***tokyo : shaping a world city in the face of economic turbulence***

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**'Tokyo was once as a global city competing with New York and London, but at present it is declining in terms of the global hierarchy of cities.'**

(Machimura, 2003, p. 196)

**‘The goal of urban development is defined as "the creation of Tokyo as a world-leading international city".'**

(Tokyo Metropolitan Government, 2002, p. 4)

These two quotes crystallize Tokyo's position in the world city debate. External economic changes have had a significant impact on the city's global status, while at the same time the state has taken a leading role in attempting to shape Tokyo's response to these external forces. A study of Tokyo illustrates, in a particularly clear fashion, many of the issues raised in the discussions we reviewed in Chapters 2 and 3. It plays a key role in the debate over the degree of convergence between world cities. It confronts the claim to convergence, that is, that all cities will be forced into closer conformity with New York, London or Los Angeles. As the major city within the developmental-state approach, Tokyo also raises many ques-tions about the withering away, or restructuring, of the national state.

Tokyo's economic success and world city status have been widely acknowledged (for example, Sassen, 1991; Friedmann, 1995). In practi-cally all the league tables that describe the 'world city' hierarchy, Tokyo sits there at the top with New York and London. However, not everyone accepts this interpretation and, as well will see, there is much evidence to show that Tokyo differs considerably from the other two cities. This raises the question of whether Tokyo can be called a world city. In addition, sice the boom years of the 1980s Japan has witnessed a dramatic fall in its economic fortunes. A second pertinent question to ask is whether this fall at the national level has been mirrored by a change in Tokyo's world status.

As we saw in earlier chapters a city will often respond with competitive policies when it feels that it is under economic pressure. Thus, as a hypoth-esis, it is reasonable to ask whether such an entrepreneurial policy empha-sis has developed in Tokyo in the context of the Japanese economic crisis.

In the first part of this chapter we will look in more detail at these debates about globalization and world city formation and explore their relevance to Tokyo. We will then investigate the way that the world city concept has been employed int the city policy debates in different ways over the last twenty years, and its influence on strategic planning policy. Shifting economic fortunes and changes in political leadership have led to significant differences in attitude to the world city as a policy objective. We identify a period of boom and confidence in the 1980s followed by a decade of economic crisis and withdrawal. Since the end of the 1990s we will argue that a new, more competitive, direction is emerging in the context of what Machimura calls a 're-globalisation'(Machimura, 2003).

We will focus particularly on the planning policies in this most recent phase.

**Tokyo : world city?**

As we have noted, although Tokoy is nearly always bracketed with London and New York as the top three world cities, there considerable debate over the degree of similarity between them. One criticism of the global city debate is its Anglo-American ethnocentrism and its tendency to 'exagger-ate convergence and thus homogenize dissimilar cities' (White, 1998, p. 456). It is therefore necessary to explore beyond the typologies and examine the details of the dynamics of each city (Amin and Graham, 1997; Thrift, 1997). The debate over Tokyo as a world city has been well-addressed in a series of articles in Urban Studies(vol. 37, p. 12 and vol. 38, p. 13). There seems to be general agreement that Tokyo exhibits special features but there are different views over the degree of difference the significance of the difference and whether convergence is taking place. The special characteristics of Tokyo mentioned in the debate include its economic structure, patterns of business ownership, degree of social polarization and immigration, and the amount of state involvement. These characteristics overlap but for the purposes of our discussion here we will focus on two dimension - Tokyo`s particular economic character and the influence of the state.

As we discovered in our review in Chapter 2, the expansion of literature and research on world cities can be dated to the 1980s. As the 1980s was also the period when the economies of Japan and Tokyo were booming, it is perhaps not surprising to find that Tokyo is almost universally categorized as a leading world city(for example, Rimmer, 1986; Sassen, 1991; Machimura, 1992;Fujita and Hill, 1993). The first edition of Sassen's book Global Cities (1991), based upon material of the 1980s, promoted the message that London, New York and Tokyo, although having different histories and cultures, were experiencing the same trends because they were the three top command centres of the global economy. Most of the world city typologies give greatest attention to the location of the headquarters of the world's largest corporations or banks (see Short and Kim, 1999, for a review). According to Machimura (1994), the number of head quarters of TNCs in Tokyo increased more than three times between 1975 and 187 and the size of the financial market expanded. His study also shows a significant increase in service industry employment in the 1980s(Machimura, 1994). For instance, producer services, such as information processing (software), advertising and specialist services, showed an increase of more than 30 per cent during the deacade. Information processing industries recorded a remarkable increase of 98 per cent between 1981 and 1986, and 61 per cent between 1986 and 1991. In terms of these particular economic factors, the statistics show that the changes in Tokyo were similar to those in London and New York during the 1980s.

When the Japanese economy was booming the major national corporations and banks were to be found dominating the lists of the top world players, pushing Tokyo up the world city hierarchy if measured by the presence fo these top players. However, there is a difference between a city that contains its own national organizations that operate internationally and a city that is a location for a wide range of top organizations from other parts of the world. Japanese TNCs and financial institutions, with their head quarters in Tokyo, certainly adopted a world outlook in the 1980s and set up offices in major cites across the globe (Machimura, 1992). However, in terms of foreign direct investment, foreign capital and foreign labour, Tokyo remained largely 'non-global' during the 1980s (Friedmann, 1986; Rimmer, 1986; White, 1998). As the Llewelyn-Davies report puts it:

Tokyo remains more of a national centre, the centre of an outstandingly successful global trading nation, than a global city in London or New York sense . . . Tokyo's offices predominantly house Japanese corporation, its bank primarily serve Japnses industries, its lawyers and accountants are mainly on the payrolls of these same companies, its night clubs cater largely to Japanese corporate clients, its tourist attractions cater principally for Japanese families and Japanese school parties.

(Llewelyn-Davies, 1996, p.52)

Tokyo is therefore a centre for Japanese capital that, in a period of boom, has extended its business reach to overseas countries by export, merger and investment, including becoming the world's leading exporter of capital (Sassen, 2001b). Thus flows of capital and company activity are mainly outward rather than inward, because they are based on expansion of Japanese-owned TNCs (Hill and Fujita, 1995). Tokyo did not really open its doors to the outside world, and it can be said that it has remained a Japanese city.

**Reglobalizing Tokyo in a competitive world**

National government attitudes to the role of Tokyo had also been changing. After a period in which the concept of world city was out of favour, the national administration of Hashimoto announced the Japanese version of the Big Bang policy in 1996. This proposed that Tokyo should be revived as one of the world's economic centres and be made in to a 'free, fair and global financial market' (Kamo, 2000, p.2149). This was the background th the election for Governor of Tokyo in 1999, which was won by the novelist Ishihara. Although a former LDP member of the Diet, by the time of the election he was independent of party and national government. His election manifesto was based on the idea that national recovery should start in Tokyo. He presented himself as a strong leader who could stop the decline of both Tokyo and Japan. His dynamic Approach, in which he proposed to revitalize Tokyo again as Japan's leading city and an important world player, contrasted with the sluggish approach under Aoshima.

In the years following the election urban policy documents flowed from the TMG in rapid succession. There was first the document *Strategic Plan to Overcom the Crisis* (TMG, 1999), then the *Urban White Paper 2000* (TMG, 2000a), the *Tokyo Plan* 2000 (TMG, 2000b) and the more visionary *Tokyo Megalopolis concept* (TMG, 2001c).

The world 'competition' appears frequently in these documents and indicates that the national change of climate has also imbued the thinking in Tokyo. For instance, the *Urban White Paper 2000,* which is subtitled *Increase the Attractiveness of World City Tokyo*, recognizes the importance of the rapidly changing socioeconomic environment in which Tokyo has to operate. It says in the preface by Ishihara himself that 'in the shrinking world caused by information technology, the time has come when people and coporations can choose their location irrespective of nation borders' (TMG, 2000a, p. 1). It also refers to the competitive aspect of the globalized world:

It is not an overstatement to say that future of a city depends upon its degree of attractiveness in intercity competition. Recently, compared to Asian cities in particular, it is sometimes said that Tokyo is losing its status. It seems to be extremely important to address the urban policy of Tokyo from the viewpoint of increasing its attractiveness as a world city. (TMG, 2000a, p. 5)

The document discusses five issues : economic vitality, high quality living environment, urban culture and tourism, safety of citizens and functional transportation, network. It concludes that they are the necessary conditions to create an internationally attractive Tokyo. Thus 'increasing attractiveness' has become a starting point of urban policy cutting across many policy fields (Machimura, 2000).

This basic objective is developed in Ishihara's first official long term plan called *Tokyo plan 2000.* This plan ;identifies Tokyo's task that is necessary for it to become a global city with a great number of visitors' (TMG, 2000b). Ishihara went on to commission a report on urban structure, physical planning and infrastructure development from the Tokyo Urban planning Advisory Committee. The final report was submitted in March 2001. The report recommended that 'the goal for urban planning in Tokyo should be to create an attractive and viable international city that can survive intercity competition' (TMG, 2001a, Preface). These extracts from the new planning documents seem to indicate that the city is taking a new attitude to the outside world. Rather than simply assuming that Tokyo is a world city, they suggest the need to take a proactive approach to improve the attractiveness of the city. In this respect the national reorientation in favour of urban policy can potentially help. The plans also signal a realization that the city operates in a competitive environment. The movement in recent years of some important international business out of Tokyo to Hong Kong and Singapore has reinforced this view.