

Japanese Cities in the World Economy

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Japan is the world's second most powerful economy and one of the most urbanized nations on earth. Yet the English-language urban literature has relatively little to say about cities in Japan. This omission seems all the more striking when one contemplates the intriguing questions Japanese urban development raises for social theory and comparative urban research. For example:

1. What role did the city play in Japan's transition from feudalism to capitalism?
2. How does the urban experience of Japan, a late but successful developer, compare to that of economically advanced Western capitalist nations, on the one hand, and dependent third-world countries, on the other, with respect to such widely discussed phenomena as urban primacy, overurbanization, and growth in informal urban economies?
3. Japan's post-World War II rate of urbanization has been among the most rapid of any nation in the world. What have been the consequences for Japanese society?
4. Japan's remarkable postwar economic growth thrust Tokyo into world city status. What is the character of Tokyo as a world city and the nature of her relationship to the rest of Japan and the world economy?
5. Oil crises in the 1970s and appreciation of the yen in the 1980s placed extraordinary pressures on Japan's economy. How did the state

and the civil society respond to the threat of deindustrialization and the imperative for urban industrial restructuring?

6. Japan is the newest economic superpower and the first in the history of capitalism to be situated in Asia. What is the present and likely future impact of Japan's global economic power on urban development in other nations, particularly those along the western Pacific Rim, where Japan's influence is most immediate?

The original essays gathered in this volume touch upon all of these questions and much more. We had several concerns in mind when we approached leading scholars on urban Japan for contributions to this collection. First, we wanted to convey the historical context for contemporary urban issues. All the essays, therefore, provide historical background for the questions they address, and one is explicitly devoted to the urbanization process in pre-World War II Japan.

Second, we wanted to bring a range of city experiences into view. Essays in this collection encompass Japan's largest metropolitan areas (Tokyo, Osaka, Nagoya), prototypical industrial cities (Kamaishi, Kitakyushu, Toyota City), high-technology satellite areas (Kanagawa), and smaller, more traditionally organized districts (Tsubame).

Third, we wanted to explore the intersection between economic organization and the city and to analyze how industrial transformation has structured Japanese urban development. While the contributors to this collection differ in their theoretical perspectives, their essays all focus on these concerns.

The essays also target the role played by government—central, prefectural, and local—in the restructuring of Japanese industrial and urban life. Of central concern is the extent to which Japan's urban and regional development policies have kept pace with, and indeed have influenced, changes in the nation's economy.

The dynamic link between global relations and local activities is also a theme of this collection. Since the beginning of the Meiji era in the middle of the nineteenth century, Japanese cities have continuously adjusted to the changing position of Japan in the world system. Even so, as the essays here amply document, urban development in Japan has been shaped as much by social contradictions and conflicts as by the smooth functioning of "Japanese-style" corporatist relations between state and economy.

URBANIZATION IN JAPAN

Urban Growth in Prewar Japan

The formation of a well-developed system of cities during the feudal era conditioned the emergence of industrial capitalism in late-nineteenth-century Japan. According to Hachiro Nakamura, Japanese feudalism nurtured three types of city. *Castle towns* proliferated when commerce and trade grew up around fortifications during the long peace of the Edo era (1603–1868).¹ *Transportation centers* developed at the crossroads of major trade routes, and three *capital cities* stood at the apex of the feudal urban system: Edo, the political capital (renamed Tokyo at the beginning of the Meiji era), Osaka, the commercial capital, and Kyoto, the sacred or cultural capital. While cities grew during the Edo era, urbanization was limited by feudal barriers to international trade and the internal movement of people.²

Japan's urban pattern changed during the Meiji period (1868–1912), when reformers transformed fiefs into prefectures, eradicated institutional barriers to population mobility, and opened Japan to the outside world.³ The elimination of feudal restrictions on internal migration initially spurred urbanization. By the 1880s, industrialization also began to fuel the growth of cities. The import of raw materials and the export of value-added cotton goods established a century-long pattern of Japanese industrial development. Japan's wars with China and Russia further stimulated the growth of heavy industries. By the first decade of the twentieth century, urbanization in Japan was inextricably tied to industrialization.

Japan's transition from an inward-looking feudalism to an outward-looking capitalism caused a geographical shift in the location of rising and declining cities.⁴ Castle towns, once prosperous under feudal lords, began to decline and to give way to cities situated on sea routes. In such cities raw materials could easily be processed into finished goods for export to the United States, China, and India. By the 1920s, Japan's burgeoning port cities had given birth to four urban industrial belts: Keihin (Tokyo and Yokohama), Chukyo (Nagoya and surroundings), Hanshin (Osaka, Kobe, and the area between them); and Kitakyushu (the north-eastern corner of Kyushu island, including the city of Fukuoka). Japan's coastal conurbations offered proximity to domestic markets for foreign imports and access to sea routes for the transshipment of domestic products to other lands.

Nakamura concludes that the city, as provider of infrastructure and site for technological innovation and diffusion, underpinned the devel-

opment of modern industry in Japan.⁵ He further argues that the overurbanization thesis, held by some urbanists to characterize less developed countries today, did not fit Japan's early industrial experience. In Japan, urban population growth stimulated rather than hindered industrial development.⁶

Urban Growth in Postwar Japan

Japan's remarkable post-World War II rise from utter devastation to producing 10 percent of the world's GNP generated an extraordinarily rapid rate of urbanization. In 1945, 28 percent of Japanese lived in cities, the level of urbanization the United States had reached in 1890. By 1970, 72 percent of Japan's population was urbanized, a figure comparable to the United States in that very same year. Thus the Japanese compressed into twenty-five years an urban experience that spanned a century in the United States.⁷

So rapid a rate of urbanization spawned severe social problems during the 1960s and 1970s. The worst stemmed from environmental degradation linked to rapid economic growth. Central government policies emphasized investment in industrial infrastructure over social consumption and exacerbated pollution, housing shortages, and congestion. Urban growth problems spurred conflicts between local governments and the central state, gave rise to local environmental movements, and brought reform administrations to power in cities across the nation.⁸

Rural exodus caused problems in the countryside, and urban density created problems for cities. Uneven development suggested a need for regional industrial policies, and the Japanese instituted national comprehensive land development plans, of which there have been four since the early 1960s.

The First National Land Development Plan (1962) emphasized the creation of regional growth poles to diffuse the benefits of economic expansion throughout the society. These aims were not realized, however; instead, development continued to concentrate in the sprawling industrial belts along the Pacific Rim. Yet, despite the highly concentrated character of regional development in the 1960s and 1970s, regional income inequality actually narrowed. Government transfer payments and the expansion of part-time employment augmented family incomes in outlying areas.

Japan's relationship to the world economy changed in the 1980s. Growing trade conflicts with developed nations in North America and Western Europe and competitive threats from newly industrialized econ-

omies (NIEs) in East Asia prompted Japanese companies to reduce exports and establish production bases abroad. Once dependent upon exports for economic growth, since the mid-1980s Japan has moved vigorously toward an economy led by domestic demand.⁹

Japan's domestic industries are also reorganizing from mass production to flexible specialization. This transition centers on the rise of new information industries and the informationalization of mature industries.¹⁰ Informationalization is fusing older industries into new combinations, such as optical electronics, and generating new social relations.

Japan's city and regional organization is changing in response to global and domestic restructuring. Population growth in Japan's three major conurbations ceased in the mid-1970s, and most urbanists predicted a more decentralized urban future for the nation. That was not to be. Slower economic growth and global restructuring in the 1980s reasserted Tokyo's dominant position in Japan's space economy and widened regional wealth disparities. The waning of municipal reform administrations and the consolidation of new conservative political power in Tokyo's central government helped spur urban recentralization. But Tokyo's dominance stemmed mainly from the city's capacity to create and adopt new technologies and capture corporate headquarter activities. In fact, Tokyo appears to have attained a dominant position in all technology sectors: industry, information, service, and finance. The result is something the Japanese call "one-point convergence" in Tokyo, an extraordinary centralization of functions in the nation's capital.¹¹

The Fourth National Comprehensive Land Development Plan, released in 1987, envisioned Tokyo as a center of world finance and once again predicted that outlying industrial growth poles would diffuse regional development. However, several authors in this volume suggest that the latest plan will not lead to greater regional equality. The forces diminishing uneven development in the 1970s, including redistributive public finance transfers and the expansion of part-time employment in outlying areas, are no longer operating in Japan. Decentralization of public finance is a necessary condition for regional equalization, they argue.

The Japanese, like the Americans, have experienced the urban "doughnut" phenomenon—the relative emptying of the core city and expansion of the suburban periphery. But the Japanese phenomenon, Kenichi Miyamoto argues, is due not to the decline of big-city economic power but to the reverse; the expansion of big-city economies brings the concentration of headquarters, rising land and housing prices, and the resultant push of people out of the central city. Japan has few inner-city

slums. Instead, low-income workers live in satellite cities, where they suffer from inadequate housing, environmental degradation, and a shortage of schools.

But there is diversity in the Japanese urban experience. In Tokyo, for example, lower-income workers and the middle class have been pushed out of the central city by rising land and housing prices and the inner city has become the exclusive preserve of the wealthy. On the other hand, Osaka, as described by Miyamoto, parallels the U.S. experience: the well-to-do are exiting the center city in search of a better environment in the suburbs and leaving the less advantaged behind. Osaka's problems include a falling population, a rising percentage of dependent residents, declining income and public revenue in the center city, and financial stress associated with the separation of expenditure needs from revenue base. Osaka's financial problems have been aggravated by central government control over local expenditures.¹² Following Western Europe more than the United States, Japan allocates control of tax revenue largely to the central government and service administration to localities.¹³

In Kenichi Miyamoto's portrait, Tokyo's functional primacy in the urban system reflects the primacy of the modern state in Japan. Osaka was Japan's largest city at the turn of the century and the national center of commerce and industry. Under the leadership of scholar-mayor Hajime Seki, early-twentieth-century Osaka played a central modernizing role in Japanese urban administration and public policy. But depression, militarization, and finally war in the 1930s shifted the center of national gravity from Osaka, the seat of commerce, to Tokyo, the seat of government.

The 1930s "controlled war economy" evidences the central state's powerful effect on urban development in Japan. As military expenditures came to dominate the economy, the business connection with government grew tighter and tighter. Japan subsequently developed as an "enterprise nation" with strong central government support for big enterprises (see also Morishima 1982, chaps. 3-4). The high degree of regulatory authority possessed by the central government attracted Japan's corporate headquarters to Tokyo, a pattern that has persisted to the present day.

Until recently, Osaka's economy has been based on raw material processing and chemical and heavy industries. Osaka is now focusing more on finance and commerce, but the city's headquarters activities have been moving to Tokyo and along with them its high-level business services. Current projects designed to transform the city into a second Tokyo are not likely to work, Miyamoto argues. Rather, Osaka's future