama, and Tokyu Hirafu collaborated to allow the ticket holder to utilize the lifts of all three of the participating resorts. However, the St. Moritz Company, which declined to join the system due to issues relating to installation cost, was located in the middle of the three companies, and customers who’d purchased the combined ticket frequently descended to the St. Moritz base by mistake, only to be stuck with a ticket that was no longer valid to get them back up the peak (Anon., 2016c). This inconvenience affected the region’s reputation as a ski destination; coupled with Japan’s early 1990s economic crisis and the subsequent end of Japan’s
ski boom it signaled that Niseko’s era of excessive internal competition had to end in order for the resorts to survive.

As was true elsewhere in Japan, the decline in visitors to the Niseko area in the mid-1990s was significant. While specific lift ticket data is not available, what was tracked was the number of times the lifts rotated (in Japanese, リフト回転総数, *rifuto kaitensōsū*). This statistic can be correlated to visitor numbers, because when capacity is full ski companies will run more lifts more often, while they will shut down unneeded lines when skier numbers are low. From 1992 to 1998, this figure decreased from over eight million rotations in 1992 to only 5 million in 1998, a drop of nearly 40% (Ozawa, 2011). Total winter visitors to the region also decreased, as seen from the blue line in the chart below.

![Figure 6: Niseko region winter visitors](chart.png)

In 1995, during the midst of this economic downturn and a weakening of land prices in Niseko, a business located in Hirafu called Niseko Adventure Center first opened its doors. Originally
created as a company focusing on rafting activities during the summer months, it was significant due to the fact that its owner was from Australia. Ross Findlay had first come to Japan in 1989 during the peak of Japan’s ski boom and had taught skiing for two seasons at Sapporo Teine ski area, then moved to Niseko in 1991. His presence in Hirafu did not immediately bring hordes of foreigners flocking to powder, but through him, and the initial success of his rafting business, word about the Niseko area’s tourism resources did slowly begin to leak back to Australia. Several other rafting companies opened during the latter part of the 1990s, English teachers and other foreigners who were already in the country sometimes visited, and a handful of Australians also came to ski each winter. However, the total number remained quite small—there were very, very few “ski tourists.”

And then, partially owing to a tragedy that occurred over 6,000 miles away, Niseko’s future development course would be radically changed.

**Foreign investment and Niseko’s rapid development**

On September 11th, 2001, terrorist attacks took place in the United States, and the subsequent restrictions on airline travel would have ramifications that reached a rural town in Japan. The disaster served to redirect tourism flows in a way that otherwise may not have occurred. Australians, who had traditionally traveled to North America for their ski holidays, suddenly faced a more hostile travel environment. Some of them decided to cancel their booked trips and made the decision to travel north, not east. At the time there were two small Australian companies which ran ski trips to the Niseko region. Typically, they would bring about ten people each. In the winter of 2001-2002, they brought several hundred. The next year, after those first travelers had brought information back to their friends, it would be several thousand.
Other ski tourists arranged their own accommodation, and one of these was a man named Simon Robinson. He and his wife, who ran a hospitality business near an Australian ski resort, had not yet booked a place for that winter, and at the last minute decided that they still wanted to go skiing somewhere. A former employee of his, who had been an English teacher in Osaka for several years, had come to Hokkaido to go snowboarding. “He kept saying, ‘you have to go to Japan.’ Then in 2001, the only place that still had vacancies was Japan, and we came here, and it was the best in-resort skiing experience of my life.” (Person E). Within a week of returning to Australia, Robinson had booked a month’s stay in Niseko for the following year.

While first in Niseko, one fact was remarkably clear to Robinson: the accommodation standard was far below that of other international ski destinations. “What we stayed at every time we went skiing was condominiums, or a house, it was built for holiday rentals—one week or two weeks. And that particular model didn’t exist here. Prior to us, there were some foreigners here but they were trying to bring in backpackers—how to ski Japan on $10 a day. It was for the adventure, the accommodation was not important…it was very obvious that there was a gap in the market.” Then, just before coming for his second stay in Niseko, an unfortunate event occurred that pushed him to explore the latent potential within Niseko’s real estate market. “There were major bushfires in Australia, and our main business burnt down, and our house burnt down—one week before we came, basically we came here effectively losing everything. True story, the only thing that was saved of my personal belongings were my skis and my ski boots. I was determined to go skiing.” (Person E).

Robinson and his wife were now faced with a choice: return to Australia and try to rebuild, or attempt to create a new business in Niseko? They chose the latter and founded Hokkaido Tracks, the first Western real estate developer in the region, and a company that has
now created over 180 buildings in the greater Hirafu area. It was from this beginning that a rush to build accommodations in the area began. Thanks almost entirely to word-of-mouth advertising, a virtuous cycle occurred, in which the more visitors that came, the more positive Niseko’s reputation became, which in turn brought even more interest. This is not to say that belief in the area as a real estate investment was immediate: the first Hokkaido Tracks building, built in 2003 and called First Tracks, had four units and it took considerable effort for them to sell: “I personally spoke to 800 people to sell the first four apartments to friends from Australia.”

However, as visits accelerated, so too did the demand for Niseko real estate. Their second building, Deep Tracks, sold before construction had been completed. And each building since has been fully sold before even entering the construction phase (Person E).

During the early and mid-2000s, Niseko’s popularity continued to boom in Australia, and this affected not only the area’s real estate market but even the ski lift companies. In 2004, the two original Hirafu lift operators, Niseko Kōgen Kankō Co. (now owned by Tokyu Land Corp.) and St. Moritz Lift Co., at long last merged to become a single entity under the control of Tokyu. The new ski area was called Niseko Mountain Resort Grand Hirafu. Hanazono ski resort had also been included in this purchase, but Tokyu soon spun that area off to a company called Nihon Harmony Resorts. Not coincidentally, this was an Australian-owned corporation. Niseko’s internationalization had truly begun.
Why Niseko?

What causes uneven development, and what makes one resort area more successful than another? Thus far, this chapter has outlined the Niseko region’s history, from its earliest days as a mining area, to a hot spring region, to the development of the ski resorts on Mt. Annupuri. I now turn to a question that does not have a definitive answer yet is nonetheless important: why has it been Niseko, and not elsewhere in Japan, that has attracted such interest from foreign ski tourists over the past decade?

One explanation is that Niseko is differentiated by nature—by its geography and climate. When asking “Why Niseko?” to almost anyone in the area, one of the first answers will inevitably be: it’s the snow! Niseko’s original product was, and remains, its prodigious amounts of light powder snow. The yearly average of around 15 meters of snow per year makes it one of the snowiest resorts in the world, and perhaps as equally important as the total amount is the

Figure 7: Current status of Niseko resorts: Hanazono on the right, Hirafu and Niseko Village in the center, and Annupuri on the left.
Source: Anon., 2016d
consistency with which it falls. The Niseko region is under a weather pattern that brings regular, medium amounts of snowfall rather than infrequent, huge storms. This creates an environment very conducive to guest satisfaction, as the likelihood that they’ll experience good snow conditions is very high. In other words, Niseko can come closer to having a “powder guarantee” than almost anywhere else in the world. As one of the region’s early business operators, in regards to the first ski tourists, put it: “If you’re running a ski travel company in Australia, you take them to St. Moritz, they might or might not get good snow, you take them to California or whatever, they might not get good snow…you come to Niseko, you know your customers are going to come home with the biggest smiles on their faces, they’re just going to get snowed out every day. Even if it doesn’t snow the base is soft, you’re not skiing on ice or something like that. So those 200 people that came over, they just went back and said, I don’t want to go anywhere else.” (Person B).

Another resident of the area echoed these sentiments, saying, “I always go back to, the snow is what made Niseko. Why Niseko rather than Hakuba? It’s this product. I went skiing in Chamonix for four weeks while I was in college. And I had one powder day, and I actually walked for an hour to get into this untracked area, and I thought it was the best day of my life. Every day here for three months is like that…it’s unbelievably light. It’s fluffy…the Niseko powder, just by geographical luck, is like that. We should never forget, that’s the base.” (Person C). Clearly, when compared to many ski resorts throughout the world from the point of view of snowfall, Niseko is at an advantage, and this has created a reputation for powder that continues to drive tourists to the region.

But is the area’s snowfall alone exceptional enough to explain its growth? It seems inaccurate to attribute the region’s success wholly to its weather because receiving large amounts
of snowfall is not actually that rare of an occurrence in Japan’s mountain regions. In fact, over half of the nation’s land area is designated as being part of the “snow country,” or regions that are eligible to receive national subsidies due to the economic difficulties encountered due to excessive snowfall. Although reliable information is not always available, several resorts on Japan’s main island of Honshu also receive high amounts of snow: the Hakuba region of Nagano reports around 12 meters per year, likewise Zao Onsen in Yamagata prefecture, while the resorts around Myoko in Niigata average 13 meters. While, at least according to some people, Honshu’s snow may not be quite as airy as that found in Hokkaido, it is difficult to believe that ski tourists from countries like Australia, where almost any powder is a cause for celebration, would spurn locations based on a minor difference in the average water content of the snow.

Of course, in addition to snow, a mountain’s skiable terrain is also a major contributor to a guest’s enjoyment of the slopes. The Niseko United ticket grants access to about 2150 acres, with a vertical drop of 1,000 meters, statistics that make it among the largest, if not the largest, ski area in Japan. Compared to resorts in North America or Europe, these numbers are not exactly impressive—for example, British Colombia’s Whistler/Blackcomb claims over 8,000 acres of terrain, and areas of the European Alps often spread across entire valleys, such as France’s Les Trois Vallées, possibly the largest in the world with over 600 km of trails (ski area acreage is not often used in Europe due to a much more fluid definition between what constitutes in- and out-of-bounds). However, for Japan, Niseko’s mountain is quite large: the combined Shiga Kogen resorts in Nagano prefecture, despite consisting of over 20 individual ski areas, have approximately 1500 acres, while Yamagata’s Zao Onsen has 750.

Besides physical characteristics, a type of freedom has also helped to grow the resort’s popularity. Since 2002 Niseko has had a fairly unique—for Japan, at least—gate system in which
access is granted to areas outside the resort’s formal boundaries for those chasing powder turns. Called the “Niseko Local Rules,” there are currently 10 gates scattered on the mountain that, when opened, allow a skier to easily move into the backcountry without the usual risk of losing one’s lift pass due to ducking a boundary rope. Of course, this is done solely at the user’s own risk, as the area beyond is uncontrolled, and avalanches are certainly a danger. When conditions are deemed too hazardous by the ski patrol, these gates will be closed, and it is expected that all guests will respect that decision in exchange for being allowed to use the gates when conditions permit.

At the time that this system was implemented, and even to an extent today, this comparatively lenient attitude to skiers and snowboarders riding the lift, exiting the resort’s boundary to seek powder snow, and then re-entering the resort to repeat the process was almost non-existent in Japan. The vast majority of resorts concentrated on grooming their pistes while prohibiting riding beyond the trails, and during the 1980s and 1990s, most Japanese were content to slide down the mountain in this manner. Niseko was the same, at least partially due to Japan’s forest service regulations: the lift companies were under strict instructions to keep customers inside their allocated areas due to the mountain’s location inside a type of national park (Kerr, Ben, 2002).

However, this was an alien concept to many foreigners coming to the region expressly for Niseko’s deep snow—why would they come to Japan only to ski the same sorts of groomed terrain that could be found at their home resort? Many illegally went under the ropes, creating friction with local officials and hard feelings if their passes were confiscated. Niseko’s ability to compromise and create a system that allows for some form of control, while still acknowledging that people were flying to Japan with an expectation that they would be able to ski the famous
snow in its wild state, most likely contributed significantly to the region’s popularity when compared with other resorts in the country. Indeed, as other areas have seen Niseko’s success, this sort of system is becoming increasingly common, with only one example being Furano, a resort in central Hokkaido famous domestically for its piste runs and grooming expertise, opening its first backcountry gates last year.

Besides the mountain elements of snow and terrain, Niseko’s accessibility was also an important consideration. First, while certainly a rural location, it is located less than a two hour drive from the New Chitose International Airport. This airport used to have direct flights from Australia, as well as from many locations in Asia, which was crucial for Niseko’s fledging international tourism industry. Sydney to Chitose, though a 10-hour flight, involves very little time change, eliminating jet lag, and because Hokkaido’s mountains are low elevation, there is also no altitude adjustment necessary for one’s body, which is a very different experience from going to Europe or North America. Unfortunately for visitors from Western Oceania, direct routes to Chitose have been replaced with ones via Tokyo, but this happened only after Niseko’s brand had strengthened. Indeed, the route is so popular during the winter that one of the issues now facing accommodations providers in Hirafu is that there are not enough inbound seats available to meet demand. According to one hospitality company’s manager, “The limitation is that there will be accommodation available but people will say, I can’t come because there’s no flights on that day. Very often, between mid-December and mid-February. The flights are full.” (Person C).

In addition to commuting directly from the airport, Niseko is also approximately two hours from Sapporo, which makes visiting Japan’s fourth most populous city either before or after a stint in Niseko a viable option for travelers. This proximity also helps with summer traffic,
making daytrips or shorter stays reasonable for Sapporo’s residents. Niseko’s status as a rural-yet-accessible mountain town was highlighted by one business owner, who told me that he considered customer flow to be extremely important: “You have to be in a place that’s within a couple of hours of a major city. Eastern Hokkaido I wouldn’t touch, there’s just not enough customers for the out-of-season times. The only month that we really don’t get anybody is November.” (Person B).

The Niseko region’s rural nature also helped it to grow in an unusual way. Kutchan’s status as a fairly small country town meant that, as inbound tourism became increasingly important, the voices of foreign business owners had at least some chance of being heard. One foreigner who’d previously lived in Tokyo told me,

“Being a small place means that you can talk to a lot more people that have influence…when I worked in Tokyo, I didn’t talk to the CEO of Tokyu (owner of Niseko Grand Hirafu resort), but I talk to the CEO of Tokyu here every week. They ran an international ski school very poorly and they knew it…so they asked us what to do, we said employ a foreigner and they wouldn’t do that, so I said, ‘Okay, we’ll employ a foreigner and we’ll run it for you,’ and they said okay. Nowhere else in Japan would you be able to come to that decision…nowhere else in Japan could a bunch of foreigners get together with a bunch of Japanese and say, ‘Let’s do this,’ and have a chance of succeeding.” (Person C).

Although perhaps slightly hyperbolic, this statement does express a valuable sentiment—rural areas of Japan, if they are willing to take certain actions, are uniquely positioned to move more quickly on proposals because the distance between actors and officials is lessened when compared with the situation found in a larger city. As discussed in Chapter 5, the Niseko region certainly still has many problems relating to government mobility, but it is unlikely that the phenomenal speed with which Hirafu developed could have been achieved in a larger setting.

Finally, when asking the question of, “Why Niseko,” it seems impossible to escape that there was an element of chance involved. Consider the story related earlier in this chapter about Simon Robinson, the Australian who was the first Western real estate developer in the area. In his own words, he only knew about the area because of a former employee who’d happened to
visit: “As for knowing about this place, it was an accident. I’d been looking at the altitude charts, not the snowfall charts—and I’d go, my god, it’s 300 meters, how can the skiing be any good there? So we continuously went back to North America or Canada.” (Person E). Then, the September 11th terrorist attacks were a sudden tragedy which caused some ski tourists, Simon Robinson included, to cancel their previous plans and try Japan, which may not have otherwise occurred. And even after visiting, he ultimately only decided to begin exploring Niseko’s real estate potential after bushfires destroyed his home and business one week before his second Japanese ski trip.

Robinson was an economic migrant, and was being influenced by both push and pull factors: pulled by the lure of an underutilized ski resort with a strong natural product, and pushed by a sudden change in personal fortunes with his Australian business being hit by fire. However, it was still a significant series of coincidences that brought one of the major players in Niseko’s development to the region. Is it possible that someone else would have stepped in, if Hokkaido Tracks had never existed? Of course. It is undeniable that in Niseko a set of conditions conducive to growth was waiting: there was a strong base product (powder snow), and the Japanese economy’s condition meant that desirable land could be bought at very reasonable prices. Perhaps some other entrepreneur would have later arrived and done much the same thing. But this process shows that the particular way in which the Niseko region developed was due to a confluence of factors that could not have been predicted even a year or two before the phenomenon began. This recalls the emphasis of Pred (1984), who stated that biography is often the link between the personal and the structural when shaping flows between places. An individual’s actions can usher in much wider changes, especially in smaller communities like those comprising the Yōtei region.
Why was growth foreigner-driven?

There is an important secondary question to the one I posed above regarding why Niseko became the site for this rapid economic transformation. Namely, why have the main actors been foreigners, rather than Japanese? Kutchan is, after all, a town more than a century old, and as detailed earlier, Japanese have been skiing in the region since the early 20th century. Furthermore, Japan is clearly a wealthy country—it remains the 3rd largest economy in the world, the relative slowdown since the 1990s notwithstanding. Why, then, has it taken an influx of foreign capital being wielded by foreign stakeholders to turn the area into an international destination? The answer to this is unclear, but two possibilities, rooted in Japan’s history, deserve examination.

Chapter 2 looked at the boom-and-bust cycle that occurred in Japan’s leisure industry. The length of time in which the “boom” took place—from the early 1980s to the early 1990s—bears a striking resemblance to the speed with which the Niseko area has grown in this post-bubble cycle. Some Japanese companies which experienced the unfortunate aftermath of Japan’s bubble bursting felt that investing in the area’s rapid development appeared far too risky, given the lessons learned in the 1980s. This was compounded by two shocks that have occurred even within the resort’s recent expansion period: the global fallout from the United States’ 2008 banking crisis, and the 2011 Tohoku tsunami and subsequent nuclear radiation scare. As one person told me, “The condominium development, from almost nothing to where we are now, was just ten years. So the lift companies, the resorts that have been burned badly in the bubble crash, why would they put a new lift in? They don’t know that this is for real. And in those ten years, you had the Lehman shock and the tsunami, which have been huge crashes. So if I was a Japanese lift company I’d probably be pretty nervous too.” (Person C).
The lingering effects of the bubble era among Japanese companies, and the fear that Niseko could be a repeat of what had come before, was commented on by another local businessman, as well. “Japanese companies didn’t come because of belief—the amount of times that we’ve been told this is a bubble is very high. I think so many people got burnt, and they still sit with these resort assets on their books. But they’re coming now.” (Person B). While it has taken over a decade for Japanese development companies to embrace the Niseko area’s potential, it does appear that this quote’s final sentence is correct: although many new buildings in Hirafu are still being funded with foreign capital, the sign below is now also prominently displayed along the main road into the village.

![Image](image_url)

**Figure 8: New development by Tokyu**
Source: Author’s photograph

It seems that Tokyu Corporation, which owns Niseko Grand Hirafu Resort and is a major Japanese company, has finally decided to move from merely running the ski ground to taking advantage of the demand for real estate development. Whether this will be followed by other Japanese-led developments remains to be seen, but perhaps some sections of corporate Japan are becoming convinced that Niseko is not merely a “foreign bubble” waiting to burst.

A second possible reason for local reluctance to fully engage with the growth occurring around the Niseko resorts looks more deeply into the region’s past. Due to the way in which it was acquired, Hokkaido’s path to economic development was quite different from that of the rest
of Japan, with the possible exception of Okinawa. Hokkaido was essentially colonized by mainland Japanese, and during the Meiji era a number of policies sought to extend Tokyo’s influence over the country’s new island. One of these was the 1899 establishment of an institution called the Hokkaido Takushoku Bank (**北海道拓殖銀行**), literally meaning Hokkaido Exploitation/Colonization Bank. Other banks had been created by the national government to promote agriculture and industry, however “Takugin,” as it was known, was envisioned with the more wide-reaching goal of promoting capitalism (and mainland Japanese power) on the island. Crucially, the fact that large amounts of national funding were funneled through this bank in support of infrastructure and development projects meant that, to an extent, Hokkaido’s economy learned to rely on outside sources of capital—very similar to the current situation in Niseko.

Furthermore, the above effect was reinforced following the conclusion of World War II. While Japan lost its other colonial holdings, such as Korea and Taiwan, it retained Hokkaido, and Honshu now sought to shift its demand for natural resources to the country’s northernmost island. From 1952 to 1956, the national government spent over 700 million yen on public projects in Hokkaido—more than that spent on the entire rest of the nation combined (Shiratori, 2006). With this amount of funding coming in, it is unsurprising that some Japanese growing up in the war’s aftermath might, consciously or unconsciously, adopt a business attitude in which starting new ventures was not a priority. One Hokkaido University professor, who was raised in the early post-war era, told me, “Hokkaido was mainly developed—I would say colonized—by the national government, with the Hokkaido Takushoku Bank. So entrepreneurship wasn’t very necessary and didn’t take hold, and I think this attitude still remains today.” Indeed, the failure of the Hokkaido Takushoku Bank itself under the weight of bad loans in 1997 would likely have further discouraged the venture-minded (Strom, 1997).
Present-day Niseko thus sits at the intersection of history, nature, economy, biography, and transnational enterprise. To paraphrase Pred, a place is always a process: it is undergoing change and becoming something new, each factor connected with and influencing the others (Pred, 1984). The above multifaceted historical legacy, therefore, is an integral piece of the place known as Niseko, and that history continues to affect the foreigner/Japanese business balance in the region. In addition to more recent events, it is another fascinating element to consider when looking at the area’s development pattern over the past 15 years. The effects of that development on the surrounding community, and the benefits of Niseko’s globalized tourism model, are the subjects of my next chapter.
Chapter 4
Case study II: The Effects of Development on the Niseko Region and the Benefits of Globalization

This chapter emphasizes that place-making is the result of numerous processes. It explores some of the ways that ski resort development has affected the surroundings, with a focus on the two towns closest to Mt. Annupuri: Kutchan-cho and Niseko-cho. It looks at the similarities and differences between these two communities, including demographic changes. Small differences in location and scale can make large differences in “local” outcomes. This chapter then identifies several dichotomies discussed by inhabitants that are important to understanding how Niseko’s resorts impact those living around them: internationalization vs. preserving Japanese culture, real estate development vs. the development of tourism services, and private sector-led tourism vs. public sector-led tourism. The chapter then examines the benefits that Niseko’s globalized tourism model has brought to the area, and begins to answer the question of whether or not the ski resort’s growth since 2001 has been a boon to those actually living there.

Kutchan-cho and Niseko-cho

The four ski areas that make up Niseko United belong to two towns (see map below): Hanazono and Grand Hirafu are within Kutchan’s borders, while Niseko Village and Annupuri International lie within Niseko town. Although they are neighbors, the two towns differ in how they have approached tourism over the past decade and the extent to which they have sought to capitalize on the region’s increasing foreign visitors, as well as in their demographic trends. I will begin by looking at the larger of the two towns: Kutchan-cho.
Kutchan town: demographics

With a permanent population of 15,299, Kutchan is the capital and administrative center of its district, called Shiribeshi subprefecture. It lies at an elevation of 577 feet and encompasses about 162 square miles of land. Kutchan was founded in the late 19th century, and economically has been primarily an agricultural community (rice and potatoes), as well as having industries such as construction. The town has a bit of domestic tourism from hot springs and the scenic beauty of Mt. Yōtei—a stratovolcano called “Ezo Fuji” for its distinctive appearance. It also holds several Japanese Self-Defense Forces sites, the significance of which I will discuss shortly.

From the perspective of population, it is clear that Kutchan’s heyday lies in the past. In the post-war period, the town grew fairly quickly: in 1950 it held 15,975 people, which increased to 18,195 in 1960 and 19,146 in 1970. Kutchan managed to maintain a population close to this figure for the next twenty years, with numbers still over 18,000 in 1990. However, the economic crisis of the early 1990s, the country’s steady decline in birthrate, and Japan’s general trend of
urbanization has affected Kutchan in a similar manner to that of many other country towns: Kutchan lost almost 2,000 residents before the 21st century arrived. As detailed by Masuda, this population decline is a common reality for many small Japanese municipalities (Masuda, 2014).

Unlike many other rural towns, however, Kutchan has the Grand Hirafu resort area. While it is difficult to know exactly how much the ski area’s growth has affected the town, there does appear to be some correlation between the Hirafu-led foreign ski tourism boom and Kutchan’s recent demographic trends. First, from 2002 to 2003, there was a slight jump in population, from 16,113 to 16,165—the first such increase in 20 years. While the population subsequently slowly fell to 15,352 in 2009, it then rose again to 15,384 in 2010—followed by a decline to 15,353 in 2011, and a rebound to 15,451 in 2012. While not a complete reversal, it does appear that an amount of stability can seen from 2002 until the present: the town’s population remains in overall decline, but slowing, and with occasional increases.

Furthermore, there is one segment of this data in which the resort’s influence is indisputable: the remarkable increase in foreign residency. The first year in which this statistic was even kept was 2003, which is likely not a coincidence, and at that time 64 foreigners in 60 households (94% singles) were recognized as living permanently in Kutchan (non-permanent foreign residents are discussed in the seasonality section of Chapter 5). In 2015, there were 342 foreign residents in 232 households (68% singles—some are integrating further into the community through marriage). For a rural Japanese town, without any sort of manufacturing industry that hires overseas labor, that is an extremely large number. At 2.2% of the current population, it is well above the national average of 1.5%, a figure which of course includes the far more diverse major metropolitan areas; 70% of Japan’s foreign residents live in its three biggest metropolitan areas (Anon., 2013). In other words, Kutchan’s decline would likely have
been even more severe without attracting an influx of foreign residents on a scale found almost nowhere else in rural Japan.

*Kutchan: tourism*

Kutchan’s tourism statistics are an area in which the ski resort’s effects appear fairly clear. In all of 2001, the first year for which foreign tourist numbers are given, 1,013 people are recorded as lodging in Kutchan, accounting for 4,216 nights. In 2014, 62,027 foreign guests stayed for 293,339 nights, with visitors from Australia leading the way (19,945 people), followed by those from Hong Kong (12,073) and Singapore (6,349). It seems unlikely that this remarkable increase could have been driven by anything in the area other than the ski industry. Domestic statistics also show a trend of increased visitors from outside Hokkaido: in 2001, a total of 1,458,000 Japanese are listed as visiting Kutchan (day traffic included), with 463,800 coming from outside Hokkaido and 994,200 coming from within. In 2014, the total had increased to 1,539,600 visitors, 634,500 of whom were from other prefectures—Hokkaido-based travelers actually fell to 905,100. The region’s tourism industry is quite clearly attracting more and more from people from farther away.

An important point to consider when analyzing the importance of the foreign market to Kutchan’s tourism is the length of time that visitors stay. When compared with day travelers, overnight guests tend to contribute much more significantly to an area’s economy, as besides directly supporting lodging institutions, all of their living needs must be met from within the community, and thus they also visit many more restaurants, retail outlets, etc. In 2014, a Japanese overnight guest stayed for an average of 1.62 nights, while an average foreigner stayed for 4.73 nights. In other words, each foreigner who stayed in the area was the lodging equivalent
of attracting nearly three Japanese visitors. The economic efficiency of targeting foreign guests is one very positive argument for the Hirafu district’s foreign-led growth and development pattern.

**Niseko town: demographics**

The town of Niseko is about one-third the size of its neighbor Kutchan, with a population of 4,914. Until 1964, it was actually known as Kaributo-cho, but following the 1963 establishment of the Niseko-Shakotan-Otaru quasi-national park, which included Mt. Annupuri, the town changed its name to Niseko in a bid to communicate its status as a gateway to the park. This proved an auspicious occurrence following the ski resort’s recent growth, as many international visitors simply know the region as “Niseko,” despite the fact that Hirafu and Hanazono lie within Kutchan.

Like Kutchan and many other rural areas, before 2001 Niseko town’s population had been falling for several decades, from 8,435 in 1955 to 4,553 at the opening of the 21st century. However, since that time Niseko town’s population trend has been almost entirely positive. In 2005, only a few years after the mountain’s newfound popularity, it had grown to 4,669, in 2010 it stood at 4,823, and as mentioned, it has now climbed above 4,900. In fact, the town’s current growth rate of 3.3% makes it the 3rd fastest growing municipality in all of Hokkaido. While other factors besides the ski resort have likely contributed to Niseko town’s recent ability to reverse its population pattern—for example, the Niseko town government is run in an unusual and very transparent manner, whereby all town citizens are eligible to come to meetings and voice their opinions on village decisions—Niseko town has also seen a very large increase in foreign residents, from 26 in 2006, the first year for which the statistic was tracked, to 161 in 2014. This means that foreigners make up 3.3% of the town’s population, a percentage even higher than that
found in Kutchan, and a number that can only have been caused by the resort’s ongoing globalization.

Niseko town also has one other very encouraging demographic statistic: its birth rate. The below graph shows the remarkable increase that has taken place from 2007 to 2014: the blue line represents the town’s births per 1,000 people, while the pink is the Hokkaido average.

Unfortunately, Kutchan does not give this statistic in their official documents, but they do list 151 births for the year 2014, which equates to roughly 10 births per 1,000 people—slightly lower than Niseko town but still significantly above Hokkaido’s average. One person whom I interviewed referred to this very fact and told me, “Niseko and Kutchan are one of the few places in Hokkaido where young children and teenagers are increasing.” (Person F). It seems unlikely that it is a simple coincidence that the years in which population and birth rate have suddenly begun to rise so closely mirror those in which ski tourism has rapidly grown.

*Niseko town: tourism*
Tourism numbers here, as in Kutchan, have increased rapidly since the early 2000s, with foreign visitors accounting for 13,833 nights of lodging in 2004, and 148,335 lodging nights a decade later in 2014. Furthermore, when broken down by month, January and February are the two most popular months of the entire year, with 226,042 and 212,424 guests arriving respectively. Japan’s traditional high travel period of August comes in third at 196,423, demonstrating again the significance of winter tourism to the area. Interestingly, while Australians are still very important to Niseko town, contributing 22,129 nights in 2014, they were actually outnumbered by those from Hong Kong, at 29,753, as well as being closely followed by Taiwanese at 19,568 and Chinese at 17,759 visitor nights. This may be due to the fact that one of Niseko town’s ski resorts, Niseko Village, is now owned by the Malaysian development company YTL that has marketed the area to an Asian audience as a luxury ski destination in a new “tourism production system.”

Kutchan and Niseko public sector comparisons

As seen above, Kutchan-cho and Niseko-cho have both been affected by the ski areas’ growth, albeit to different extents, with Niseko town’s demographics more obviously showing a positive trend. Beyond raw statistics, though, the town administrations have also reacted to the development in markedly different ways. Kutchan, despite holding the largest single resort area of Hirafu, has by virtue of its greater size and relative regional importance been somewhat less active in embracing ski tourism as an important future path. The Kutchan town tourism section contains only 3 members, none of whom are foreigners, and only one of whom has some knowledge of English. Niseko town, by contrast, has more fully engaged with the globalizing trend, employs one foreigner from New Zealand as a full-time employee within its tourism
section, and uses the national government’s CIR system to bring in additional staff from other countries, such as Korea or China, to utilize their language skills and cultural knowledge when designing tourism campaigns.

To some extent the differences highlighted above can be attributed to necessity: Kutchan has far more resources and more diverse income sources than does Niseko town, which makes wholly embracing tourism as an economic development plan more appealing to Niseko than it is to Kutchan. In addition to serving as the regional administrative center, with the associated offices and accompanying jobs, Kutchan also receives money from the national government for hosting several military installations. Furthermore, the town’s budget will soon also be subsidized by the construction of the Hokkaido Shinkansen line—the Kutchan station is forecast to open around 2030. Niseko town does not have any of these large sources of income, but for tourism development, this is perhaps a good thing: there is a temptation for some towns with access to easy national money to overly rely on that funding. As I was told, sometimes, “…places like that, where they’ve got big money…coming in, they just stop. They use the money to set up some public centers or things like that, and then they just stop. It’s all about leadership, if you’ve got a good mayor.” (Person B). The political aspects of the Hirafu-Kutchan relationship will be discussed further in the next chapter, but when considering Kutchan town’s relative underutilization of its tourism sector, it is not a coincidence that, until recently, Kutchan was led by a mayor whose support drew heavily from the construction and farming industries.

The process of place-making

Following Pred, a locality is never static: negotiation is ongoing at any given place and time (Pred, 1984). When considering the Niseko region’s development over the past 15 years, as
well as where it may head in the near future, several competing aspects of this negotiation are immediately noticeable: the tension between internationalization and remaining culturally Japanese, the difference between tourism service development and real estate development, and private sector-led tourism promotion versus public sector-led growth. I will examine the ways in which these dichotomies have played out in the Niseko region, beginning with what is perhaps one of the ski resort’s biggest strengths as well as its largest weakness: the extent to which the Niseko ski resorts have been internationalized.

**Internationalization vs. Japanese culture**

One of the very first people to whom I spoke regarding the current status of the Niseko region told me that the area was in trouble because it had “lost its Japaneseness.” (Person A). While the definition of what constitutes “Japaneseness” is somewhat open to interpretation, my interviewee’s intent was clear: the influence of foreign investment, and ever-increasing numbers of foreign winter guests, has created an enclave centered on Hirafu village, where English, not Japanese, is the language of choice, and you are more likely to dine on pizza and sandwiches than you are to find sashimi. While the prevalence of Western cultural norms in the area is now indisputable, the significance of this remains a point of contention for those living and doing business in the area. One hospitality manager felt rather strongly that Niseko’s internationalization was something to embrace, rather than decry:

“Well yes, Niseko is an international ski resort, but I would hazard a guess that 99% of the people that come here don’t actually want to go to a Japanese ski resort. They might want to experience more of Japan, but that’s easy, you can go to Kutchan, or Sapporo...I think people who come to ski in Niseko, it’s very easy to say it needs to be more Japanese or its lost touch with something, but people come to ski. They’re choosing Niseko over Whistler, they’re not doing it based on the Japaneseness, they’re doing it based on where’s a great place to ski. They’re not choosing it over Shiga Kogen, or Hakuba, or Nozawa, there are way more Japanese-y Japanese ski resorts. Niseko isn’t a Japanese ski resort, I think Niseko is an international ski resort in Japan. And that’s probably the difference. If it becomes a Japanese ski resort again it will lose a lot of its attraction.” (Person C).
The comment that Niseko is not a Japanese ski resort, but an international resort that happens to be in Japan, is especially striking. The idea that this situation is acceptable due to the easy accessibility of small-town Japan in Kutchan was mentioned by others, as well: one business owner told me, “You’ve only got to go to Kutchan to go right back into the midst of rural Japan.” (Person E). I would argue that Kutchan is still quite a bit more internationalized than the average Japanese town—see, for example, the above statistics regarding the percentage of foreign residents—but certainly compared to the areas immediately adjacent to the ski resorts, the comment’s point is valid: for those who want to not only ski, but experience Japan while doing so, if they are willing to leave the resort environs it is likely within reach. But is creating such a sharp “ski resort = Western, surrounding towns = Japanese” distinction truly the ideal?

Several people thought not. Reacting to the above “international resort in Japan” statement, one told me that, “…in developing our tourism, we do need to maintain our Japaneseness. Having an international resort in Japan is a fantastic thing, but having an international Japanese resort in Japan is what we want to be.” (Person D). The emphasis here is that, rather than eschewing “Japaneseness” in favor of internationalized development, the region should work to develop in such a way that the two cultures can co-exist even within the resort environment. At least one possible path to approaching this idea would be to more heavily appeal to local skiers, such that at least on the mountain the clientele might be more diverse. If you’re only riding the lifts with other foreigners, the cultural immersion is rather weak, to say the least. As one person involved with the Japanese ski industry put it, “If there’s no local people on the slope, it feels very strange for the foreigners. If they want to say that Niseko is a ski town, at least the local people have to ski.” (Person F).
Ultimately, while the difference between “an international resort in Japan,” and “an international Japanese resort in Japan,” is only one word, in terms of visitor experience this could be one of the largest factors in determining whether Niseko’s rapid growth continues into the future. Niseko’s global appeal depends heavily on its powder image, but it also trades on the mystique that Japan continues to hold for Western cultures as an exotic destination—if the “Japaneseness” of Niseko entirely disappears, will its long-term sustainability also lessen?

Tourism services vs. real estate development

A second major tension within the region’s recent history has been the difference between accommodation and real estate development—i.e., bed creation—and the creation of tourism services—i.e., things for guests to actually do. The overwhelming majority of “tourism development” in the Niseko region has occurred on the accommodation side, and this characteristic is extremely important for understanding the current problems facing the Hirafu district. The ratio between money spent to grow tourism services and that spent to construct accommodations has been very unbalanced: as only one example, there are currently over 10,000 beds in the Hirafu area, but only about 1,000 restaurant seats. Considering that peak season (January-February) regularly sees near 100% overnight guest capacities, those numbers simply do not equate to a satisfactory guest experience.

The necessity of shifting from a real estate-centric model to one concentrating on tourism services was a common priority of my interviewees. Recounting Niseko’s recent history, one stated,

“The first money that comes in is in development, and then selling those condos…You buy a bit of land, then you can sell it for a lot more, maybe you’ve put a hotel on it or whatever. That is not closely related to the services that are in place. The snow is bringing that, and the fact that people can’t get a hotel room so they buy one instead…I mean, you go to Europe, people ski for an hour and then drink. The model here is, please ski as much as possible because there’s not much else to do…there’s not enough restaurants. The land is too expensive to run a
restaurant…it will come through self-regulation, people will say, I’m not going to Niseko because there’s nothing to do. That will impact on property prices, the developers will pull out, and then someone will put a restaurant in. Or a swimming pool.” (Person C).

While difficult to believe for anyone used to ski resorts in North America or Europe, where its provision is standard, the Hirafu village does not currently have a single swimming pool—this position is filled by onsen in Japanese culture, but swimming pools and onsen have different functions: the former tends more toward recreation, the latter relaxation. As noted above, if you are visiting Niseko you’d better love to ski, because other activities remain few and far between.

The area’s imbalance between accommodation development and tourism development is compounded by the extremely high prices that many hotels and condominiums command during the peak months of January and February—upwards of $500 per night, a rate that compares with nearly any other luxury ski resort in the world. In fact, Niseko may even be the most expensive: one resident working in the tourism industry told me, “It’s unbelievable, for peak season, I did a benchmark across different resorts and even two years ago we were the most expensive in the world. And the product isn’t quite there, the Ki Niseko—it’s new, it’s not the shiniest in town, but it’s new—you compare their penthouse to the Four Seasons in Whistler, and Ki Niseko is probably more expensive, and they can’t provide the same level of service.” (Person D). These high prices, driven entirely by demand for Niseko’s naturally occurring resource, powder snow, have caused a focus on creating more and more condominium buildings, to the unfortunate exclusion of putting development effort and money into the activities and tourism support services that would ordinarily grow alongside the increase in bed numbers.

There is a growing awareness that the pattern described above is no longer sufficient for Niseko’s future growth. However, there appears to be difficulty in translating that knowledge into practical action, particularly due to the incredibly high amount of profit that the
accommodation sector has generated for its developers. In essence, the current state of Hirafu has been built entirely on the back of construction.

“It’s been over ten years now, and all of this growth has been driven by business and development, and the most important thing now is we have to shift that to tourism. Tourism has to be the main thing now, because tourism will fill these beds, tourism will start dealing with infrastructure, we don’t have enough infrastructure, we don’t have enough things to do off of the resort. We don’t have enough retail...so the shift has to change now to tourism—it’s about the whole package, not just building condominiums...and there’s actually a huge business opportunity there, as much as there is for selling a whole bunch of condominiums. But no one’s thinking about that, they’re just thinking about how to fill beds.” (Person D).

Interestingly, the growth of the area through construction was not planned: it simply occurred as a result of meeting demand for new accommodations in the area as its popularity continued to increase. Even the owner of one of Hirafu’s most successful real estate development companies admitted that the way in which the district surrounding the ski resort grew was by necessity, rather than intention.

“This was a development model, not a tourism model. It’s just the way it happened, I think you’re much better off going with the tourism model first and then matching the development behind it. We have the opposite: we have this thing of growing the bed base and then the infrastructure not staying on top of it...the development should be in the tourism development; there’re plenty of beds at the moment.” (Person E).

Based on these statements, it seems apparent that, while the region successfully transitioned from the Japanese accommodation system of pensions and minshuku, mostly used for short-term stays, to long-stay-centric condominiums and luxury hotels startlingly quickly, other elements of the tourism picture have not made the shift so smoothly.

An emphasis on real estate and accommodation development is certainly not unique to Niseko: the co-owner of a major ski resort located in northern Vermont once commented that, “All of the money is in real estate—you improve the ski resort to sell more condominiums.” (Person L). However, a key difference is that in the case of the Vermont resort, all of that development is meticulously planned and controlled by the ski company itself: there is a master plan, a unified vision, and a deliberate timetable under which additional beds should be added. In the Hirafu area, however, the great majority of the accommodation is provided by companies not
directly affiliated with the ski ground, and there is absolutely no sign of anything resembling a master plan or a timetable. The ramifications of this haphazard growth are explored in the next chapter, but it points to a last dichotomy I wish to discuss here: the strength of Niseko’s private-led tourism development, and the comparative weakness of the public sector in that same area.

*Private sector-driven tourism development*

The increased popularity of Niseko as a ski destination over the past 15 years has been led almost entirely by private businesses and individual entrepreneurs. There has been very little contribution from the local or regional governments, with no overarching tourism policies or sustained promotion campaigns. While there are differences in the approach to tourism between Kutchan town and Niseko town, as described earlier, the overall impression received when looking at the area’s recent development is how much it has depended on word-of-mouth branding and outreach by companies directly to potential customers—there has been extremely limited government involvement. A Japanese official at Kutchan’s tourism association agreed with this assessment, telling me, “The government actually does little marketing or promotion. Instead, if a problem arises, the residents of Hirafu will tell the government about it and something might be done.” (Person H).

In other words, rather than active participation via marketing campaigns or branding, the local government has seen itself as a facilitator in cases of disagreement—making itself an almost entirely reactive entity, one which deals more with regulations than with generating tourism growth. Kutchan town does provide some financial assistance to the town’s tourism association, but this body is oriented towards Japanese customers—it currently has no foreigners on its staff, and mainly focuses on trying to attract more domestic visitors during the summer.
Furthermore, cooperation between Kutchan’s tourism association, and those in the surrounding municipalities, leaves something to be desired: “Although there are many tourism organizations in the area, the budgets are small and they often end up doing similar activities.” (Person H).

Instead, foreign promotion has been almost entirely handed off to something called the Niseko Promotion Board, an organization which is mainly funded by contributions from its members with a small amount coming from the local government. The efforts and shortcomings of the NPB will be further discussed in Chapter 5, but considering it was originally founded by Tokyu Resort, it certainly cannot properly be called a part of the public sector. In summary, the rapid expansion of ski tourism to Niseko has occurred with an almost total lack of governmental participation, especially when looking at Kutchan and the Hirafu district—it has been private businesses seeking their own customers, not administrations looking for overall regional growth.

**Tourism globalization: benefits for the Niseko area**

Ski tourism has driven rapid change in the Niseko region, and a significant part of the results have been positive. In this section I will outline the benefits that have accrued due to moving to a globalized tourism model, while negative impacts are discussed in the next chapter.

**Sudden wealth for pension owners**

The first and most immediate positive change to occur was that many pension owners, some of whom had previously been in dire financial straits due to Japan’s 1990s economic malaise, found themselves becoming unexpectedly wealthy when they sold to foreign investors during the mid 2000s. In the early to mid-1990s, as the ski boom crashed, many pension and minshuku owners, especially those who’d taken loans to expand their dwellings, were suddenly
plunged into debt as land values cratered. Furthermore, with the entire country experiencing a recession, even if they sought to sell their businesses there were almost no buyers. As a Hirafu resident recounted, “…the pension owners, after the downturn in 1992, they couldn’t even sell their pension, banks wouldn’t lend them any money, they were really suffering.” (Person B).

This situation had persisted for a decade when the first foreigners started to show interest in buying land to develop accommodation around the Niseko ski resorts. From sitting on what was considered nearly worthless property, those who lived near the mountain discovered that they were being offered huge amounts of money to sell their land. The fact that the “foreign boom” in many ways saved pension owners from the doldrums following Japan’s domestic ski boom was something pointed out by several of my interviewees: “…all of a sudden through this boom, they’re (pension owners) sitting on a million, two million, three million worth of property. So most of them have retired on that. They sold their place for big money, bought a little house, and retired somewhere…they’ve done well.” (Person B). Another stated, similarly, “A lot of people made a lot of money selling their land, they made fortunes. They bought it for $100,000 and sold it for a million.” (Person C).

The more negative aspects of the early land transactions are covered in my next chapter, but it’s impossible to deny that for many living around the base of Mt. Annupuri, the arrival of foreign investors meant that their lives were changed in an extremely economically beneficial way. As recounted in Chapter 2, Japan’s recreation boom had begun in the 1970s and 1980s, over two decades before the first Australian developers began construction. This meant that many of those pension owners had reached middle or advanced age, and were ready to sell and retire—yet had not been able to do that because of Japan’s economic problems. While certainly not the case for every business, as some pensions have resisted the selling trend and continue to
operate even now, the new demand for real estate must have seemed a miracle to some local residents in 2002. One of those who first bought into the Niseko real estate market felt that,

“My very clear opinion is that we and others gave the chance for the local Japanese to retire gracefully. And I mean that in all seriousness. If there was a pension or some land available, maybe we might’ve paid 30 million yen. The Japanese market wouldn’t have paid a fraction of that. We paid way above local market prices. And a lot of the land owners at that time had come up during the Japanese bubble era to escape the madness, to try an alternate type of life. And then the market crashed, and they were stuck—some of them probably with huge amounts of negative equity.” (Person E).

Such a positive opinion is, of course, not universally shared within the community—for example, some of those who sold later felt, as the ski area’s popularity continued to increase, that they could have gotten much more than they did—but for many of those who’d experienced both the highs of the Japanese ski boom as well as the lows that followed, the globalization of Niseko’s tourism industry offered an economic opportunity that had seemed impossible only a year before it began.

**Widespread indirect and secondary financial benefits**

If the first investment wave primarily benefitted landowners in the vicinity of the ski resorts, the current effects of economic activity generated by ski tourism run much further through the surrounding communities. Due to the lack of an accommodation tax—this is discussed in Chapter 5—there is little direct correlation between rising visitor numbers and increased revenues for the town governments. However, the governments collect local property taxes that are paid by the accommodation companies, although in some cases the tax value of the land (based on it being countryside Japan) may be quite mismatched with the actual revenue generated by the location. There are also local income taxes paid by all employees, and a resident tax levied on those who become permanent residents. Furthermore, particularly due to the long-stay pattern that the majority of foreign visitors follow, in which there is more time to interact with the community through dining, shopping, etc., the indirect economic benefits are quite
significant for local residents. One advocate of the foreign presence in the region described it thus:

“You’re paying land tax, which goes to Kutchan. If you’re employing someone, they’re paying income tax, and if they’re long-term residents, they’re paying residence tax. It’s not, the quick and easy “let’s bash the foreigners thing” is to say, none of this money comes back to Kutchan. That’s not true. It gives the impression that Kutchan would be better off if they weren’t here, which just isn’t true. All of the snow clearing that’s done is done by locals—who otherwise probably wouldn’t work during the winter (farmers). 90% of the cleaning companies are locals, most of the people that work in restaurants are locals…I would strongly refute the idea that increasing tourism doesn’t increase money for the town. I think that’s insane. People, more people come and work…people come and eat here, they come and buy petrol from the petrol station, it’s not like people walk in with money and walk out with nothing, having just spent the money they brought with them. The banks, the bank here is one of the most successful banks in Japan…all of the money goes through there. Money changing, yes, but they look after all of our owners’ money. So they’ve got huge reserves—a provincial bank! The post office does very well. So all of these things that you wouldn’t normally get in another part of Japan. All of the money that’s sent overseas, there’s a ¥1500 charge to do that. They have more overseas transactions, probably, than Tokyo. I’d strongly refute that increasing tourism doesn’t impact on that.” (Person C).

The above statement shows that, even aside from the benefits that would be expected to accrue to the hospitality and service industries, the nature of Niseko’s development has meant that other sectors, such as finance and agriculture, have also been positively influenced by the resort’s success. Although Kutchan’s bank having more overseas activity than Tokyo is perhaps exaggerated, winter jobs have appeared for those who may otherwise have had little to do, as farmers who once worked in the timber industry during the winter now can be employed in areas around the resort. It is true that this type of job, as well as those generated through accommodations and dining/retail, are relatively low-level service positions, but they remain positions that ordinarily would not exist to this extent in a small Japanese town.

An increase in job creation ideally leads to money penetrating deeper into the local economy; this is the so-called multiplier effect, whereby revenue generated through the resort’s activity is given to employees in the form of wages, who then use their money at local businesses, which enables those businesses to invest further into the community. In other words,

“The economic benefit is not just customers using their money in shops and services, but also actual wage rises and the ability of people (to live)—it has a double effect, more people earning more money means more people spending money. I think Kutchan has it good in that respect, out of the places in Japan it has money going further in the community—I go to my hair dresser and she says that in the winter she has people coming down and getting their hair cut, etc.” (Person B).
It is very difficult to accurately measure how much of the money coming from ski tourism ends up staying in the region, and with so many area businesses being owned by foreign individuals or corporations, the threat of leakage should not to be ignored, but it’s also true that having the economic activity in the first place is probably preferable to a situation in which all funds remain in the area but the actual number of transactions is very small.

**Town inclusion and the sustainability of the foreign model**

An additional way in which the globalization of Niseko’s ski tourism has helped the region economically is via the behavior patterns of the new guests: people coming from abroad for a one- or two-week holiday act differently than a resident of Sapporo coming for one night, or even someone from Honshu who stays for the weekend. The change in accommodation systems, from the Japanese pension to the Western condominium, has therefore had a more profound economic impact than might have otherwise have been expected from simple construction. When compared with the stay patterns found during the Japanese ski boom, current guest practices often mean far more interaction with the local community, as opposed to having the majority of their needs taken care of by the pension owner.

“Kutchan citizens are a lot more connected (to the resort) now than they were in the Japanese ski bubble. In the Japanese ski bubble, almost all of the people were just up here, went to their pension, had dinner and breakfast in their pension, went out and bought some beers, came back, there were one or two izakayas on the mountain and that was it. But now the foreigners are all going down into town, so a lot more connection than there was before…foreigners just have a different way of having a holiday. It’s like when a Japanese tourist goes to Hawaii, they’ll spend their money. A Japanese ski holiday, they pay for their pension which includes everything, and that’s it. But the foreigners, they’re on holiday, so they want to go to different restaurants, etc.” (Person B).

It is intriguing to consider that, despite their foreign nationality and the difficulty in communicating across the language barrier, the increased curiosity brought by being in a foreign country has resulted in overseas visitors who actually seek out more interaction with local residents than that found when Niseko’s tourism market was comprised of domestic travelers.
There is also a second important benefit to the region’s ability to pull from a global tourism base: sustainability. Unlike some forms of internationalized tourism, this is not a model which depends on bus tours or other types of mass market tourism, where guests arrive in large groups and are invariably accompanied by tour guides who escort them to certain pre-screened locations. The bus tour model is very popular in Japan, and is the way that much of Japan’s tourism industry, both domestic as well as inbound, often operates. While it can boost short-term numbers, it does not lend itself to repetition: why return to see the exact same sites, in the exact same way? Before Niseko had been “discovered” and become more accessible to people without Japanese language ability, tours or facilitated trips were also how many Westerners first experienced the area, but this has now changed: businesses in the area use their connections in their home countries to promote the destination.

“...it’s foreign investment. It’s foreigners pulling in foreigners. That’s the biggest difference, it’s foreign marketing, it’s foreign promotion, it’s overseas businesses having overseas offices, overseas networks and connections. Other places where it’s completely a Japanese community, they join up with JTB, maybe they get busloads of Chinese tourists and then you’re happy again, but it’s going to peak and go, it’s very artificial. Whereas here, people are becoming fans of the area, it’s more sustainable.” (Person B).

This is a tourism linkage that is not available in most of Japan, where foreign owners are absent, and it represents a sizeable advantage for the Niseko area: the foreign businesses contribute to a sustainable tourism model, in which foreign owners can perform foreign promotion to bring foreign guests, who then spend money within the Japanese community.

*Revival of interest in the area*

In addition to bringing increased economic opportunities, the growth of Niseko’s ski industry has also stimulated a change in the area’s image, and created a sense that this is a place where things are happening. This optimism is an important characteristic in attracting potential newcomers to not only visit as tourists, but also to consider moving to the area as full-time
residents—and in so doing, actively combat the population outflow that has plagued so much of Japan’s countryside. This is an arena in which the foreign nature of Niseko’s tourism market has become a significant asset in attracting new Japanese residents, particularly those who have had some life experience outside of the country. In addition, as recounted earlier in this chapter, the number of foreign residents living in both Kutchan as well as Niseko town has skyrocketed over the past decade. A number of my interviewees affirmed that the ski resort was helping to bring new blood to the area: “I think the tourism has increased interest in actually living here, a lot of people with foreign exposure are interested in living here—I know a lot of retirees that worked outside of Japan that feel quite comfortable here. There’ve been changes in resident composition since the early 2000s, 300 foreigners with their families, if you go to the local school there’s mixed marriages in most classes.” (Person B).

This view was corroborated by another person with whom I spoke, who described the region’s unique blend of internationalism and Japanese culture as a “halfway house” for Japanese citizens who’d like to communicate in their mother tongue during daily interactions, while still having cultural exchange opportunities and the ability to meet people from other countries.

“Japanese are definitely moving here. Japan has a population of 120 million, but for here, a lot of people come and say, ‘This is different.’ Beautiful, and lots of foreigners who are not your typical foreigners in Japan. They’re invested in the area, and they live here, they have families who go to school, they want to have businesses, stuff like that. I’ve met probably 5 or 6 people who’ve given up their jobs as architects or whatever and are farmers here…we’ve had Japanese people move here who are attracted by the fact that it’s like a halfway house between working abroad and living in Japan. I really think it is. For a Japanese person, as a tourist or a worker, you can go to the hospital in Japanese, go to the Japanese bank, eat Japanese food, but you’re in this international resort. It’s like having a mini-Tokyo, all these crazy foreigners, investors, living here, working here, your best friend might be a Canadian. Nowhere else in Japan has that.” (Person C).

This blend of foreign and Japanese is perhaps one of the area’s greatest strengths from the point of view of attracting new residents. For Japanese who’ve studied or worked abroad, or who’ve lived in a large city and want to maintain a more international lifestyle while still being
able to live in a quiet rural area full of natural beauty, the Niseko region is likely the only place in the country with those characteristics. Furthermore, the extent to which foreigners (and their languages) have been accepted, especially in Hirafu, means that for those coming from other countries who seek to reside in Japan, the area is also an ideal location. One successful businessman, who cannot speak Japanese well, told me that:

“For me, this may be one of the only places that I can live in Japan and feel so comfortable. Because it is such a little international area. Even my staff, they’re from all over the world, and we’re attracting those people to this area, so we’re growing. And they’re having children—we probably have one of the highest growth rates of anywhere in Hokkaido. Kids are popping out everywhere. It’s a bloody good thing. I think that we’re seeing a growing range of well-established individuals that dream of moving from wherever they may be—whether that’s China, Hong Kong—they dream about the prospect of living here on a permanent basis...the growth in the Japanese market is the international Japanese...” (Person E).

This quote again touches on the specific type of Japanese citizen who is attracted to living here: the “international” Japanese, someone who has already been outside of Japan and wants to retain elements of that experience despite returning to the country. Additionally, as demonstrated at the beginning of this chapter, the statements here regarding the area’s elevated birthrate are quite true. This region is seeing an increase in children that is not found in many other places within Japan, and it is noticeable enough that its effects can be seen by local residents in their daily lives.

More than data or even positive anecdotes, it is perhaps the sense of opportunity held by some of the local populace that is most encouraging when considering Niseko’s current status. Unlike some parts of Japan’s inaka, where depopulation and a lack of new prospects have inevitably led to despair and the sense that an area is simply waiting for the end to come, the strength of Niseko’s ski tourism lends a vibrancy to the region’s image which suggests a brighter future, a place where one’s children can succeed without necessarily having to move to one of Japan’s increasingly crowded urban areas. Or, if they do go, that there is something to which they can return and still utilize their abilities; that there is, in short, hope:
“There’re a lot of quite big families in Kutchan, unlike in Tokyo where everyone only has one kid. You see people with two or three, as normal. I think the responsibility of the people who live in this area is to show that there is an opportunity for a life and a career. Probably my dream, if you asked me about my kids, is that they go somewhere else when they’re 18 but that they come back. You know, this is still a countryside town; I wouldn’t have wanted to grow up in a little village and never have left. So go out, see, but know that this is a place to come back to, that your knowledge and skills in tourism can be priceless.” (Person C).

The idea of Niseko, thanks to its internationalized local society, as the rare rural area in which an individual’s talents can still flourish is a powerful asset for the region when competing against the country’s metropolises that ordinarily easily entice the young to their environs. For many small and medium-sized country towns, the necessary economic and cultural opportunities that would allow them to recapture those who’ve grown up there, or to attract newcomers, often do not exist; for Kutchan and Niseko town, it is increasingly evident that they do.
Chapter 5
Case Study III: Unmanaged Globalization in the Niseko area
and Ideas for the Future

The economic development of a given area creates both benefits and costs for the region in which it occurs. Myrdal called the situation in which employment or demographic indicators rise “spread,” as the developed area positively affects its surrounding community. “Backwash” was his term for the opposite scenario, wherein the core area drains more wealth from its neighbors than it adds (Myrdal, 1957). My previous chapter examined Myrdal’s “spread,” examining the ways in which the increase in foreign visitors coming to the Niseko ski resorts has positively affected the surrounding communities. To summarize, demographic data showed an overall moderate population increase, while the tourism sector has generated revenue for many residents, whether directly via foreigners buying devalued pensions in the early days and, more recently, creating winter work for farmers, or indirectly through growth in affiliated businesses, such as Kutchan’s financial sector.

However, despite the region’s successes, there are areas in which tourism has also had negative impacts. This chapter will identify some of the problems that Niseko’s tourism industry continues to face and will examine the potential of ski resort-driven growth in other areas of Japan. It will conclude with some lessons that can be learned from Niseko regarding how other rural regions might be able to attract and utilize a more globalized tourism model for the benefit of their inhabitants.

Place, land, and capital

One of the earliest problems occurred during the Niseko area’s initial land rush. Certain foreigners took advantage of a lack of real estate knowledge on the part of some local residents
and engaged in land speculation: they would convince a Japanese owner to sell their land for a certain price, and then immediately sell it for a higher price to another foreigner. In fact, the second buyer was usually already in place before the initial purchase:

“The early days of Niseko, there was a lot of buying land from a Japanese person, call them and say, I’ll give you this price for your land, and then you’ve got a buyer lined up already who’s going to pay more. So you buy it and flick it straightaway, and that’s how a lot of unscrupulous money was made. The buyer was already there, and rather than introducing the buyer to the seller, actually the person wasn’t even selling yet, you had to get the person to sell and then…the middle person was always a foreigner, a lot of companies who aren’t even here anymore. Land speculation, foreigners buying and selling to other foreigners.” (Person C).

As related in the previous chapter, because land values around the resort had fallen so sharply following the end of the ski boom in the early 1990s, some Japanese owners were especially vulnerable to the temptation that the sudden appearance of foreigners offering to purchase their properties presented. Of course, many of those who sold made a lot of money, and numerous transactions were completed without the intention of quickly selling it to someone else, but it’s true that the foreign money was something quite unprecedented for the area. There were no government regulations in place to guard against speculation, and the sheer speed of the transformation meant that some of those who sold later discovered that, if they’d waited a bit longer, they could have received far more. Furthermore, for many residents of the area, the very idea that the value of their property might continue to rise was not general knowledge:

“People made bad decisions, part of that comes down to—Japan does not have capital growth in housing. It’s not expected. You expect to buy a house, and 15 years later you have to knock it down and rebuild it. Hirafu’s not like that, barring natural disasters, it just goes up. People want to come and land is limited, it just gets more expensive. So having that capital appreciation is something that people didn’t expect, and a lot of people probably thought, I could have sold my place for more. They weren’t tricked, but they weren’t aware of that possibility. The tax value of land up here is nothing, it’s countryside Japan…obviously the real value is often very different, it’s millions of dollars.” (Person C).

The gap between the tax value of the land and its actual commercial worth likely also contributed to certain owners not receiving a fair amount for their property, as they relied on an assessment that did not take into account the changes being wrought by inbound ski tourism. In some cases, this created resentment toward the foreign developers who were coming in and
radically altering the Hirafu townscape, a sentiment which perhaps continues to influence the way in which some Kutchan residents regard the ski resort’s environs as not truly a part of the town—a disconnect that will be further examined later in this chapter.

A second issue confronting the area is that, while many businesses connected with the tourism industry try to use “locally-sourced” products—food ingredients, etc.—the definition of “local” generally is understood to simply mean “coming from Hokkaido,” rather than truly being produced by the surrounding area. Unfortunately, this also applies to the construction business, which, considering the large number of new buildings that have been constructed over the past 15 years, is an industry that one would think could have greatly benefitted from the ski tourism growth. However, it turns out that this has not been the case:

“Local construction companies are not getting much benefit because the larger projects (5, 6, 7, 8 stories) are all given to Sapporo-based firms. The money is foreign but it’s mostly going to Sapporo companies because there’s no one local that can build it. They (local construction companies) get secondary business, like when someone in the community earns enough money to build a house, but they’re not getting the directly-on-the-mountain projects. The employees get shipped in, a lot of them go home every day. Some companies bring everything with them, instead of buying materials through a local company.” (Person B).

If even construction work is often performed by people coming from outside the Yōtei region it creates much less benefit for local residents than might otherwise be the case. The problems associated with the situation described above were elaborated on by one of the area’s major accommodations developers, whose company mainly utilizes a Japanese construction firm based in Date City, located on Hokkaido’s southern coast about 70 kilometers from Kutchan.

“The local guys are unfortunately stuck in the Japanese supply chain system which just adds layers of cost. It’s really difficult for them to compete…and the work that we do is a lot more difficult than building apartments in Sapporo, but the laborers are paid the same. We’re now paying extra to get people to come here…We used to bring in more materials from abroad; we tend to use “local” materials but that just means sourced within Hokkaido.” (Person E).
Space, time, nature, and uneven development

I will now turn to some of the larger, more overarching issues in the Niseko region, and there is arguably no more pressing concern than the severe seasonality involved with running a ski resort. The ski industry is fundamentally a seasonal one, of course, so this is not a problem particularly unique to this area, but it’s also extremely difficult for a region to truly support itself on the basis of tourism if that business markedly drops during a significant portion of the year. In other words, to attract new permanent residents there must be year-round jobs, not just employment from December through April. Despite recent efforts, the Hirafu district, and the Niseko region in general, is still struggling to make itself a summer destination.

The obstacles are several: first, there is currently a cycle of businesses closing during the off-season, which makes the area less attractive to visitors than it otherwise would be, which means fewer people come and the businesses have no reason to change their closure pattern. It would obviously be useful if more places could remain operational during the green season, but should businesses be forced to lose money in the hopes that it might pay off in several years?

One person involved with the tourism industry felt that perhaps they should:

“For summer, it’s not a quick fix, we need to create more of a community here and create ways for the restaurants, etc., to be open in summer…You’ve got to get these guys and say, look, you’re making a lot of money in winter, and unfortunately the payoff is we’ve got to increase summer, we have to maintain our businesses and start pushing summer.” (Person D).

This kind of plan is, however, quite difficult to implement. Considering that one of Hirafu’s major hotels, which averages over 80% occupancy during the winter, only reaches around a 40% occupancy rate during the summer (and many smaller establishments sit at significantly less), it’s understandable that one business owner would tell me, “There’s no critical mass for places to be open.” (Person E).
Secondly, and most challengingly, is that the competition for summer guests is more fierce than that found during the winter—there are many more attractive destinations during the warm parts of the year than there are world-class ski resorts. Niseko’s signature natural advantage, its consistent snowfall, does not exist from May through October, meaning that it must rely more on the tourism services which have been created—and as mentioned earlier, that aspect of the resort’s development remains far behind the number of beds that have been built.

“There’re a lot of summer markets to compete with…some guests came the other week, took one look and said, ‘What can we do here? There’s nothing to do here.’ This is very different from more developed zones like Hawaii or Australia’s Gold Coast, with hotels, shopping, etc.” (Person B). As alluded to here, the ski resort’s largest inbound market—Oceania—already has many fine, more developed resort regions to choose from when deciding to go on a summer trip.

“It’s hard to convince them (Australians) to come during the summer—why would you come here in summer if you’re Australian? You have a thousand beaches between Australia and here.” (Person C).

In accordance with the above, until recently the visitors that did come to region during the summer months were almost exclusively Japanese. Other areas of Hokkaido are fairly well-known domestically as popular tourist spots, for example Furano with its fields of flowers, Hakodate with its seafood and historical buildings, and many others. But, despite its now very well-developed accommodations, the Niseko area’s summer brand is not yet at that level. As one person succinctly put it, “The summer brand is Hokkaido, the winter brand is Niseko.” He continued, “What’s the product in summer? You’ve got a beautiful view of Yōtei, it’s not too hot, and you’ve got fantastic accommodation. You can go hiking, but you can go hiking anywhere in Hokkaido. You can play golf, but you can play golf anywhere in Hokkaido.” (Person C).
The difficulty of distinguishing Niseko as a unique summer destination is compounded by the very asset that makes Niseko so popular to foreigners during the winter: its long-stay accommodation model, with condominiums that are ideal for week and longer sojourns, does not mesh well with the usual Japanese pattern of only one or two overnights because the cleaning costs become prohibitive when quickly cycling guests. “The biggest issue with our American model is it’s not well designed for one-night stays, because of cleaning costs. The cost of opening and closing the building, of maintaining the barbecue house.” (Person E). In response, many accommodation providers are now looking abroad for guests—but to Asia, not to Australia or the West. In attempting to capture markets like Hong Kong, Taiwan, and Singapore, the vision is very much to present the area as an escape rather than a destination per-se: unlike in the winter, where a specific product (powder skiing) is the goal, the summer appeal is in the absence of something, to show a contrast between Asia’s large, hot, and crowded cities, and the relaxing natural beauty of Mt. Yōtei. “Hong Kong, high-rise, affluent families but can’t afford a house, a concrete jungle. They want to get out, they want some fresh air, it’s easy to understand…” (Person E). Incidentally, this is essentially the same message which is used for the domestic market, as residents of mainland Japan often seek a cooler climate during Honshu’s humid summer season.

The seasonality of Niseko’s tourism business also makes it more difficult to properly develop needed tourism services, because it may only be fully utilized during a part of the year. As described earlier in this paper, the current model for Niseko, even during the winter, is to emphasize the excellence of the area’s skiing as much as possible, since few other activities exist. It would seem that Kutchan might be an ideal location for other leisure pursuits, as it would both move tourists into the town proper, giving local businesses more opportunities, while also giving
visitors more options for après ski. The problem is what happens with any new facilities during the months of the year when the foreign tourists are not driving the economy:

“…Kutchan should come in, put up a cinema. Put up a bowling alley, or a shopping center. A place to go after skiing. But like everything else around here, it’s so seasonal. They get used a lot in winter, but you have to provide jobs year-round, so they don’t die in summer. We lose a lot of money in summer, and try to make it all back in winter. But it’s a fairly scary, a risky thing to do. You ask a cinema to do that…why?” (Person C).

A similar dilemma affects the implementation of more public transportation. The area is currently very reliant on private vehicle transportation, particularly due to the main resort villages being separated from the Kutchan and Niseko town centers. Even after taking the train, one must still get from the station to one’s accommodation. Bus routes are somewhat increased during the winter season, although still inconvenient compared to having an automobile, and during the summer transportation services become extremely inadequate. But, if capacity is increased to adequately cover the ski season, what happens when the grass returns? “There are only four buses a day in the summer; if you don’t have a car you’re toast. This needs to be addressed from the government side, but why would they do it? It’s a provincial town during the summer, only a few hundred people living here (Hirafu). All of the residents have a car, the buses will be empty 90% of the time.” (Person C). It is, again, a difficult cycle to break: fewer summer visitors mean that there is less impetus to improve the season’s tourism infrastructure, which only perpetuates the problem of attracting those visitors.

There is a general consensus among many foreign business owners in the Hirafu district that solutions to the area’s seasonal tourism industry need to begin at the government level. Particularly due to the importance of the Japanese market to the region’s green season tourism, it would seemingly be very beneficial to actively promote the area as summer destination. However, while organizations like the Kutchan Tourism Association are doing this on a smaller
level, advertising and helping to organize occasional events like cycling races, etc., the area’s tourism identity remains tied to the snow:

“…to get summer going we need to urgently start pushing the domestic market…we go down to Tokyo, there’s this arrogance here, oh everyone knows about Niseko. No, everybody knows about this freaky little Aussie village up in Hokkaido. They don’t know what it is, they don’t know about summer here, it’s not a mainstream trip for anybody. You ask anyone in Honshu about Hokkaido and they go, Furano, Hakodate, whatever. But they don’t say Niseko, it’s known as winter, it’s off their radar. So we have to change that whole perception, and we have to do it domestically, because we need that market to help drive summer…it needs to be both the private sector and the government working for this; I heard an interview with the Hokkaido governor and she brought up Niseko on her own and said, ‘Oh Niseko is a perfect example of skiing and powder snow’—she doesn’t really know what’s going on here in many ways. The whole thing is just winter, winter, winter focused, and we need to change that.” (Person D).

In addition to changing promotion priorities for the domestic market, the area is also trying to reach more Asian customers to supplement its green season numbers. But here, again, it seems that a mixed message is often sent as to the real appeal of the region:

“All of the marketing that has been done has focused on winter. We do need to start going to trade shows and doing it for summer. I’ve been to shows in Hong Kong, Singapore, we’re going to these mainstream travel shows, not speaking to a ski market, and we’re pushing powder snow. We shouldn’t be pushing powder, we should be pushing clean rivers, and beautiful blue skies, and summer, the winter will take care of itself. There needs to be first, a shift, okay guys we’re pushing summer. And then it will start to happen, it will start to grow, businesses will stay open.” (Person D).

It is significant that this statement mentions how the “winter will take care of itself.”

Niseko’s natural competitive advantage is, of course, a product of winter, so logically it makes sense that perhaps more effort should be made to shape the region’s brand during the times when such an obvious driver of inbound tourism does not exist. However, the realization that a sustainable tourism-based economy involves strong seasons in both the winter and the summer is only just beginning to occur: Kutchan town is now exploring plans to add a mountain biking course to one of its local parks, but this remains only an idea at present. The difficulties faced by some foreigners who’ve attempted to further enhance the area’s summer appeal via the development of additional recreational activities will be detailed later in this chapter.
Local labor

When an area suffers from seasonality, as described above, it becomes much more difficult to attract and/or retain local staff. This has proven to be a major concern in Niseko’s tourism industry, where many of those working in the hospitality sector or at the resorts themselves, even the Japanese, come from outside the region. This is in spite of the fact that all of the foreign business owners to whom I spoke unequivocally stated that they badly wanted to employ more people drawn from the local community: “For us, someone who knows Kutchan and Niseko, has family here, has a house here, it’s like gold dust. Absolutely. One of our big problems is staff accommodation. Someone who’s already got a residence, fantastic. Knows the area, knows a local little dive bar they can tell the guests about, totally priceless.” (Person C). The authenticity and added guest experience brought by employees sourced from within the region was mentioned again, with one person saying, “The best for me would be to have almost all Japanese staff…as a resort, you need a lot more English-speaking Japanese staff. Because they know the culture, they know the stories, they can be guides, make people love the area, want to come back again.” (Person B). Another interviewee neatly summarized the area’s staffing problems with the following humorous example: “…the people coming here are arriving in the resort and being greeted by an Aussie going, “Welcome, mate!” And they’re going to their ski lesson and it’s a Canadian going, “Hey, how are you doing?” And then they’re going to their restaurant at night and chances are they’re getting served by a foreigner as well. So that is the problem, being able to staff this place with locals, with Japanese…they just don’t have the English-speaking staff.” (Person D).

As alluded to in this quotation, the importance of English language ability to the area’s tourism industry has increased in significance as the inbound market has continued to expand,
but unfortunately the education systems in the surrounding towns have done little to take advantage of the unprecedented opportunity presented by having an international resort sitting in their backyards. There are no programs whereby students might exchange languages with visitors or even foreign business owners, and while one language school, called Smile Niseko, was opened with some support from Hirafu businesses, the impact has been small: one interviewee referred to the project as “low-level corporate responsibility” rather than an effective means of really helping the community to create a new local labor supply.

The Japanese government’s struggles with effective English education is common knowledge to anyone with the ability to conduct a Google search, but considering the huge demand in the Niseko region—one resident told me, “…if they (Kutchan residents) spoke good English they could earn twice as much money up here”—it is curious that relatively little has changed as the resort’s growth has continued. It has resulted in large amounts of seasonal labor coming from both abroad as well as other areas of Japan, rather than driving work to the surrounding residents: “…we’ve got close to 1,000 seasonal staff coming to the area, and that’s not just from overseas, it’s from Sapporo, from Iwanai, from everywhere else. We’ve got Kutchan down the road with 15,000 people and not enough of them are getting engaged. So businesses go and find the staff elsewhere because they’re not able to source it from here.” (Person D). Clearly, this results in a much-reduced positive economic benefit for the local community than what might otherwise occur, and must be more thoroughly addressed in the future for the region to fully realize the transformational potential of the resort’s globalized tourism model: it could be, as one resident stated, “the future of the whole area,” so “residents should be encouraging their kids to get involved, to learn more English, to teach more English. Give their kids more opportunities.” (Person D).
Hirafu’s population & political power

The Hirafu district is the largest resort community in the Niseko area, and is the site from which growth in the international market first started. This popularity has had the side effect of greatly increasing land prices—the area has seen the fastest rising land values in the entire country—and the many new condominiums that have been constructed have come at the cost of an accompanying fall in Japanese residents actually living in Hirafu. Per Kutchan statistics, there were 514 Japanese residents in 2004, and, despite the increased employment opportunities in the district’s accommodation industry, by 2015 that number had fallen to 465. The significance of this trend is revealed when considered within the context of the town’s political process: despite housing a tourism industry with huge revenues, Hirafu’s small permanent population means that it has only a single representative on Kutchan’s local assembly. This council has a total of 16 members, meaning that the district’s economic and political power are wildly imbalanced, which causes significant difficulties for Hirafu business owners who might wish to implement certain changes, such as stricter controls on building development or policies that favor tourism as opposed to agriculture.

The situation is an acknowledged problem, but one which many felt remains essentially unsolvable due to its systemic nature. One resident said, “The accommodation development has left an area which has hardly anybody actually living there. It causes problems with our local politics—because Hirafu has very few permanent residents, it has almost no votes in the local assembly. Only one representative, and he’s a somewhat young guy so he doesn’t have such a big voice. Economically Hirafu is bigger than farming, but having no political power makes it harder.” (Person B). A second person who works in the area put it more bluntly: “Hirafu is a
suburb of Kutchan, politically. Money made here can be used to build a farm on the other side of town.” (Person C).

The imbalance between Hirafu’s importance to the local economy and the influence which it wields within Kutchan’s political circles is compounded by the fact that non-Japanese citizens, even permanent residents who have lived in the area for years, are not permitted to vote under the Japanese system. As stated in the previous chapter, hundreds of foreigners now make their homes within Kutchan’s borders, almost all of whom are connected to the area’s tourism industry. However, politicians need to be elected, and once in office, they’d obviously like to continue to be re-elected. Because the voting requirements render non-citizens mute, it naturally serves to empower those who’d cater more heavily to the town’s traditional economic bastions, like agriculture, and it becomes difficult for foreign advocates of the tourism sector to actually have their voices elevated to the policy-making level. “…for all the money that’s up here, I can’t vote because I’m not a Japanese citizen. If you’re a politician, you have to get elected, and then you have to do things that cause you to be re-elected, so it’s hard…even if you’re a homeowner, you just pay tax, you can’t vote in this system.” (Person C). When an entire business community is essentially outside the political system, can the private-public cooperation necessary to achieve meaningful change really be implemented? Hirafu’s relationship with Kutchan shows the fallacy of assuming that capital is equal to political weight, an important distinction when considering the power of local politics to determine an area’s future development path.

**Insufficient government leadership and the absence of a single brand**

As discussed in the previous chapter, the recent development of the Niseko ski resorts has been driven almost entirely by private business. While the private sector’s efficiency has
contributed to the rapid pace of the region’s growth, it has also had its downsides. Unsurprisingly, when an individual business invests in an area, it does so with the intention of making a profit for itself, not for the entire community—its promotion is aimed at driving customers to that one company rather than enticing visitors to become interested in the region in the first place. When many businesses are engaging in this same activity all at the same time, it can result in a fragmented brand and a non-cohesive regional image—the difficulties of getting large numbers of stakeholders to cooperate has been a common theme of place branding studies (Lucarelli and Giovanardi, 2016; Moilanen and Rainisto, 2008). Ideally, this is when a public agency would step in to coordinate the area’s message to the wider world. However, in the Niseko region there has been very little government leadership and therefore, despite the resort’s overall strong international appeal as a powder destination, the “Niseko brand” remains a mixture of the ways in which individual operators choose to sell themselves.

This lack of brand consistency has proven to be especially problematic as the resort areas have attempted to pivot from focusing solely on winter to becoming a year-round attraction. Because the region cannot rely on its natural competitive advantage the methods by which it brands itself for the green season are much more important, but currently there is nothing resembling a “master plan” for the area’s future or an agreement about how it should move forward. This is a situation that most people involved in the tourism industry are aware of and wish would change, as revealed by two interviewees who said,

“…it would be great to have a lead from the government, you know, to say this is the sort of resort we want to become. They’ve tried a few times (a master plan) but they don’t invite the foreigners very much, and when they do there’s a language problem. And most of the foreigners are busy people, they have a lot of ideas but most of their ideas are new. At the beginning it stalled every time and most of the foreigners got fed up with it…it if you say, “Well, what should we do, everybody?” you’re never going to get an answer.” (Person B).

“To be honest, I don’t even try anymore…there’s very few Westerners here that have the language skills, and if they do have the language skills they don’t have the experience. And seriously, it shouldn’t be up to a foreigner. It has to come from something like the national government, or the Hokkaido government, they have to look at global models.” (Person E).
Unfortunately, as just discussed, perhaps partly due to Japan’s political system excluding the voices of the town’s foreign element, an effective method by which the public sector can become more actively involved in the region’s tourism industry has not yet been found.

The lack of government involvement extends beyond local failings, as well, with Hokkaido’s, as well as Japan’s, national agencies also being culpable. The problems here are multilayered, but much of it stems from the same problem which plagues the local efforts: there is no single organization with responsibility for managing the area’s tourism industry. Similarly, at the prefectural and national levels, there is considerable overlap and bureaucracy that must be overcome when dealing with development on any type of public land—and the Niseko region is partly within a quasi-national park, meaning that this is a very immediate concern. As was related to me,

“…When you’re talking about the outdoors and the mountains and things, all of the mountains are controlled by different authorities. And they have their own sets of rules, especially things having to do with forestry. And they have no tourism budget…my idea is for Hokkaido to have a park management system. I’ve suggested it at every level of government, multiple times. Even just for Hokkaido, and then you have a blanket thing that covers all forests, for government forests…you start getting control here, and then there’s things that you can do. They’re just not very good at doing things. The Hokkaido government, basically no money, and they’re just dead.” (Person B).

Unlike the United States, Japan’s national parks are not managed by a single entity such as the National Park System. Instead, different elements of the land fall under the purview of separate agencies: for example, roads within the park are under one agency (Ministry of Transportation), while the natural elements are managed by another agency (Ministry of the Environment). What this means for the Niseko region can perhaps be summarized in the seemingly innocuous picture below:
This “building” sits in the parking lot of Niseko Grand Hirafu ski resort, and serves as a guest services and welcome center. The significance lies in the wheels: despite it being essentially a permanent fixture, one of the regulations of Japan’s national parks involve a set amount of buildings that are permitted, and the ski resort has already reached that limit. However, because this structure technically has wheels, it counts as a moveable trailer rather than a fixed building, and thus, despite the incongruity of an international ski resort’s parking lot being classified as a national park, the Grand Hirafu Welcome Center continues to utilize this vehicle as a building.

The contradictions between layers of the Japanese government have also manifested themselves in even more confusing ways. One example has been the difference between regular hotels, where all rooms are available to the public, and condominium buildings, whose units are sold to individual owners who may then choose when to make them available for rental. To
quote an article detailing the situation, “One of the requirements for hotels in quasi-national parks is that they provide accommodation to the general public. A condominium-type hotel, however, provides preferential treatment to hotel room owners which goes against this principle.” (Ward, 2014). The boundary delineating the beginning of the park runs across the Hirafu ski resort’s access road about three-quarters of the way up, meaning that the majority of buildings lie outside the park but that some prime, ski-in, ski-out land remains within it. Considering the Hirafu district’s heavy reliance on condominium-type development, this rule was obviously a major hindrance to further accommodation—until, that is, the Ministry of the Environment changed its position in January 2011 and declared that condominium-style hotels would now be allowed in quasi-national parks.

Not surprisingly, this change soon led to several older “regular” hotels being bought by foreign companies and demolished in preparation for new buildings. However, despite the national ruling, the Hokkaido government did not approve any construction in the park area, resulting in land sitting vacant despite the rabid demand. Even more bafflingly, in July of 2012, Hokkaido created a special exception that would allow condominium-hotels to be built within designated areas of the Niseko Shakotan Otaru Kaigan Quasi-National Park—but incredibly, the Hirafu district was not included as one of those areas (Ward, 2014).

Cooperation and the realization of new ideas

The types of confusion just described make it little wonder that the Niseko region has struggled with the implementation new projects and a general lack of cooperation amongst the region’s stakeholders. Without snow, the area’s tourism industry needs to create new activities in order to compete domestically, not to mention internationally, during the summer. While there
have been discussions and proposals, little has yet come to fruition, with one major example being Hirafu’s proposed Business Improvement District (BID). The main impetus for this idea was to help Hirafu collectively deal with the increased infrastructure demands created by inbound tourism, and specifically a plan to pay for road heating along the main access road to the Grand Hirafu resort, known as Alpen-zaka. This heating is estimated to cost around $80,000 each winter, and Kutchan’s government is unwilling to fund that bill alone. Instead, it has offered to pay half if the Hirafu residents and business owners can cover the remaining fees. The BID would be an organization that would help to collect Hirafu’s share, and also conduct activities that improve the area’s appeal as a visitor destination.

The BID was first proposed over five years ago, with a final draft completed in March 2013. One of the BID’s great selling points was that it would help to recoup maintenance costs borne by the area that were not being accounted for due to the extremely high percentage of absentee building owners: according to the draft document, over three-quarters of the buildings in Hirafu’s resort section were owned by people who did not actually live or work there, leaving the remaining residents to bear a disproportionate burden (Hirafu BID committee, 2013). However, in spite of this fairly convincing logic, the organization remains only an idea. The lack of execution has much to do with reasons that have already been mentioned: the absence of a single governing organization means that many individual businesses all want their own say, and the BID’s actual operations have not been able to be agreed upon. Without wide agreement, businesses are not willing to contribute funding, and thus the BID cannot move from paper to reality.

Similar problems with implementation have plagued the area’s attempts to begin a lift-assisted mountain bike service during the summer and fall. Downhill mountain biking, wherein
riders use the lifts to ascend and then follow courses constructed on the ski area’s slopes to the bottom, is a popular summertime activity used by many North American and European winter destinations during their summer seasons. As Niseko has ascended to the international scene, this activity seems to be a natural fit—except that in Japan, ski lifts are not allowed to run during the summer unless they’re enclosed (i.e. a gondola). The reason is allegedly that, if someone were to fall, they are at greater risk of injury than during the winter when snow exists to cushion the accident. This, of course, ignores the fact that early- and late-season snowpacks are usually quite thin and thus offer little more safety than bare ground, but the rule remains. This regulation has been frustrating to locals who’d like to have more to offer summer guests: “I suggested to the government some kind of system where the bar goes between your legs or something so you can’t fall out easily, but…no one in the government is going to say, ‘Okay, let’s change the rules,’ because they’ll have to take responsibility for it.” (Person B).

Another type of collaboration failure has been the inability of the region’s towns to set aside their individual identities and present themselves as a single entity. Kutchan town, Niseko town, and to a lesser extent Rankoshi town (pop. 4949, it is located on the opposite side of Mt. Annupuri from Kutchan), all have some stake in the area’s international tourism industry: Kutchan holds the largest ski resort and the most highly concentrated condominium development, Niseko town has two ski resorts, and Rankoshi, with its lower property costs, houses many of the residents who work in the resorts or businesses around them. All three of these towns have their own governmental tourism sections, as well as their own tourism associations—and while not enemies, coordination seems to be the exception (i.e. for special events) rather than the rule (general marketing campaigns, etc.).
The Niseko Promotion Board has not been as effective as had been hoped, and therefore a proposal to combine the three towns’ tourism efforts into a new government agency, called the Niseko Promotion Bureau, was (and is still being) discussed. However, it is questionable whether it will ever move beyond that stage:

“…it would be the 3 government tourism bodies joining into one, central funding, central management. What it means is that Niseko town would put their money in the pot, Kutchan would put their much bigger money in the pot, and Rankoshi would put their tiny little bit in the pot, and how does that work? Niseko-cho is very worried that Kutchan would just kind of control the whole thing, and take all of the cash and blow it on Hirafu, instead of the region. So there’s no quick answer…my understanding is it’s still very much, we’re talking, we’re talking, but I think it’s a done deal, I don’t think it’s going to happen in the near future.” (Person D).

The local rivalries, especially between Kutchan and Niseko town, are hindering the area’s ability to compete in the international tourism arena as a cohesive region. While issues caused by town pride are not unique to this locale, or even to Japan, it is unfortunate that something larger, such as a Mt. Yōtei regional brand, has not been created by local leaders. True to the above quote, when speaking with a member of Kutchan’s tourism section, I inquired regarding the status of the Niseko Promotion Bureau plan and was told that it was “under discussion,” but what that really means is open to interpretation.

**Problems with the Niseko Promotion Board**

The Niseko Promotion Board was founded in 2007 at the initiative of Tokyu Resort, the owners of the Grand Hirafu ski area. To quote its website (http://www.nisekotourism.com), it is “a non-profit, member-based marketing and sales organization representing the Niseko area.” In other words, it was set up to solve many of the issues previously raised in this chapter: it was intended to serve the whole area and to be the face of Niseko to the outside world; it would help to coordinate the area’s many diverse business interests into a more effective message that could bring benefits for everyone involved.
While still in operation, the plan’s results have not been what were originally envisioned. To begin with, according to those involved the organization’s operation, the leadership of the group has become highly politicized:

“The board of directors is a bit dysfunctional, it’s mainly the powerbrokers here, not necessarily the people that want to grow tourism. It’s almost like, they get a seat because they pay the most money—it shouldn’t be like that…there was a board of directors who were supposed to be elected every few years that would drive the direction and oversee the whole thing…the directors have remained the same for the last 8 years, they just get reelected every time. There’s no election process, it’s a behind-the-scenes election process…it doesn’t do what it’s supposed to do. Nobody wants it to die because we know that we need something, so until there’s something else…” (Person D).

It does not seem ideal that an organization which is meant to take the community’s voices and ideas, shape them into a more cohesive whole, and present them to potential customers, should have the same leadership for the entirety of its existence. The factionalism also affects the overall operations, as “…the trustees aren’t interested in Niseko being successful, they want their little part of Niseko to be successful. Annupuri ski resort doesn’t want people to come to Hirafu ski resort, etc.” (Person C). Additionally, it’s important to note that the NPB’s leadership is made up of business owners, not tourism or marketing professionals. Even disregarding the above election issues and individual agendas, when a promotion entity is run entirely by people with no specialized training or experience, it might be overly optimistic to expect significant results.

Indeed, as I was told,

“The NPB has been going for 7 years, and to this day they’ve never hired a single full-time employee with marketing or tourism marketing experience. It’s bizarre. It’s a tourism marketing and promotion entity that doesn’t have a marketing specialist. The directors are a bunch of business people with personal agendas. They’re clever guys, they can contribute, but they’re not contributing in the right way—this is a tourism thing, it’s not a business round table.” (Person D).

A further problem is that, despite having the backing of Niseko’s four ski resorts, as well as around 1,000 individual members, the budget for conducting promotional activities is not large. One of the larger hospitality companies in the area, called Hokkaido Tourism Management, actually “spends more money on marketing than the NPB.” (Person C). The NPB is, perhaps, a case of good intentions that are unfortunately coupled to a lack of adequate funding and an
insufficient skill set. “...the NPB, like everyone, is aware that we need to be diversifying away from winter, but are they doing anything about it? Absolutely not. They just don’t have a strategy, they don’t have the budget to go out and do a big marketing push.” (Person D).

The need for tourism management: toward future planning for the Niseko area

The Niseko Promotion Board is the only body working on region-wide promotion, and yet, as just described, it suffers from a number of drawbacks that have rendered it less than effective. The area’s winter brand has been strong enough that word-of-mouth marketing has sufficed, but as the area attempts to transition to a true year-round international destination, it is becoming more evident that articulating a concrete regional tourism strategy is necessary. Even more crucially, the rapidity with which construction has taken place, especially in Hirafu, has also demonstrated the need for tighter regulation and more future planning in order to prevent the district from becoming dangerously over-developed, which could eventually detract from the guest experience. In other words, something like a destination management organization would likely be highly beneficial for the area’s tourism industry.

Because that type of dedicated oversight has not existed, government regulation of the area’s tourism industry has been very light. As mentioned in the previous chapter, the modus operandi of the local government has been to react, rather than anticipate: only after something has become a problem is a solution implemented, as opposed to preventing that problem from ever occurring. As one person put it, town regulations usually “get changed as a result of something…they’re not ahead of the curve, they’re always catching up. Japanese building regulations, there’s not a master plan for Hirafu. If somebody owned the whole resort, and they were long term, they’d say, okay, we’re going to plan this, and you can’t have any buildings that look ugly, or whatever, but they don’t have that.” (Person C). Indeed, until 2007, there was
almost nothing limiting building size in the Hirafu district, which meant that many early condominium buildings could be constructed without regard for their surroundings, and their large sizes often completely blocked previously-existing sightlines for neighboring residents. This has been reined in somewhat for new projects—but the pre-2007 behemoths still exist, and even the new laws are not very strict. One of the area’s major builders told me that the “original building regulations were 70% footprint, 400% floor space ratio. You could build almost anything… The local building law code has been really effective but I think it’s still too generous. These buildings are built to the maximum, they’re not small buildings. I think it’s 40% footprint, 22 meters, 300% floor space ratio…if it gets built out to what it could, it’s going to be too much.” (Person E).

Besides physical characteristics, there are also no measures currently in place that might ensure that new projects benefit the local community. There are “no requirements for foreign buyers to have their businesses employ locals. If a foreigner bought a plot of land, and chose a foreign architect, and managed to get through all of the bureaucracy, you could do it without involving anyone…even for hotels, there’s no rule.” (Person C). For the Hirafu district, which is clearly an area heavily invested into tourism as its future, it seems borderline irresponsible for there to be no formal safeguards that would ensure that new ventures help support local residents first, and the bank accounts of foreign executives second. However, because there is such fragmentation of ownership—four ski resorts with four owners, myriad accommodation and restaurant/retail providers, all spread across multiple town administrations, there has been no way for proper planning to exist.

Therefore, a more powerful, overarching umbrella organization is likely necessary for the region’s long-term future. Without a public sector body to help organize the private sector, it is
much more difficult for the area to move beyond the word-of-mouth-type marketing techniques upon which it has been relying and become a more mature all-season tourism destination.

“…it’s exactly what the problem is: everybody’s pulling in a different direction…all of the brands that we’ve got—the NPB, Niseko United, Explore Niseko, Niseko town, Kutchan town—how do you bring all of that together? You don’t, it’s impossible; you can’t bring them all together because they’re private companies…they’re all fighting for the same space, because it’s so disjointed everybody’s fighting for their own business space. So, 100%, we’re at the point now where we have to have the central thing to bring it all together. Even if it’s just on a completely superficial level, when we go to the world we go as one brand—“We are Niseko”—if for no other reason, that’s what we need.” (Person D).

The creation of a regional Destination Management Organization (DMO) is becoming ever more urgent because the number of developers that are being attracted to the region’s growth continues to increase. Furthermore, while it has, for the most part, been locally-based, foreigner-owned companies building many of the condominiums, much larger multinational corporations are now moving in, and their motivations are likely to be far more profit-centric than those with owners who live in, and raise their families in, the same area that they’re developing.

“Japan wants and needs foreign investment, but investing and developing until you’re no longer attractive is not good. So to talk about the larger investors…they will control their environment in that site, but they don’t give a shit about anything else…they’re so big, they can master-plan their community, their 200 hectares or whatever it may be. Their focus is totally on that. Their market is not Japanese—they need Japanese staff, of course, but they are not thinking about Kutchan. They don’t care. So, what is Kutchan? It is a bed base for the staff.” (Person E).

It goes without saying that reducing the surrounding towns to the type of ancillary role referenced here is not an ideal outcome; tourism’s worth lies in its ability to elevate local communities to standards of living that would otherwise be unattainable without sources of outside funding. However, without strong government leadership, the risk of huge resorts overrunning the area’s current infrastructure is not unimaginable. “There’s already 10,500 beds in Hirafu; they’ve already confirmed another 2,500 beds in the next two years just here, and that’s not even talking about Hanazono and their announcement to build a Park Hyatt. It’s growing too quickly, the capacity is going out of control. Everyone’s pretty happy now because for those 60 days of the year they can charge the highest accommodation rate in the world, but it’s not sustainable.” (Person D).
Interestingly, it appears that one of the major reasons that a tipping point in the region has not already been reached is due to the very industry which is largely being replaced by tourism: agriculture. The area’s zoning laws specify that farmland can only be sold to another farmer—it must continue as farmland, not be used for resort accommodation. Given the area’s history as a farming community, a significant amount of territory remains “safe,” at least for the moment.

“…there are no true development controls here. You’ll hear it all the time, at the moment, what slows everything down is the farmland—a farmer who wants to sell his land, he can only sell it to another farmer…if they ever work out how to change the farmland’s zoning then we’re in all sorts of trouble. There’s no stopgap measure in place that’s going to stop overdevelopment here, none.” (Person E).

There yet remains time for a management organization to mitigate the negative impacts that seem likely to occur in the area’s near-future if region-wide planning is not implemented. Despite its strength as a winter brand and the large amount of accommodation now available, Niseko as an international destination has only existed for about a decade. It has grown very quickly, but this short life also means that irreparable harm has probably not yet occurred.

“I still think we’re in the very early stages, I don’t think any damage is done yet…Niseko needs more planning, and it needs more collaboration between the major players. You’ve got these ski hills, all of them operate pretty much as individual businesses with an agreement. But they don’t collaborate. They think, “How do I capture the largest part of my market share?”…a higher authority needs to come in—it’s not too late. You’ve probably still got 5 or 10 years; what can we do to make sure that for the next 200 years that people keep coming to this region and keep spending their tourism dollars in Japan? That has to be the end-game.” (Person E).

It’s impossible to know if powder snow will still be falling on Mt. Annupuri two centuries into the future, but having a more coordinated, long-term tourism plan would help ensure that the area could continue to flourish if it does.
Beyond Niseko: ski tourism’s potential in Japan

Notwithstanding the issues raised in this chapter, the Niseko region remains one of the largest tourism success stories in Japan, and its foreign-facing model, with its ability to attract both guests and investment from abroad, is unparalleled for a rural Japanese town. Its rapid growth naturally leads to the question of whether this type of tourism can occur in other areas of the country and perhaps help to alleviate some of the severe economic and demographic pressures faced by these localities. Niseko’s rare combination of physical characteristics, as described in Chapter 3, mean that simply making the “next Niseko” is likely difficult—one of my interviewees responded with a flat “You can’t,” when asked how to take Niseko’s success to other areas (Person B).

However, this does not mean that there are no aspects of the region’s development process that could be useful to rural communities seeking increased inbound tourism. The exact pattern that Niseko followed was once described to me as “organic,” meaning that almost nothing was planned and that, because of exceptional word-of-mouth advertising, progress simply occurred. That type of growth is probably not replicable, but it has served to prove that, if a suitable product exists, looking outside of Japan’s domestic market for your guest base is an increasingly viable strategy. This is true even for countryside locations that traditionally would not have been on the radar of most foreigners coming to Japan. What must be done is to create an environment, both culturally and through the provision of appropriate infrastructure, for foreign investors to become involved—and crucially, “…the lesson to those guys (other rural areas) would be: have a plan. Bring those guys (foreign investors) in with a plan, don’t just let them come in because they’ll overrun it. So I think there’s 100% an opportunity for other rural areas to create something, without a doubt.” (Person D).
In many ways, other rural regions of Japan have a unique opening because one locality has already ventured down the globalized tourism path: Niseko. The area’s problems with planning can be learned from, and hopefully prevented, by the next regions that seek to become larger international destinations. For localities based around ski resorts, the situation is even more favorable: the strength of Niseko’s brand as a powder haven has served to alter the image of Japan on the global stage, and many people who would have never considered visiting for a ski vacation now find themselves drawn to the country. “They’re (other Japanese ski grounds) lucky in a way, Niseko is leading the way and making people think about Japan as a ski destination. Get on the coattails, jump on.” (Person C).

This is, of course, easier said than done, since many of Japan’s ski areas were built during the 1980s frenzy and contain little more than basic lift and facility infrastructure—not exactly the accommodations that have attracted so many to Niseko. However, with some improvements, many larger destinations have the unique opportunity to use Niseko’s internationalization against it. “One advantage could be in keeping places Japanese, versus what’s been happening here, I think people are missing the Japanese experience.” (Person E). In other words, when some guests complain that Hirafu no longer feels like Japan, other ski resorts could say, “Well, come here instead. We are Japan.” But this message must be paired with appropriate guest services. Many mountainous areas of Japan receive significant snowfall but do not have the type of service sector that is able to support week-long stays by foreign guests. Ski grounds that were developed for the day-trip or one overnight domestic guest must improve both their on-mountain offerings as well as the hospitality offered at their bases. “…the pension-style, hole-in-the-ground toilets and stuff like that is not what people want. They’re willing to spend a thousand dollars a night to go and stay in a nice accommodation, so you’ve got to put the accommodation there to make
people come. You have to have something to offer.” (Person C). As another person put it, “I think that there’s a very real opportunity for other areas of Japan…but with the old pension model, it used to be dinner was served at 6:00 pm, if you weren’t back home by 8:30 pm we’re locking the door. That doesn’t work.” (Person E).

This change should extend to the resort’s operations, as well. In what is perhaps not a surprise, many Japanese ski areas do not have a future plan guiding their business decisions. One person working as a ski development consultant told me that even something as short-term as a five-year plan does not exist within Japan’s ski industry:

“…the biggest thing that we have to improve is the management of ski resorts. They need to have a vision of what they want to be in ten years, and how they want to be involved with the local people, with their prefecture, and what market they’re aiming at. It’s very much the opposite of Whistler. Whistler has a vision, not just for the next 20 years but for the next 50 years. They look at the big picture, and have a goal for their relationship with local people. But none of the ski resorts in Japan have that (kind of plan). I don’t know why. If I was the CEO of a company, I’d want to have that…We don’t even have a five-year plan.” (Person F).

Without short- and long-term planning, the Japanese ski industry, as well as the localities which hope that it can be their economic growth engine, will find it very hard to compete with globally established destinations, even if they are able to both trade on, as well as differentiate themselves from, Niseko’s already-built ski cachet.

One of the obstacles to achieving this change is the division between company executives, who are often businessmen without strong sporting backgrounds, and lower managers, who tend to have come to the industry through their love of skiing or snowboarding, rather than a focus on profit.

“…most of the managers don’t know about the ski industry. If they had a plan, they’d know what resources they already had, and what they’d need for the future, as well as how to deal with the local people, what the role of the resort should be in the town. It’s very simple…when I talk to people about this, lower management is keen to do it, but higher management is not. I still don’t know why. Maybe they think more about cash flow, or other responsibilities, they have a lot of concerns. Lower management can think more about the future while the upper managers have to be so realistic…There’s a Japanese saying, I would die if I changed my policy (my way of thinking). Even if I said it 20 years ago, I still want to be like that. This is a Japanese characteristic that I can’t understand. Of course there are some things that we shouldn’t change, like culture, etc…but lift operations, ticket access, restaurants, we always have to be improving. And it’s not just the ski industry—many businesses in Japan, they know about the financial aspects but not about their actual industry. The lower management, they used to be
good skiers or snowboarders, they love it, they are very passionate, they want to improve guest services, everything. But they’re not good at the business side, managing the company. We need someone who has both.” (Person F).

Finding the balance between innovation and remaining “Japanese,” between business responsibility and a willingness to aim high, between operating successfully in the present while still preparing for the future, are challenges that must be addressed by Japan’s ski resorts, as well as its entire visitor industry, in order to contend with the tourism businesses of other economically advanced nations.

Making tourism development work for all of Japan

Some of the critiques found in this paper are of large systemic failings, such as Japan’s business culture or the ineffectiveness of the country’s English education system, that will require significant time and large-scale government initiatives to ultimately solve. However, there are several smaller, more immediate areas where localities seeking improvements to their ability to attract and utilize inbound tourism could alter and likely achieve meaningful change.

First, more regions should consider adopting a room occupancy tax, or shukuhakuzei (宿泊税) in Japanese. The purpose of this additional fee is to leverage visitor demand to directly pay for the pressures which the tourism industry places on local infrastructure, and to help improve future guests’ experiences—it allows tourists to help fund resources utilized mainly by themselves. Without the implementation of a room tax, the governments of towns like Kutchan receive no direct benefit from increases in visitor numbers, and instead must rely on more roundabout ways of collecting revenue, like property or sales taxes. This type of system is particularly suited to areas that already have established themselves as destinations—such as the Niseko region—where high demand exists and what is needed is a way for communities to better leverage that demand to help raise the living standard of local residents.
Incredibly, this lodging tax exists almost nowhere in Japan, with the notable exception of Tokyo. It may not be a coincidence that Japan’s biggest tourism destination (in 2013, its 51,148,000 guest nights was almost double that of any other prefecture, according to the government’s “White Paper on Tourism”) is also the one area which has implemented this tax, considering its pull as one of the world’s premier cities. However, when compared with other destinations that have found great success with this system, such as Hawaii, Tokyo’s accommodation tax is laughably small: it is a fixed-rate fee of less than ¥200, depending on the room’s total price. Hawaii, and many other regions, use a percentage tax—in Hawaii’s case, the rate is 9.25%. For a hotel room that costs $200 per night (and many cost much more), this equates to $18.50 that goes directly from a guest’s wallet to the government’s coffers.

Considering the extraordinary accommodation rates that can be charged in regions with high demand, such as Niseko during the winter, implementing a percentage-based room tax would likely improve the government’s ability to fund needed infrastructure improvements, and hopefully its ability to deliver immediate value would also spur more active participation by the public sector in tourism activities.

This idea has been proposed by foreigners living in the Niseko region. “There’s been plenty of discussion regarding a hotel tax. But we’re not in a position (politically) to actually do it. The resistance to it is coming from the Japanese. ‘It’s an unfair tax, it’s another cost to our business.’” (Person E). Unfortunately, because the accommodation tax is so rare within Japan, it seems that its purpose and implementation is not well understood—the entire goal of the tax is that it is paid by the guest, rather than the local business, thereby rendering the above argument moot. The closest widespread analogue to this system, a tax on visits to onsen that has been implemented by certain regions, also suffers from the same problem as Tokyo’s accommodation
tax effort—it is a fixed rate of between ¥150 and ¥200, depending on the area. For localities with an established product that seek to capitalize more fully on inbound tourism, establishing a percentage-based tax on overnight guest stays would seem to be highly beneficial.

A possible pathway for areas looking to increase investment in their towns could be to emulate Niseko’s model and attempt to attract foreign entrepreneurs who then advertise to their home countries, rather than simply going after foreign guests themselves. As previously recounted, the growth in Niseko’s tourism industry has been almost entirely driven by the private sector, and the majority of those businesses were helmed by foreigners who of course knew their countries’ tastes and thus could more easily meet guest expectations. Many local governments do not possess the specialized marketing knowledge to enable them to directly compete globally—one official in Kutchan told me that, “Tourism is not yet an industry in Japan, so local governments usually don’t go beyond making a pamphlet.” (Person I). If these areas instead support foreigners who are willing to create business projects in the region, it might be possible to capture some of the momentum that has enabled Niseko to grow so quickly. However, other localities should also learn from the foreign domination of Niseko’s tourism industry and engage in this type of scheme only with safeguards that ensure the local community stands to benefit from inbound guests, as well. As I heard from an employee of Kutchan’s tourism association, “It would be good if Japanese, instead of foreign companies, were the ones benefitting.” (Person H).

One way to achieve the above goal of attracting foreign entrepreneurs to a locality would be to provide them with something they sorely lack in Niseko: a political voice. As described earlier in this chapter, non-Japanese citizens cannot vote, which means that they have no way to influence local officials who may ultimately hold the power to allow or deny new tourism projects. While it’s understandable that non-citizens should not be voting for the national
government, long-term permanent residents could be allowed to participate in local council elections. This inclusion would likely hold great appeal for potential new foreign residents, given how they are typically shut out of the system in most Japanese towns. It could also increase the chances of a more cooperative relationship between the foreign businesses and the local government, as both parties would have more investment in the other’s success.

Finally, there is an opportunity for the national government to assist in regional economic development by forming partnerships with large businesses, such as those in the airline industry, and providing incentives for those industries to care more about the country’s total welfare rather than only their most popular destinations. For example, the air route between Tokyo and Sapporo (New Chitose Airport) is extremely busy because of business travelers, so tourism development is not high on the airlines’ agendas—they already have customers. It is here that the Japanese government could step in:

“Japan Airlines and ANA, internally they don’t care about tourists between Tokyo and Chitose because even at the peak they were a miniscule dot compared to the business travelers. So, get the government to do some tax break if you pull someone out of Tokyo and take them to Iwanai—help pay their plane ticket or whatever. Some idea like that...Japan is just fascinating, everyone’s image is just Tokyo, sushi, sumo, stuff like that. 90% of Japan is mountainous, you know? A lot of it is uninhabited. The drive from Chitose to Niseko, which everyone thinks is so close, you go for a hundred kilometers with nothing, just trees and snow. How do you make people change their external image of Japan?” (Person C).

It is not a small task, but the national government is actively seeking to continue the nation’s recent increase in inbound tourism, and that should include efforts to move guests away from the largest cities, which already have strong economies and an increasing population, to areas of the Japanese periphery where money brought by tourism can likely have a much greater relative impact—and in the process, perhaps even begin changing the world’s perception of Japan, as well.
"Niseko used to be just a rural onsen area—I could never have imagined the current changes.” Such was an acquaintance’s recent response when I first related my research topic. The previous three chapters have covered some of the ways in which inbound tourism since the early 21st century has radically altered the development trajectory of one Japanese ski mountain and the towns which surround it. The area’s current status as Asia’s premier ski destination is unquestioned, as the statistic provided in this paper’s introductory chapter showed: foreign ski visits to Niseko outnumbered those at every other resort, combined. While other resorts have seen the investment attracted by this success and have been making efforts to capture portions of the inbound market, the Niseko region continues to stand alone as Japan’s only truly international ski destination. With foreign developers building accommodations to be run by foreign hospitality operators who are targeting foreign guests, the “tourism production system” is thriving, bringing ever-increasing visitors to an otherwise ordinary countryside locality.

In researching Niseko, my thesis has examined three main questions. Chapter 3 asked, why was it this particular region, and not elsewhere in Japan, in which rapid development has taken place? Chapter 4 and 5 asked, how has that development affected the surrounding towns and their residents? Finally, Chapter 5 also asked, what does Niseko’s experience mean for other rural areas of Japan—can its inbound-centric development path be emulated elsewhere? My findings can be briefly summarized as follows. First, Niseko possessed a rare combination of reliable snow, terrain, accessibility, and existing infrastructure that combined to create a strong fundamental product. Additionally, there were a series of coincidences that led the first foreign real estate entrepreneur to the area; Niseko’s initial development was the result of both structural factors as well as an element of chance. Secondly, the resort’s increased popularity among
foreign ski tourists has had a variety of positive demographic and economic impacts on the two closest towns, resulting in one of the few rural regions in Hokkaido that may be reversing its longstanding population decline. Yet there have also been negative impacts, particularly surrounding issues like seasonality, uneven distribution of profits, and an overall lack of cooperation in growing the region as a whole, as opposed to individual businesses. Furthermore, Niseko’s fame has catapulted Japan onto the worldwide ski destination map, presenting a major opportunity for other mountain localities to capitalize on that new consciousness.

These case-specific questions have been interwoven with more general frameworks, notably Pred’s “place as process” concept, Yamamoto & Gill’s idea of the tourism production machine, and the tension between managed and unmanaged globalization as it applies to a given locality. As the previous chapter chronicled, much of Niseko’s recent growth can be categorized as unmanaged. Aside from the rapid rise in inbound numbers, the area’s most defining trait is arguably the dominance of private enterprise over public sector planning, which has resulted in somewhat chaotic economic development. While the region has thus far been able to succeed in spite of its lack of big-picture planning, its future ability to compete on the global stage may depend on moving from building beds to emphasizing tourism services.

However, perhaps the area’s fragmentation should not be a surprise: while Niseko’s unique identity as a foreign-centric leisure destination in Japan has undoubtedly been an asset to its growth, it has also meant that local authorities have had very little prior experience and no other domestic models on which to rely. This has created a large gap between the aspirations of those working in the area’s tourism industry, whether foreigners or Japanese, and the skills and knowhow required to successfully manage a region as a sustainable tourism region. As one interviewee noted, “The international Japanese resort simply doesn’t exist in Japan yet…there
are no international resorts in Japan other than this. And the Japanese don’t know what to do now...they literally don’t know what to do.” (Person D). The lack of knowledge has, as previously chronicled, led to issues with the area’s ability to transition from a winter-specific resort to a year-round destination, and the absence of strong public sector leadership has also diminished the ability of the disparate stakeholders—multiple ski resorts, numerous accommodation providers, and several municipalities—to coordinate their promotion efforts and become a more efficient Yōtei region which fully competes on the global stage rather than sometimes fighting against itself.

Without a cohesive regional plan, overcrowding and the imbalance between accommodation development and tourism infrastructure/services have the potential to bring significant disruption to Niseko’s success story. A survey of 2959 winter visitors, conducted by a company called RoomBoss from 2010 to 2015, showed that over 95% of guests rated their experience as either “Excellent” or “Very good.” But, as the below graph illustrates, recent trends are worrying:

![Visitor satisfaction survey](image)

**Figure 12: Visitor satisfaction survey**

Source: RoomBoss Co., Ltd., 2015
While not an apocalyptic increase, this data underscores the reality raised by my interviewees in the previous chapter: Niseko is a world-class ski resort that is currently playing it by ear, and this must be addressed before the above red line begins to rise further.

Regardless of the future, the area’s development has altered the way the world thinks about Japan as a ski destination, and thereby provided other mountains with an opportunity to possibly revitalize their business models. Coupled with the larger context, such as the national government’s emphasis on inbound tourism to coincide with the 2020 Tokyo Olympic games, there is significant potential for other localities to capitalize as Japan’s tourism industry pivots to a more globalized model. A change from domestic-centric tourism products, which are a legacy of Japan’s economic growth years, to a more even approach which courts both foreign as well as domestic guests, would likely help unlock tourism’s full potential in counteracting Japan’s ongoing problems with rural depopulation. As the demographic trends of Kutchan and Niseko town show, a strong tourism-influenced local economy, coupled with the metropolitan sheen of foreign influence, can succeed in attracting new permanent residents and also provide types of employment that are more likely to resonate with younger Japanese who, if not wishing to work in agriculture, often otherwise emigrate to larger urban centers.
To conclude, I offer a picture taken on the main street of Kutchan. In a small, rural town, a business is offering, in addition to eikaiwa, or English conversation lessons, Japanese lessons. As the local residents probably do not need instruction in how to speak their mother tongue, this sign is almost certainly a response to the increased foreign presence brought about by the region’s ski tourism. It is a situation that most likely does not exist anywhere else in the country. For Japan, ski tourism may mean more than the search for powder snow.

Figure 14: Kutchan in 2015—Japanese lessons offered in a rural town
Source: Author’s photograph
Appendix – Interviewee listing

Niseko-related interviews conducted in English
Person A: August 7th, 2015, in Niseko town, Japan. Public sector tourism official.
Person B: September 16th, 2015, in Hirafu district, Kutchan, Japan. Private business owner.
Person C: November 13th, 2015, in Hirafu district, Kutchan, Japan. Hospitality manager.
Person D: November 13th, 2015, in Hirafu district, Kutchan, Japan. Private business owner, tourism marketing consultant.
Person E: December 2nd, 2015, in Hirafu district, Kutchan, Japan. Private business owner, real estate developer.

Niseko-related interviews conducted in Japanese
Person I: November 4th, 2015, in Hirafu district, Kutchan, Japan. Public sector elected representative.
Person J: November 17th, 2015, in Sapporo, Japan. Professional skier.

Other
Person L: February 18th, 2015, in Jay, VT, USA. Co-owner of ski resort.
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