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The birth and rise of the Global Cities in the international landscape.

Tokyo, a case study.

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Abstract

In the postwar era, Japan recognized the increasing international competition and the need to become an engine of globalization. As a result, globalization has become a driving reason for technological and economic innovation and modernization in various sectors of Japanese society. The result has been the rise of the world city of Tokyo, the symbol of Japanese industrial, economic, and diplomatic power, location of the headquarters of numerous domestic and foreign companies capable of attracting foreign investment and capital.

Industrialization and urban expansion are the driving forces behind the globalization and internationalization of the economy: as a result of its active involvement in modern history, Tokyo has become the flagship metropolis for the innovation and modernization of the country. In particular, competition from emerging economic powers in the global market, such as Shanghai, Singapore, and Hong Kong, has driven Tokyo to become a world-leading metropolis.

The purpose of this paper is to determine how the Japanese interpretation of a world city differs from that of other megalopolises such as New York or London.

The Global City of Tokyo will be analyzed from two perspectives: from a sociological standpoint and an economic one. Second, we will examine the evolution of Tokyo's urban development and international stance to understand the key elements of Tokyo's globalization.

This study's scope will be explained by presenting Tokyo's current status as a global leader and its unique features in the Introduction. Furthermore, it will examine the role of the government in Tokyo's globalization and economic development through the concept of the "developmental state" and its "planning culture".

In Chapter 1, the concept of a "global city" will be explained through the theories of its inventors and pioneers, such as George Simmel, Manuel Castell, and Saskia Sassen. In doing so, the research aims to understand the precise definition and implications of the concept of global city for Tokyo.

Chapter 2 explores the concept of "Information Society" and why Tokyo can be considered one. To better understand the evolution of the Japanese economic system, the meaning of producer and service economies will also be examined.

Chapter 3 scrutinizes Tokyo's history from the Tokugawa Shogunate to the modern era to properly understand the evolution of the city and how it has influenced the formation of its international character.

Chapter 4 analyzes Tokyo's modern history to understand how recent economic events have affected the way the city has interacted with the global landscape, and chart its prospects.

Finally, in the Conclusion, the major factors that led Tokyo to become a global city will be discussed to outline future developments.

導入

インターネットの台頭と世界経済の相互接続の進展に特徴づけられる 21 世紀の社会は、新しい人間関係を形成し、進歩と生活環境の大きな飛躍をもたらしただけでなく、世界を規制する大きな権力と経済の力学の中で都市の理解の仕方を永遠に変えるものであった。

ニューヨーク、ロンドン、東京といった大都市は、もはや巨大な人的ネットワークや産業の拠点ではなく、その国の真の中核として発展し、自国のみならず世界の将来を左右する政治・経済的主体となっているのである。

過去数世紀において、都市を中心とした人類の移動は、歴史上最大の動きの一つであった。20 世紀以前は、都市は世界人口のごく一部を受け入れていたが、1900 年と 2000 年には、都市景観のあり方を根本的に変える革命が起こったのである。国連の世界人口統計によると、世界人口の半分以上が都市に住んでおり、2007 年以降、地方に住んでいる人口を上回っている。

歴史上、「都市」という概念は文化・文明の概念に深く根ざしており、異なる人々が同じ生活空間を共有する集合体として機能し、コミュニティを形成することで分業や中央集権を戦略的に支えてきた。人間がネットワークを形成し、コミュニティを監督することで、都市は国の経済発展の最初の柱となった。現在の世界秩序を見ると、現代のメガロポリス

はグローバリゼーションの主要な現れと定義できる¹。物質的な商品だけでなく、思想、ひいては世界観の継続的な取引の場であり、より広い、いわゆる「グローバル」な考え方を発展させるために不可欠な要素である。

この点について、オーストリアのインスブルック大学で経済学と社会史を教えるフランツ・マティスは、都市をそれ自体、絶え間ない変化、人と文化の流れ、需要と供給のような市場の力学にさらされた存在として定義している。ハンブルク大学教授のクリストフ・パルンライターは、マティスと同様に、現代の世界システムをリンクのネットワークとして理解し、その中でグローバル都市は「商品チェーンの重要なノード」であると述べている²。メガロポリスは生産者サービス企業の集合体であり、その地域周辺のあらゆる経済活動を監督することができる。このネットワークが多様であればあるほど、金融危機に耐えることができるのである³。

生産性に基づく相互接続の必要性から、その空間にはある種の適合性が求められ、その伝統と歴史的景観は、世界の他の地域との競争力を高めるために、現在の時代に適合するように成形されなければならなかった

¹ Exenberger, A., Strobl, P., Bischof, G., & Mokhiber, J. (Eds.) 2013. *Globalization and the City: Two Connected Phenomena in Past and Present*. innsbruck university press.

² Exenberger, A., Strobl, P., Bischof, G., & Mokhiber, J. (Eds.) 2013. *Globalization and the City: Two Connected Phenomena in Past and Present*. innsbruck university press.

³ Exenberger, A., Strobl, P., Bischof, G., & Mokhiber, J. (Eds.) 2013. *Globalization and the City: Two Connected Phenomena in Past and Present*. innsbruck university press.

のである。こうして、異なる州の異なる都市が、同じような型にはまるように成長し、ますます似てきて、見分けがつかなくなった。

そして、それぞれの都市は、歴史的経緯は異なるものの、グローバリゼーションの核となる「グローバル・シティ」の典型として、現代的に成熟してきたのである。グローバル・シティ」という概念は、1980年から1990年にかけて、社会学者のジョン・フリードマンとサスキア・サッセンによって初めて検討され、グローバル化の現実を「空間と場所を再編成するプロセス」と表現し⁴、グローバルな都市景観の発展を促す共通の力であるとした。しかし、国際的なパワーの形成における都市の重要性については、フェルナン・ブローデルなどの歴史家がすでに論じていた。彼の理論は、「世界経済の中心には、常に例外的な国家が存在し、強く、攻撃的で、特権的で、ダイナミックで、同時に恐れられ、賞賛される」という事実とその基礎を置いたものである⁵。

この世界経済観の特徴は、すべての強国はその活動の中核に「世界都市」と呼ばれる支配的な資本主義都市を持っており、ブローデルが「支配の武器」として定義した、いわゆる主要な特徴によって特徴づけられる社会的階層を持つコミュニティ、すなわち海運、貿易、産業、信用、政治権力や暴力があるということであった⁶。

⁴ Robinson, W. I. (2009). Saskia Sassen and the Sociology of Globalization: A Critical Appraisal. *UC Santa Barbara: Global Studies*, 2009.

⁵ Hanson, Robert C. (2005) "Fernand Braudel, The Perspective of the World, Vol. III of Civilization and Capitalism, 15th-18th Century," *Comparative Civilizations Review*: Vol. 52 : No. 52 , Article 11.

⁶ Hanson, Robert C. (2005) "Fernand Braudel, The Perspective of the World, Vol. III of Civilization and Capitalism, 15th-18th Century," *Comparative Civilizations Review*: Vol. 52 : No. 52 , Article 11.

8世紀から17世紀にかけてのアムステルダム、イスタンブール、ベニス
は、商業ネットワークと工業力によって、ヨーロッパの国境を越えて歴史
を形成することができた政治・経済大国であった。その影響力は、香
辛料や貴金属、工業製品などのモノやサービスの交換を通じて、諸外国
との関係の網の目のように張りめぐらされていた。飢饉や金融危機、政
治的な大事件が起こると、この微妙な権力の均衡が大きく崩れ、ある国
が滅び、別の国が新しく形成された世界秩序の中で台頭することになる
のです。グローバル・シティという現象が、世界史において決して新し
いものではないにもかかわらず、前世紀において前例のないほど発展し、
重要性を増してきたことを理解するのは興味深い。かつて経済・商業力
の歴史的集積地だった都市は、突然「グローバル化」「近代化」といっ
た、新たに理解・統一された概念の申し子となり、世界と比較して各国
がいかにか文明的かを判断するための最新の判断材料となったのである。

グローバリゼーションの概念は、「世界都市」、より広くグローバル・
シティとして知られている概念を中心に展開されている。このテーマに
関する研究の歴史は長く、1982年にフリードマンとウルフが、1991年
にはサスキア・サッセンがその主要な解釈を発表している。一方、フリ
ードマンの「世界都市仮説」では、グローバリゼーションが、世界経済
をつなぐ商品の統合や生産などのプロセスの総和に基づいており、その
結果、世界都市のネットワークが形成され、「経済構造の収束」につな

がるとした⁷。一方、ロンドン、ニューヨーク、東京の3都市を取り上げ、経済、都市、社会の変遷に類似したパターンがあり、それがやがて世界市場をリードするようになったことを指摘した。

フリードマン、ヴォルフ、サーセンがグローバリゼーション研究の分野をリードする一方で、ゲッツやクラークのように、特定の都市に関する国家や地方の権力の動態を探り、それらが経済発展の過程にどのような影響を与えたか、特に、ある国の発展を取り巻く歴史や状況が、グローバル市場との相互作用やその過程を形成する上でいかに重要な役割を演じているかを明らかにした者もいる。この点で、東京のケースは非常に特殊である。東京をグローバルシティとして初めて徹底的に分析したのは、1991年に出版された Saskia Sassen の著書 "The Global City" である。サッセンは、東京をロンドンやニューヨークのメガロポリスと比較しながら、日本経済と世界市場との相互作用の進化とダイナミクスを分析し、日本経済がどのように世界市場を形成し、それによって形成されるかを論じている⁸。

東京がグローバルなネットワークの中で重要な位置を占めるようになったのは、東京の金融市場や不動産産業の影響力が高まったことと密接な関係がある。同じ都市空間が、この成長の明確なシンボルとなり、海外

⁷ Sorensen, A. (2005). "Building world city Tokyo: Globalization and conflict over urban space". In: Richardson, H.W., Bae, CH.C. (eds) *Globalization and Urban Development. Advances in Spatial Science*. Springer, Berlin, Heidelberg

⁸ Fujita, K., & Hill, R. C. (1998). "Industrial Districts and Economic Development in Japan: The Case of Tokyo and Osaka". *Economic Development Quarterly*, 12(2), 181-198.

の関心と投資を引き付けたのだ⁹しかし、東京は、より高い生産性と成長を可能にする強力な製造業の存在、金融部門の支援という重要な経済的要因によって、他のグローバル都市と強く差別化されており¹⁰、日本経済の実力と国際競争力を示す国家的旗艦都市となっているのです。

東京の場合、グローバル都市としての進化は、歴史的な背景があっただけでなく、政府の積極的な関与と努力の結果でもある。その典型が東京臨海副都心の事例である。齋藤朝人は「世界都市東京の変遷と都市計画の対応」（2003）の中で、東京臨海副都心のような都市整備事業¹¹が、東京が世界都市としての地位を世界に証明する第一歩となったことを紹介し、この事業の展開には、「ハイテク・オフィスタワーとハイアメニティ住宅に有利な立地」¹²という同じ東京都の影響力があったことを述べている。

この事例は、社会学者ヒル&キムが "Global Cities and Developmental States" という著作で述べているように、東京を日本の「開発国家」の結果として強調する理論の基礎を築いたという意味で重要である。東京、ニューヨーク、ソウル」（2000）では、ニューヨークやロンドンといった他の大都市が主に市場や金融産業によって動かされているのとは対照

⁹ Sassen, S. (2001). *The Global City: New York, London, Tokyo* (REV-Revised). Princeton University Press

¹⁰ Fujita, K., & Hill, R. C. (1998). Industrial Districts and Economic Development in Japan: The Case of Tokyo and Osaka. *Economic Development Quarterly*, 12(2), 181-198.

¹¹ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. In: Richardson, H.W., Bae, CH.C. (eds) *Globalization and Urban Development. Advances in Spatial Science*. Springer, Berlin, Heidelberg

¹² Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. In: Richardson, H.W., Bae, CH.C. (eds) *Globalization and Urban Development. Advances in Spatial Science*. Springer, Berlin, Heidelberg

的に、国家の強い役割とそのプロセスの「集中化」が東京をグローバルシティに変える主役であったと述べている¹³。

この根本的な違いが、グローバル化と都市化のプロセスにおける東京のユニークな経験を形成した。その「計画文化」は、国際市場における日本の役割と他の主要グローバルパワーとの競争へのアプローチを定義する¹⁴、資源の適正配置を強く指向し、公共の福祉をあまり重視しない国の政策と進化の基礎を作る強力な政府をその基盤としていたのだ。

20世紀は、競争が政府の政策立案の主な原動力であった。前述したように、このため政府は、国民の一般的な生活の質を犠牲にしながらも、国家的な黒字の創出と競争市場の確立を目指した政策を打ち出すことになった。政府の主な目的は豊かな経済の創造であり、この目的を実現するために同じ都市計画が進められ¹⁵、東京都心のアメニティや「生活空間」が「経済空間」に侵食されることになったのである。

19世紀にはすでに大都市であった東京の都市空間は、その歴史的経緯から強い影響を受けている。特に戦後は、東京の近代化にとって最初の真の転換点となった。新しい道路と道路網を基盤とした最新の公共交通システムの構築により、1919年には、「狭い道路、家族経営の商店が集ま

¹³ Hill, R. C., & Kim, J. W. (2000). Global Cities and Developmental States: New York, Tokyo, and Seoul. *Urban Studies*, 37(12), 2167-2195.

¹⁴ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. In: Richardson, H.W., Bae, CH.C. (eds) *Globalization and Urban Development. Advances in Spatial Science*. Springer, Berlin, Heidelberg

¹⁵ Friedmann, J. and Wolff, G. (1982), World city formation: an agenda for research and action. *International Journal of Urban and Regional Research*, 6: 309-344.

る小さな町並み（商店街）、地上には店、上には住居、強い地域組織」¹⁶など、日本の伝統的都市要素を特徴とする古い狭い地域と異なる市街地の再開発を認める条例が作られ、現代の商品と日本の歴史の典型との共存が許されることになったのだ。

19世紀にすでに大都市であった東京の都市空間は、その歴史的経緯から強い影響を受けている。特に戦後は、東京の近代化にとって最初の真の転換点となった。新しい道路と道路網を基盤とした最新の公共交通システムの構築により、1919年には、「狭い道路、家族経営の店舗とその上の住居からなる小さな近隣商業施設（商店街）、強い近隣組織」¹⁷など、日本の伝統的都市要素を特徴とする古い狭い地域と異なる市街地の再開発を認める条例が作られ、現代の商品と日本の歴史の典型との共存が可能になったのである。

その一方で、この地域は、最先端の近代化を遂げた東京都心部とは対照的に、20世紀最後の数十年間は、しばしば地域社会を犠牲にして、その中に経済空間を作り出そうとする政府の努力にさらされることになった¹⁸。このように、経済的な繁栄や世界的な認知度の向上は否定できないものの、グローバリゼーションがいかにかに新たな社会問題や都市問題をもたらし、既存の問題を悪化させたかを指摘することは重要である。例え

¹⁶ ソレンセン、A. (2005). 世界都市東京の構築: グローバリゼーションと都市空間をめぐる対立. In: Richardson, H.W., Bae, CH.C. (eds) Globalization and Urban Development. 空間科学の進歩. シュプリンガー、ベルリン、ハイデルベルグ

¹⁷ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. In: Richardson, H.W., Bae, CH.C. (eds) Globalization and Urban Development. Advances in Spatial Science. Springer, Berlin, Heidelberg

¹⁸ Minoru Matsui, Case Study: Land Readjustment in Japan, Tokyo Development Learning Center

ば、都市におけるオフィススペースの需要と拡大は、地価や賃貸料の高騰を招き、地域コミュニティの都心からの移転や、市民の通勤の必要性を生み出した¹⁹。1993年のダグラスは、東京は経済的に発展し、賃金や消費は上昇したが、市民の生活の質は改善されなかったと述べている²⁰。つまり、グローバル化によって東京は国際市場をリードする経済大国になったが、その実力は、経済発展と地域の生活空間、コミュニティの安定との間の絶え間ない緊張の上に成り立っているのである。

戦後、日本は国際競争の激化を認識し、グローバリゼーションのエンジンとなる必要性を感じてきた。そのため、日本社会のさまざまな分野で、グローバル化が技術・経済の革新と近代化の主要な推進力となってきた。その結果、日本の産業、経済、外交力の象徴である世界都市・東京が台頭し、海外からの投資や出資を呼び込むことができる国内外多数の企業の本社が置かれるようになったのである。

工業化と都市の拡大がグローバル化、国際市場への開放の原動力となり、この国の近代史に積極的に関与した結果、現在のような発展を遂げることができた。特に、上海、シンガポール、香港など、グローバル市場で台頭する経済大国との競争は、東京の成長に影響を与え、グローバル化に対する日本の答えとなった。

¹⁹ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. In: Richardson, H.W., Bae, C.H.C. (eds) Globalization and Urban Development. Advances in Spatial Science. Springer, Berlin, Heidelberg

²⁰ Douglass, Mike. (2009). The "new" Tokyo story: Restructuring space and the struggle for place in a world city.

本論文では、東京が世界都市として台頭した主な要因は何であったかを分析し、日本の世界都市の解釈がニューヨークやロンドンのような他のメガロポリスとどう違うのかを定義する。

まず、社会学的な解釈の異なる世界都市とは何か、そして東京を世界都市たらしめているものは何か、という2つの観点から研究を進める。その後、東京の都市開発と国際的なスタンスの変遷を調べ、東京のグローバル化の要点を理解する。

「Introduction」では、世界のリーダーとしての東京の現状とその特異性を示すことで、この研究の範囲を分析する。また、東京のグローバルシティ化と経済発展における政府の役割を、「開発国家」とその「計画文化」という概念で分析する。

第1章では、「グローバル・シティ」の概念について、その発明者や先駆者であるジョージ・ジンメル、マヌエル・カステル、サスキア・サッセンらの理論を通じて解説する。そうすることで、東京にとってのグローバル・シティの正確な定義と意味合いを理解することができる。

第2章では、情報化社会とは何か、なぜ東京が情報化社会と言えるのか、について分析する。また、生産者経済とサービス経済の意味を精査し、日本の経済システムの変遷を理解する。

第3章では、東京の歴史を徳川幕府の時代から近代に至るまで精査し、都市の進化を正しく理解し、それが国際性の形成にどのような影響を与えたかを理解するために、東京の歴史を紹介する。

第4章では、東京の近代史を分析し、最近の経済事象がグローバルな風景との関わり方にどのような影響を与えたかを理解し、今後の展開の見通しを描く。

最後に、東京がグローバル都市になった主な要因を整理し、今後の展開について考察する。

1. Social Theories before the Global Cities

In order to better understand what is a global city and what it implies, it is important to understand the theories that shaped the academic world before its advent. From George Simmel to Manuel Castell, throughout the 20th century the features of a global cities would slowly shape followingly the changes of the international market and society.

1.0 George Simmel and the Tragedy of Culture

The first notion of a proto-Global City was shaped around its social features more than its economic ones. The Neo-Kantian German theorist Georg Simmel was the first to analyze this rapidly intensifying impact in the Berlin of the turn of the 20th century: he defined the phenomenon of the rise of the city, shaped by both high intensity urbanization and industrialization, as the “*misfortune of modern culture*²¹”, the submission of individuality to society as a whole.

In 1903 in his “*The Metropolis and Mental Life*”, describing what he would followingly call the *tragedy of culture*, Simmel would claim that: “*the deepest problems of modern life derive from the claim of the individual to preserve the autonomy and individuality of his existence in the face of overwhelming social forces, of historical heritage, of external culture, and of the technique of life*”. While prosperity flourishes during the growth and development of a city, with time its society, in all its ritual, creative and human processes, inevitably will lean towards a process of homogeneity, leading to the gradual loss of what

²¹ Simmel, Georg (1911). “On the Concept and Tragedy of Culture”, *Classical Readings on Culture and Civilization* (2017). United Kingdom: Taylor & Francis.

Simmel calls “subjective culture”: all that shapes the intellectual individuality characterizing a human life.

Through the triumph of what Simmel calls “objective culture”, which is the mainstream culture of society as a whole, the individual shall adapt and “consume” it without understanding any of it, in a similar fashion to the reification phenomenon described by philosopher Karl Marx as “*Commodity Fetishism*²²”. Such is the process that unfailingly will shape modern society, and reach new heights in the global city: in this case, the objective culture shall not longer be limited to that which is produced and consumed in a city at a certain time, but will be the result of a “global” culture, unifying economic and intellectual values and ideals among different parts of the world, oftentimes to the detriment of tradition and local history.

Towards the end of the 20th century, the study of the inherent mechanics of society and of a city was bound to change substantially. In 1991, Jan van Dijk, followed by Manuel Castells in 1996, would expand on Georg Simmel’s theory of the social consequence of modernization and industrial capitalism to adapt it to the quickly developing society of the new millennium.

1.2. Van Dijk and The Network Society

While Van Dijk’s *The Network Society* described how, as society is shaped by the combined existence of social and media networks, similarly a *mass society* is the result of the influence exerted by the communities and organizations living in it, Manuel Castell, in his work *The Rise of The Network Society*, describes the rise of a “*new economy*”, based on the ideas of development and “informationalism”, the core values of networking: the competitiveness of an economic entity is no longer simply connected to productivity and revenue,

²² Marx, Karl (2011). *Capital: A Critique of Political Economy*. United Kingdom: Dover Publications.

but to its access to technology, knowledge and information. Both of these theories combined could be used to explain the state of the most influential cities of the current world order, and perfectly describe those that are the main characteristics of a global city.

In *The Network Society* Van Dijk clearly establishes a link between that which is mainstream culture and those which he calls “*new media*”, bringing about a structural communication evolution²³ intrinsically shaping the intellectual values and behavior of the current societal fabric. The advent of new media such as the internet and mobile networks shaped an continuously interconnected society whose impact fundamentally changed the way we understand human interaction and political and cultural contexts.²⁴ Limitless access to information becomes expected, thus social networks become inevitable: in this information market, those who are able to gain the most attention are the ones that are already popular in the first place, in dynamics very similar to those already described by Georg Simmel.

This interconnection is not only limited to simple social interaction, but to the global economy as well. Each economic process is deeply interconnected, allowing for an optimization of the value chain both in efficiency and in adaptability to the needs of the market: with the rise of the new media it is possible to understand exactly what the consumer want and how they react to a certain product. Just as easily, however, in the strife for the optimization of processes this interconnection leads to a process of “formalization” and “uniformity” of how we think and how we act: instead of its dismantling, the bureaucratic infrastructure gains new complexity, upon which this new global networks are built.

Such is the global city: a node in a structured network far more vast then that of a simple community, interconnected with other similar entities through exchanges of information essential for its economic development and

²³ Schumann, S. (2013). Jan Van Dijk: *The Network Society*. London: Sage Publications. 2012.

²⁴ Schumann, S. (2013). Jan Van Dijk: *The Network Society*. London: Sage Publications. 2012.

maintaining its authority upon the global landscape. The digital divide becomes the true measure of globalization: only through access to the internet it is possible to achieve the true modernization.

Similarly, in *The Rise of The Network Society* of Manuel Castell, information becomes the true valuable parameter in the economic process: it is both a tool and a process, fundamental in the development of a new production system, upon which is built what he defines as the new economic order ruling over the new millennium based on knowledge exchange, the Informational Economy²⁵. Both globalization and the advent of the internet, became factors to be reckoned with in order to boost the efficiency of the economy and the competitiveness of a country in the world market.

1.3 Castell and The Informational Society

Similarly to what Van Dijk himself had previously stated, in Castell's vision technology becomes a fundamental step in globalization and economic success: those that do not keep ahead of the times will be left behind. Through technology it is in fact possible to create a continuous network of information allowing better understanding and possibly collaboration among global companies of the costs and risks of potential economic processes, thus aiming at the maximization of the profits.

In Castell's own words: *"The network society is the social structure characteristic of the Information Age, as tentatively identified by empirical, cross-cultural investigation. It permeates most societies in the world, in various cultural and institutional manifestations, as the industrial society characterized*

²⁵ Castells, M. (2010). *The Rise of the Network Society*. United Kingdom: Wiley.

*the social structure of both capitalism and statism for most of the twentieth century*²⁶.”

This type of society is built upon the notion of “*Social Dualism*”²⁷, the expression coined by Professor Booked in describing the coexistence of dual economies in a same country or the overcoming of a new economic and social system upon the pre-existing one, bringing about new power dynamics, new institutions, and new cultural movements. It is often used to define the “*High Capitalism*” structure of current international economic relationships: the rapid consequences of the industrial revolution changed forever the shape and the relations between actors of an economic system, under which it still persists the old production process, characterizing mainly the manufacturing and agricultural oriented societies.

Castell states that in the informational economy, the flourishing of the *producer, distributive and social services* sector, in particular the high information-oriented managerial and professional occupations, providing for and supporting the productivity rate in an economy, is without fail brought about together with the demise of the agricultural jobs, with an uneven shrinkage of the manufactural ones: in this new ecosystem, new forms of employment begin to take place.

In the fourth chapter of his *The Rise of The Network Society*, Castell describes how during the last quarter of the 20th century the diversification of activities made the old employment categories obsolete, marking thus the beginning of the post-manufacturing employment structure, characterized by “*efficient linkage system between manufacturing, producer services, social services*”²⁸, defined through country-specific policies and strategies of growth.

²⁶ Castells, M. (2010). *The Rise of the Network Society*. United Kingdom: Wiley.

²⁷ Mehmet, O. (2002). *Westernizing the Third World: The Eurocentricity of Economic Development Theories*. United Kingdom: Taylor & Francis.

²⁸ Castells, M. (2010). Chapter 4, *The Transformation of Work and Employment: Networkers, Jobless and Part-Timers*, *The Rise of the Network Society*. United Kingdom: Wiley.

Another important detail characterizing this new ecosystem is the evolution of the *employment status* and the rise of the so called “*flexi-workers*”²⁹. While not degenerating into a critical rise of unemployment, the unbalanced dynamics created by capitalism-borne downsizing and subcontracting leads to newly popular contractual forms such as self-employment, temporary work, part-time and *arubaito*, characterized by highly individualized and flexible contracts for a large share of the workers³⁰.

The diversification of the occupational levels, and the differences persisting among each singular case are essential elements to be taken into account when analyzing the occupational structure of this new informational society: as a matter of fact, the inter-connection existing among the different economic and social sphere inside and beyond the urban society allows for a complete reorganization of its fabric.

It is one of the most peculiar characteristics of a rising global city: its vast and differentiated market gives opportunity for small and medium enterprise business to gain market share through the implementation of advanced technologies and the latest frontier knowledge, making self-employment and mixed employment³¹ possible and remunerable in the long term.

While the employment in the manufacturing field seems to be shrinking with the passing of the decades, it still remains an important product at the core of the production processes and the economic well-being of society. In many global cities, while the employment rate in the sector seems to be decreasing due to the rise of new high-information jobs, Castells seems to point out how its output is, on the other hand, on the rise: in highly modernized countries

²⁹ Castells, M. (2010). Chapter 4, The Transformation of Work and Employment: Networkers, Jobless and Part-Timers”, The Rise of the Network Society. United Kingdom: Wiley.

³⁰ Castells, M. (2010). Chapter 4, The Transformation of Work and Employment: Networkers, Jobless and Part-Timers”, The Rise of the Network Society. United Kingdom: Wiley.

³¹ Castells, M. (2010). Chapter 4, The Transformation of Work and Employment: Networkers, Jobless and Part-Timers”, The Rise of the Network Society. United Kingdom: Wiley.

such as Japan and USA it makes for a substantial part of the national economy and it is a fundamental factor in keeping it stable³².

Castell in order to analyze the system of the Informational Society takes in account the strong differences existing among their occupational structure and the ratio of the existing semi-skilled service workers in a country. Consequently, he defines two general models following two opposite trends in this process of informationalism: that of Japan and that of the United States.

While the US model is defined by the “boom” of white-collar, professional and managerial jobs during the last two decades, the Japanese model is characterized by the *“increasing some of the required new occupations while redefining the content of occupations of a previous era, yet phasing out those positions that become an obstacle to increased productivity (particularly in agriculture)”*³³, thus allowing for a rapid growth of 46,2% since 1990s of the managerial roles inside the national employment structure, while still keeping ahold and slowing down the decline of the manufacturing field. This is a fundamental trait that defines Japan as a rapidly modernizing country with a highly hierarchical structure at the vertex of its industries.

In its peculiar case, between 1970s and 1990s the Japanese economy experienced a significant shrinking in the self-employed workforce from 19.2 to 14.1 percent³⁴. However, Castell in his analysis shows how in Japanese economic system other characteristic forms of employment such as the autonomous and the family workers are still present and active, making category of employment more than a quarter of the total labor force.

Beyond the new economic power dynamics and the renewed and more complex employment structure, what really defined the modern aspect of the

³² Castells, M. (2010). Chapter 4, The Transformation of Work and Employment: Networkers, Jobless and Part-Timers”, The Rise of the Network Society. United Kingdom: Wiley.

³³ Castells, M. (2010). Chapter 4, The Transformation of Work and Employment: Networkers, Jobless and Part-Timers”, The Rise of the Network Society. United Kingdom: Wiley.

³⁴ Castells, M. (2010). Chapter 4, The Transformation of Work and Employment: Networkers, Jobless and Part-Timers”, The Rise of the Network Society. United Kingdom: Wiley.

urban social fabric is the advent of what Castell calls “*The Culture of Real Virtuality*”³⁵.

Now the world is constantly interconnected and information is exchanged and updated by the second, thus forcing not only web users, but also governments and businesses entities to change and adapt to the times.

“*Virtual Communities*”³⁶ became the new playground in which new interactions among media, social networks and users are forged every day, easily creating completely new shared cultural movements.

Castell defines a “new industrial space” dominated by these new dynamics, which he defines as “*characterized by the technological and organizational ability to separate the production process in different locations while reintegrating its unity through telecommunications linkages and micro-electronics based precision and flexibility in the fabrication of components*”³⁷.

This leads to new interpretations of not only the “*geographical*” urban spaces, but the methods and means of productions as well, which become strictly tied to the work force engaged in each determined process: the degree of skill and specialization of the laborers allows for a great differentiation among the phases of production, varying in accordance to social and environmental contexts.

The greater this differentiation the more complex is the structure of the production process, creating the need for the parallel cooperation between different levels of workforce specialization: consequently, as a country a country becomes more industrialized, this phenomenon becomes more evident.

³⁵ Castells, M. (2010). Chapter 4, The Transformation of Work and Employment: Networkers, Jobless and Part-Timers”, *The Rise of the Network Society*. United Kingdom: Wiley.

³⁶ Castells, M. (2010). Chapter 4, The Transformation of Work and Employment: Networkers, Jobless and Part-Timers”, *The Rise of the Network Society*. United Kingdom: Wiley.

³⁷ Castells, M. (2010). Chapter 4, The Transformation of Work and Employment: Networkers, Jobless and Part-Timers”, *The Rise of the Network Society*. United Kingdom: Wiley.

By comparing the different categories of skill and specializations Castell is able to infer that this differentiation is typical of the manufacturing sector in high tech-oriented economies, typically organized around what he defines a “*bipolar structure*”³⁸, an occupational composition arranged around two macro categories of workforce:

- “*a highly skilled, science- and technology-based labor force*”³⁹ on one side;
- A “*mass of unskilled workers engaged in routine assembly and auxiliary operations*”⁴⁰ on the other.

Following the analysis of this structure, it became evident that the interactions between these two categories shape the production process in its different stages.

Among the high-technology production processes Castell identifies four different phases connected to different degrees of specialization and shared spatial division of labor, easily recognizable in the production processes of each world economy, owing to the “*easy communication linkages*”⁴¹ connecting the globe in a constantly flowing feed of information.

The first *operation*, as Castell defines it, is the phase comprehensive of R&D, Innovation Processes and Prototype fabrication, concentrated in “*highly innovative industrial centers in core areas, generally with good quality of life*”⁴². It is the core of what we define today a Global City, its prestige in the eyes of the international market and competition.

The sector of *skilled fabrication* of mass-produced products and custom designs is defined as the second *operation*, which Castell observed, in the

³⁸ Castells, M. (2010). Chapter 4, The Transformation of Work and Employment: Networkers, Jobless and Part-Timers”, The Rise of the Network Society. United Kingdom: Wiley.

³⁹ Castells, M. (2010). Chapter 4, The Transformation of Work and Employment: Networkers, Jobless and Part-Timers”, The Rise of the Network Society. United Kingdom: Wiley.

⁴⁰ Castells, M. (2010). Chapter 4, The Transformation of Work and Employment: Networkers, Jobless and Part-Timers”, The Rise of the Network Society. United Kingdom: Wiley.

⁴¹ c Castells, M. (2010). Chapter 4, The Transformation of Work and Employment: Networkers, Jobless and Part-Timers”, The Rise of the Network Society. United Kingdom: Wiley.

⁴² Castells, M. (2010). Chapter 4, The Transformation of Work and Employment: Networkers, Jobless and Part-Timers”, The Rise of the Network Society. United Kingdom: Wiley.

Western World it is more relegated to the more recent industrial spaces inside a nation, such as medium-sized cities and towns.

Thirdly, the *large-scale assembly and testing work* operation, fundamental phase of the electronics industries production process. Usually offshored in South-Eastern Asian countries, mostly in Singapore and Malaysia, it is an operation in which the semi-skilled workforce is generally employed. The competition on international scale generated by the quickly-opening opening markets made offshoring the only solution to stay on the latest edge, creating thus global link chains connecting different cities and countries occupied in varying phases of the same production process.

Particularly interesting case in this regard is that of Japanese companies, which between the 1980s and the 1990s were caught between their own nationalistic spirit ("*doken kokka*"⁴³) and subordination to network suppliers, sentiment that Castell described as "*fortress Japan*"⁴⁴, and the need to decentralize, born out of the growing costs of operations and logistical problems.

Offshoring was not immediately employed, but was rather the natural consequence of the decentralization process: while at first production facilities were moved to less industrialized part of the country, such as Kyushu⁴⁵, as the 1980s came to a close a process of production offshoring began to take place first in South East Asia, to cut production cost and circumvent environmental and labor laws, and later on in Europe and America as well, through a process of *factory dissemination*⁴⁶.

Particularly interesting is the countermovement that took place in the last two decades of the 20th century: an industrial "return" and repopulation of

⁴³ Graham, F. *Cities, Autonomy, and Decentralization in Japan. Decentralization and the tension between global and local urban Japan.* Routledge Contemporary Japan Series, 2006.

⁴⁴ Castells, M. (2010). Chapter 4, *The Transformation of Work and Employment: Networkers, Jobless and Part-Timers*, *The Rise of the Network Society.* United Kingdom: Wiley.

⁴⁵ Graham, F. *Cities, Autonomy, and Decentralization in Japan. A Japanese Company in Crisis Ideology, strategy, and narrative.* Routledge Contemporary Japan Series, 2006.

⁴⁶ Castells, M. (2010). Chapter 4, *The Transformation of Work and Employment: Networkers, Jobless and Part-Timers*, *The Rise of the Network Society.* United Kingdom: Wiley.

the areas surrounding the capital Tokyo, creating a web connecting different product sites scattered depending on the production process in different areas⁴⁷. The result is that of a revitalization of the diverse districts surrounding the city as well as a “*metropolitan regionalization*”⁴⁸ of the areas surrounding the megalopolis.

As will be described in the following chapters, this process will be the core behind the creation of the Tokyo Megalopolis, and the economic and industrial influence needed to become later on one of the most influent global cities.

The fourth final operation is that of device customization, aftersales maintenance and technical support. This particular market sector was originally heavily centered in America and Europe, but since 1990 Asia, with Japan in the lead, gained more and more relevance and know how in the field.

It was through this fast-paced technological advance that Japan became sector leader in the last two decade of the 20th century, status pushed forward by the so-called leading *technopolis*⁴⁹ of Tokyo, as per the MITI’s *Technopolis Plan* to create cities which, similarly to what the *Silicon Valley* in the United States represents, could become global showcases of the Japanese new frontier-edge technologies and industry.

This program aimed at achieving “*knowledge intensification and heightening of value added of industrial structure (creative nation-building based on high technology), and regional development headed for 21st century-by introducing high technology industry into culture, tradition and nature of regional society, by accomplishing 'town building' which is harmonious with 'industry' (complex of high technology industry), 'academic center' (research institutes and*

⁴⁷ Hein, C.. Pelletiers, P., Decentralization in Japan Decentralization, and the tension between global and local urban Japan. Routledge Contemporary Japan Series, 2006.

⁴⁸ Ide Sakuo and Takeuchi Atsuhiko (1980) “Jiba sangyô: Localized Industry,” in Association of Japanese Geographers (ed.), Geography of Japan, Tokyo: Teikoku-shôin, pp. 299319.

⁴⁹ Graham, F. Cities, Autonomy, and Decentralization in Japan. A Japanese Company in Crisis Ideology, strategy, and narrative. Routledge Contemporary Japan Series, 2006.

experimental institutes) and 'community facilities' (fertile and pleasant living environment)⁵⁰".

Consequently, the Japanese idea of a *technopole's* embodied the image of a new industrial space which is not limited by the duality of global versus local, but rather is created upon the interaction of local and global economic and social dynamics⁵¹.

In highly technological-oriented societies this second group of workers is constantly endangered by the menace of oncoming automation, threatening to replace low-skilled workers in the effort of reducing costs.

However, Castell in his analysis denotes a great presence of active unskilled and semi-skilled workers in Japan as well as in the production processes of many world economies during the last decades, highlighting how unskilled and semi-skilled workers are still necessary in order to sustain large increases in volume of production connected to the ever rising high demand and the expansion of the economy.

Through their transformation a city is able to evolve, from a "settlement" or "community", as interpreted throughout the centuries, to an entity that is so much bigger and complex, connected to the rest of the world through power dynamics and business contracts that define its place in the world economy and among other nations' global cities.

1.4 Friedmann and Wolff: The World City Formation

Friedmann and Wolff, in their conjoined work "*The World City Formation: an agenda for research and action*" (1982) first delineated the characteristics of the global city as we know it today.

⁵⁰ Yazawa, S. The Technopolis Program in Japan, *Hitotsubashi journal of social studies*, 22(1): 7-18, 1990-08

⁵¹ Castells, M. (2010). Chapter 4, *The Transformation of Work and Employment: Networkers, Jobless and Part-Timers*, *The Rise of the Network Society*. United Kingdom: Wiley.

By analyzing the global network of cities, in particular those active urban regions where most capital is generated and invested, they found common elements featured by certain metropolises: usually characterized by a large scale, ranging up to 60 miles to the city center, hosting five to fifteen million citizens, and in a process of rapid economic and social expansion⁵². The process of urbanization they started in the last century created the right economic, social and urban conditions to allow the right interaction and integration with the global market.

In Friedmann and Wolff's analysis, it was the postwar period that started the economic processes in most countries allowing the evolution of these metropolises: in most cases, they followed a process of decentralization and re-organized their production processes to better fit their economic needs, driven by the influence and guidance of transnational corporations. The result is a network of cities connected with each other through commercial and financial links, sharing similar vision concerning the production processes and market expansion.

It is not, then, the size of inhabitants that makes a global city, but rather their degree of integration with this global network, measured by the presence and activity of international head offices for international corporations, and the degree of safety of capital investment.⁵³ In addition to these two conditions, an important factor to take into account is to what extent the city produces commodities for the global market, and the influence and strength it possesses over it.

In order to better explain this concept, Friedmann and Wolff use Immanuel Wallerstein's system to differentiate between urban spaces: by dividing them into "core", "semi-periphery" and "periphery", it is possible to understand which spaces would be more suited to produce and interact with the global market.

⁵² Friedmann, J. and Wolff, G. (1982), World city formation: an agenda for research and action. *International Journal of Urban and Regional Research*, 6: 309-344.

⁵³ Friedmann, J. and Wolff, G. (1982), World city formation: an agenda for research and action. *International Journal of Urban and Regional Research*, 6: 309-344.

A sociologist who developed the theory of the *world-system*, Immanuel Wallerstein addresses the interconnected economic and political relationships between countries and areas of the world. In his World Systems Theory, he states that it is possible to divide the world into three categories, a core, semi-periphery, and periphery depending on how each country fits within the international market.

Immanuel Wallerstein defines as *core* those countries characterized by vast resources and economic power, usually leading actors of the global market. Their economy is supported by strong industrialization, reflected on their main cities' high urbanization levels: it is the case of Japan, the USA, and many European countries⁵⁴.

Similarly, the *semi-periphery* countries have access to some degree of industrialization, more so than the periphery countries but less so than the core ones: that is why they are often found between the two, as a sort of middle ground. Typical case is that of India or some countries in South America, such as Argentina or Mexico⁵⁵.

Last, Wallerstein defines as *periphery* those countries characterized by lesser levels of industrialization and weaker economies, causing them to be afflicted by poverty and exploited by core countries for resources and labor. Such is the case of countries such as Bolivia, Philippines or Kenya⁵⁶.

One striking difference between core, semi periphery and periphery countries resides in the organization of the *urban spaces*. In core countries, supported by a strong economy and vast resources, they become a center of the nation's economic activities and home to many national and international headquarters and political institutions.

This cannot be found in many urban spaces of semi-periphery and periphery countries: cities, in these regions, might host a large population but lack the

⁵⁴ Wallerstein, I. (1974) *The Modern World-System*, New York, Academic Press, pp. 347-57.

⁵⁵ Wallerstein, I. (1974) *The Modern World-System*, New York, Academic Press, pp. 347-57.

⁵⁶ Wallerstein, I. (1974) *The Modern World-System*, New York, Academic Press, pp. 347-57.

presence of economic and technological institutions of influence, and thus still depending on the capital of a core country⁵⁷.

Friedmann and Wolff adapt this world system theory to the notion of *global city*: in core countries large and influential cities are often home to many transnational headquarters and take active part in the international commerce.

A country may change its status over the years, as it has happened with Japan, that developed from semi-periphery to core area: however, Friedmann and Wolff observed that cities in the same area will share to an extended degree the same qualities and characteristics, as they will be defined by the necessity of hosting and attracting transnational capital⁵⁸.

Thus it is necessary for such “world cities” to feature banks, international financial institutions and administrative headquarters: the “infrastructure” needed to keep the connection to the global network alive and active; the same national policy makers need to create the right conditions to favor this sort of interaction, inevitably generating some form of political struggle. In the words of Friedmann and Wolff’s: “*the global economy is superimposed upon an international system of states*”⁵⁹.

Among the common features defying a world cities we find the following:

- A fundamental role in the globalization process of a city is held by the transnational corporations, flagbearers of the global competition in the global market: competition that is slowly becoming a privilege of few that are in possession of non-complementary production facilities and of large quantities of capital, often larger than the same gross national product of most economies ⁶⁰. Often known as “*too big to fail*”

⁵⁷ Wallerstein, I. (1974) *The Modern World-System*, New York, Academic Press, pp. 347-57.

⁵⁸ Friedmann, J. and Wolff, G. (1982), *World city formation: an agenda for research and action*. *International Journal of Urban and Regional Research*, 6: 309-344.

⁵⁹ Friedmann, J. and Wolff, G. (1982), *World city formation: an agenda for research and action*. *International Journal of Urban and Regional Research*, 6: 309-344.

⁶⁰ Friedmann, J. and Wolff, G. (1982), *World city formation: an agenda for research and action*. *International Journal of Urban and Regional Research*, 6: 309-344.

corporations, they hold a powerful leverage to national governments. The advent of globalization led to a mobilization of capital: while factors of production are less mobile, the mobilization of capital allows for the recovery of fixed capital costs in the short term.

- If the transnational corporations are the main actor behind the globalization process, its foundation can be found in the concept of technological innovation. It is the true driver of capital: often they allow for more efficient economic activities or production processes, through scientific and engineering discoveries. However, its influence poses in the long term, the threat of radical change, in particular concerning the matter of employment and the potential reduction of direct labor costs and its possible degeneration into a process of “*de-skilling*”⁶¹. Friedmann and Wolff’s vision is, in this concern, parallel to that of the Informational Society of Manuel Castell: the technological advancement permeates every phase of the production process, making the value of information processing rise exponentially. As a matter of fact, parallel to the progress of technology is the evolution of employment, concerning both the division of labor and informal employment. Friedmann and Wolff observed how in most world cities, the manufacturing sector was slowly shrinking, parallel to the rise of service employment and the drastic drop of employees in the agricultural sectors. Rapid population growth, automatization of physical labor and the rise of office work, however, lead to another dilemma: the “formal” sector cannot provide for enough jobs as the demand require, condition worsened by the offshoring of many direct production processes in cheap labored countries, in which there are fewer restriction and taxes. The consequence, then, is the rise of “informal” labor, usually characterized by low wages far below the

⁶¹ Friedmann, J. and Wolff, G. (1982), World city formation: an agenda for research and action. International Journal of Urban and Regional Research, 6: 309-344.

minimum levels and not state controlled, making the exploiting of the workforce much easier and common. This category of labor is largely common among the vast group of migrated workforce, struggling to find available formal labor and thus resorting to other means. On the other hand instead, among the formal labor, a distinguishing feature of world cities is to be found in the rise in influence of a specific sector: the prosperous high-level *business service*⁶², characterized by a skilled and professional work force, led by the figure that Friedmann and Wolff identify as “*technocrat*”, a skilled member of the transnational elite working for the handling of capital in the global market, rather than that of a nation’s interest. The business service sectors in which they are involved include the main activities connected to the economic flourishing of the megalopolis, including banks, legal and research institutions and technological corporations. Directly connected to this first group of service activities, there is a second cluster comprehensive of activities which are directly related to the first one and vary according to its demand⁶³. Under this category fall the real estate sector, the tourism sector-related facilities, the entertainment and luxury sector activities. Many sectors, such as electronics, choose to relocate in cheaper labor areas, where the production costs and related regulations are less onerous, allowing corporations to cut wages. Among all others, the leading sector shaping the global city is, however, that of governmental services⁶⁴. Larger in presence in such megalopolis than in the rest of the country, it is both a political institution and the engine behind urban planning and policy.

⁶² Friedmann, J. and Wolff, G. (1982), World city formation: an agenda for research and action. *International Journal of Urban and Regional Research*, 6: 309-344.

⁶³ Friedmann, J. and Wolff, G. (1982), World city formation: an agenda for research and action. *International Journal of Urban and Regional Research*, 6: 309-344.

⁶⁴ Friedmann, J. and Wolff, G. (1982), World city formation: an agenda for research and action. *International Journal of Urban and Regional Research*, 6: 309-344.

- Migration itself, as stated before, is an inevitable and important part of the population inhabiting world cities, attracted by the hope of finding better life or employment prospects. On average, Friedmann and Wolff analyze that the typical world city will in the future host more than ten millions inhabitants, of which a great part will be mostly migrants. This great population growth will inevitably lead to greater consume and consequent demand for energy and water⁶⁵, which can only be obtained by acquiring new land and spaces to seek out further resources.

This will cause tensions during the process of urban expansion due to conflicting interests. Another issue connected to the quickly expanding urban space of the global city is that of the connected rise of waste materials produced. Larger population demands higher levels of waste management, as well as more waste disposal facilities. As the waste produced grows, so does the level of pollution threatening human condition, often connected to unsafe procedure of waste disposal and to fumes produced by industries and manufacturing facilities⁶⁶. To the costs associated with both waste and pollution control it is important to add those connected to the creation of a functional infrastructure connection each facility in order to facilitate each process: an efficient transport system and highway system is essential to speed up the management processes.

As the global city grows to become a hub of technological innovation and economic growth, so does the prestige of the same region its production processes are based on. In this way, a region, defined by Friedmann as the “*urban field*”⁶⁷, becomes part of the global network connecting the leaders of the international market: the influence of one city is shared with the whole

⁶⁵ Friedmann, J. and Wolff, G. (1982), World city formation: an agenda for research and action. International Journal of Urban and Regional Research, 6: 309-344.

⁶⁶ Friedmann, J. and Wolff, G. (1982), World city formation: an agenda for research and action. International Journal of Urban and Regional Research, 6: 309-344.

⁶⁷ John Friedmann & John Miller (1965) THE URBAN FIELD, Journal of the American Institute of Planners, 31:4, 312-320, DOI: 10.1080/01944366508978185

area surrounding it, and with it the consequential economic prosperity and capital accumulation.

1.5 The World City Hypothesis

In 1986, following the studies on urbanization pioneered by Castell in the previous decade, Friedmann writes the “*The World City Hypothesis*”, an essay on the framework of the urban, social and economic context upon which global cities are built and developed.

In particular, Castell’s idea of a linkage between the urban development and the influence of 20th century capitalism are fertile ground for an analysis of how the influence social and economic forces can shape a global value chain, built upon relations of production processes among cities playing central roles in the global economy network.

Friedmann uses this theory as a starting point of an insight of the global city as an urban and economic entity, and consequently observes the relationship between this two aspect of the same phenomenon.

First, the analysis starts by understanding whether global cities around the world share or not the same qualities.

Friedmann states that as urban policies and historical background differs from case to case one would expect differences in integration with the global market and global capital, however one shared trait can be found in the influence of the *economic variable*, as Friedmann calls it, creating a shared basis among these cities⁶⁸. In order to understand shared feature and contrasting characteristics of these global cities, Friedmann defines seven

⁶⁸ Friedmann, J. (1986) *The World City Hypothesis*, Development and Change. International Journal of Urban and Regional Research, 17, 69-83.

theses, explaining the different context and background shaping their status in the global network⁶⁹.

The first thesis revolves around the concept of *spatial* division of labor as a influential factor for the degree of integration of a city to the global market. The structure of the labor market shapes the relation between a city and the world capitalist system, as decisive for the allocation of capital and resources. Characterized by transnational corporation headquarters and financial institutions, global cities become the hub for the most important economic and industrial processes of a regional and national economy: its space is shaped and influenced by the movement of foreign capital and investment, creating a synergy between financial, managerial and productive organs and organizations.

Together with the articulation of a complex transportation system, these institutions drive the national and international business relations and produce employment in the service sector, the driving employment market of a global city.

In addition to this economic variables, Friedmann points out three other factors that act beyond the scope of the global market, and that is the "*spatial pattern of historical accumulation*"⁷⁰ and country's national policies and social conditions⁷¹.

As in the last few decades globalization accelerated up to the point of creating frenetic competition in the global market, these policies become the solution to protect the status quo of the national economy, by regulating import and export, foreign direct investment and immigration. This concept is at the heart of the second thesis, which states that "*key cities throughout the world*

⁶⁹ Friedmann, J. (1986) The World City Hypothesis, Development and Change. International Journal of Urban and Regional Research, 17, 69-83.

⁷⁰ Friedmann, J. (1986) The World City Hypothesis, Development and Change. International Journal of Urban and Regional Research, 17, 69-83.

⁷¹ Friedmann, J. (1986) The World City Hypothesis, Development and Change. International Journal of Urban and Regional Research, 17, 69-83.

*are used by global capital as 'basing points' in the spatial organization and articulation of production and markets"*⁷².

This spatial organization creates a network organized in hierarchical structure, usually ordered by the possessed power and integration with the world global market. Friedmann uses Cohen's hierarchy to better explain this network: by dividing the global cities in cluster, it is possible to observe area of interest and influence that expand beyond the mere urban boundaries, and creates geographical spaces sharing same economic characteristics.

For example, Friedmann defines an "*Asian subsystem*" founded upon the *Tokyo-Singapore axis*⁷³ shaping the economy of the whole Southeastern Asia, or in America, the *New York-Chicago-Los Angeles-Toronto axis*, defining an economic space of influence comprehensive of North, Central and South America. Friedmann identifies these geographical networks of influence by cluster representation: in *Figure 1* (pag. 43) it is possible to understand how urban subsystems are displayed in the macro areas of Asia, America and Europe.

Economic spaces this wide are sustained by two main factors, that is the production sector and the employment market. This is the heart of Friedmann's third thesis. While finance and corporate industries do consist in an active engine needed to maintain the service sector driving a nation's competition in the global market, as similarly do the transportation and communication system, such as news, information and entertainment, in creating the necessary conditions for the correct development of a global city, in order for this economic system to succeed and be sustainable it is necessary for the manufacturing sector to be able to support the consequent rapid economic growth⁷⁴.

⁷² Friedmann, J. (1986) The World City Hypothesis, Development and Change. International Journal of Urban and Regional Research, 17, 69-83.

⁷³ Friedmann, J. (1986) The World City Hypothesis, Development and Change. International Journal of Urban and Regional Research, 17, 69-83.

⁷⁴ Friedmann, J. (1986) The World City Hypothesis, Development and Change. International Journal of Urban and Regional Research, 17, 69-83.

While the service sector is usually catered to specialized professionals, the low-skilled rest of the workforce is employed in this manufacturing industry, in both formal and informal type of employment.

In both cases, the success of these industries is possible through the allocation of foreign capital alimented by the indirect and direct investments. The accumulation of capital is fundamental for the correct development of a global city: this is the Friedmann's fourth thesis⁷⁵. In this case, Tokyo is an exceptional global city: while attracting great amount of foreign capital, the same national policies designed by the government encouraged staying off foreign investment and meddling in the national economy.

The fifth thesis is connected to the immigration rate: a flourishing economy attracts workforce aiming at better living conditions, both from within and beyond a country's boundaries. Both the international and interregional migration participate in the growth of the city, however in most capitalist countries immigration policies limit this influx in order not to destabilize the economy: ⁷⁶his legislation aims at filtering migrants between unskilled and skilled workers, whose abilities are more in high demand. Friedmann points out that migration contributes in a city's growth from 1.5 up to 2.5% more⁷⁷.

The rapid influx of migration united with an active industry and economy however, while it generates welfare, leads to a wide range polarization on different societal aspects. This polarization leads to conflicts on both an urban and class level; the sixth thesis analyses how the growing gap in income and wealth can be observed on three different levels: global, regional and metropolitan⁷⁸.

⁷⁵ Friedmann, J. (1986) The World City Hypothesis, Development and Change. International Journal of Urban and Regional Research, 17, 69-83.

⁷⁶ Friedmann, J. (1986) The World City Hypothesis, Development and Change. International Journal of Urban and Regional Research, 17, 69-83.

⁷⁷ Friedmann, J. (1986) The World City Hypothesis, Development and Change. International Journal of Urban and Regional Research, 17, 69-83.

⁷⁸ Friedmann, J. (1986) The World City Hypothesis, Development and Change. International Journal of Urban and Regional Research, 17, 69-83.

In the first case the polarization of wealth can be found in the comparison of semi-periphery countries, as Friedmann calls the less developed countries, and rich ones, comprehensive of the main player of the international market.

The second level consists in the gap in wealth among high and low income region, though in more developed countries it follows a ratio of 1 to 3⁷⁹. Finally, the third and last level is articulated on the same urban space of the city. As cities grow further in both population and economic influence, the gap among class caused by difference in revenue and immigration status widens, and its influence shapes the same urban landscape of the city.

Oftentimes poorer and low revenue class citizens live in run-down areas characterized by worsen living conditions. It is the case of global cities such as New York or Los Angeles, where the members of the lower classes face more disadvantage in comparison to the rest of the citizens⁸⁰.

This is one of the most critical issues concerning the topic of the global city is the radical polarization of its social fabric: the extremes become more common, to the detriment of the shrinking middle class.

While the economy of the global cities is sustained by highly skilled professionals, a large volume of production is supported by the effort of the poorer classes, often international or rural immigrants⁸¹. Due to not having the right specialization or pressured by the need of making a living, most find employment in the low-level service or manufacturing sector, often characterized by minimum wages and less rigid security policies on the workplace.

The seventh and last thesis is built upon the same statement: "*World city growth generates social costs at rates that tend to exceed the fiscal capacity of*

⁷⁹ Friedmann, J. (1986) The World City Hypothesis, Development and Change. International Journal of Urban and Regional Research, 17, 69-83.

⁸⁰ Friedmann, J. (1986) The World City Hypothesis, Development and Change. International Journal of Urban and Regional Research, 17, 69-83.

⁸¹ Friedmann, J. (1986) The World City Hypothesis, Development and Change. International Journal of Urban and Regional Research, 17, 69-83.

the state."⁸² The rising migration, both from within the country and from the international landscape, into the global cities, creates a consequent critical need to social policies apt at making social integration efficient and productive. This means that the global city should be able to host and give education to a rising number of citizens over the years, however not often it can provide the resources needed to maintain the same quality of life for every inhabitant: the budget is usually more oriented towards corporations and big institutions, leaving out the more politically and economically "weak" classes.

⁸² Friedmann, J. (1986) The World City Hypothesis, Development and Change. International Journal of Urban and Regional Research, 17, 69-83.

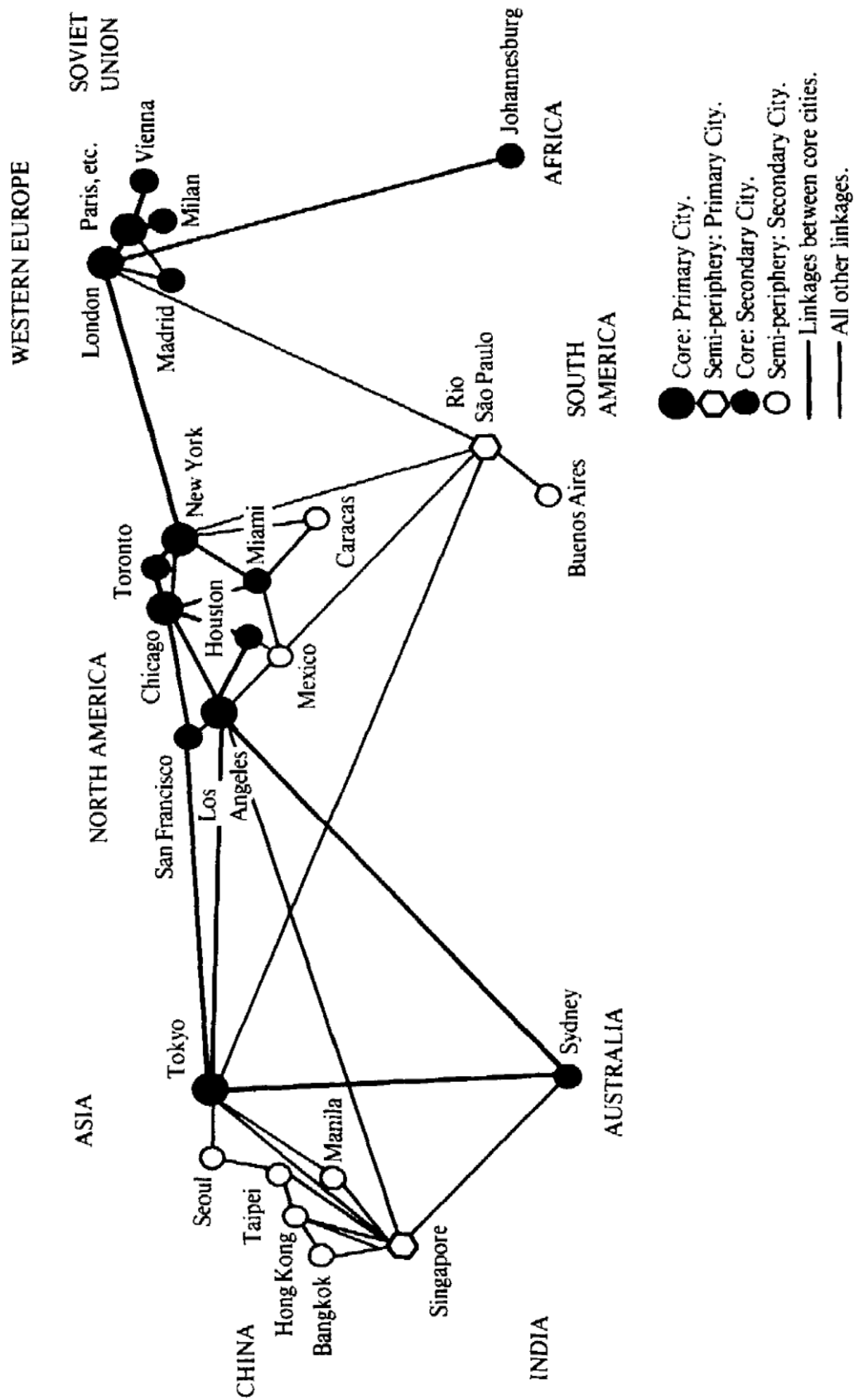


Figure 1 The Hierarchy of World Cities. Source: Friedmann, J. (1986) *The World City Hypothesis, Development and Change. International Journal of Urban and Regional Research*, 17, 69-83.

2. Tokyo: from centralization to globalization

2.0 Information Services in the Information Society

While the term Information Society, *johoka shakai*, was first coined in Japan, it is also in Japan that we find its most complex implementation, difficult to analyze owing to the different historical and economic peculiarities characterizing the nation. While Japan is the one to engage in the highest level of information technology to improve factors such as productivity and competitiveness, there exists a major discrepancy between how big a role information plays in its economy and the actual state of workforce involved in the process.

In order to address this topic, Castell analyses the periods between 1920s to 1970s, that is when societies entered their post-agricultural phase, defined by a growth in the manufacturing sector-involved workforce, and the one between 1970s and 1990s, which noted the beginning of the post-industrial phase, characterized by dwindling of the manufacturing employment.

2.1 The service economy

Japan, as well as other countries such as Italy and France, found itself at the beginning of the 20th century as a mainly agricultural-driven country: this was to change at the turn of the 1920s as the growth of manufacturing and service took place to the detriment of the agricultural sector.

This phenomenon led to a quick and driven industrialization movement, in which most of the agricultural-involved workforce was converted to the manufacturing and service sectors⁸³: this process can be observed through

⁸³ Graham, F. *Cities, Autonomy, and Decentralization in Japan. Decentralization and the tension between global and local urban Japan.* Routledge Contemporary Japan Series, 2006

the variation of the employment ratio of service to industry, which Castell considers the indicator of a “*service economy*”⁸⁴.

This ratio, which started at an incredibly low level at the start of the 20th century, experienced a moderate increase during the first post-agricultural phase in most advanced countries, to the exception of the USA and Canada, whose growth in service sector workforce was more robust: Castell defines the United States as the “*standard-bearer of the employment structure characteristic of the service economy*”⁸⁵.

The rest of the world followed, in various speed and through different policies, in the pursue of a service driven economy only after the post-industrial phase, between the 70s and the 80s, decades that brought about even further increase in the sector for both USA and Canada: however, it is important to note how North America, as well as Japan and Germany, while increasing its service sector employment, still retained a strong industrial component in its economy.

2.2. Two models of informational society

In the last decade of the 20th century most the G7 members presented a workforce that was, to a considerable extent, involved in the service sector, while others such as Italy and Germany, between the 1980s and the 1990s developed towards a growth of the information processing workforce employment. At this point, countries began to differentiate between two models of informational economies: “*service economies models*”, such as the USA, and “*industrial production model*”, such as Japan and Germany.

⁸⁴ Castells, M. (2010). Chapter 4, The Transformation of Work and Employment: Networkers, Jobless and Part-Timers”, The Rise of the Network Society. United Kingdom: Wiley.

⁸⁵ Castells, M. (2010). Chapter 4, The Transformation of Work and Employment: Networkers, Jobless and Part-Timers”, The Rise of the Network Society. United Kingdom: Wiley.

The first, the service economy model, is characterized by a middle-manager-oriented economy dominated of the capital management services sector over the producer services, and a rising healthcare workforce involved in the social service sector. In *Table 1*, it is possible to see that New York, belonging to the *service economy model* as stated beforehand, presents a very low rate of producer services in comparison to Tokyo or London.

The second, the industrial production model, while it is characterized by more limited manufacturing workforce, it still presents at least one-quarter of its workforce involved in the sector to provide high level activities and production. In this model, manufacturing-connected and social-oriented producer services are more influential than financial ones, even if the latter still remain an important part of the economy. In *Table 2*, it is the case of Tokyo and London.

	<i>Producer Services as % of Employment</i>				<i>City's Total Employment as % of Total National Employment</i>
	<i>Banking and Finance^a</i>	<i>Insurance^b</i>	<i>Real Estate^c</i>	<i>Business Services^d</i>	
1970					
London (1971)	4.0	2.6	0.7	6.3	16.0
New York (1970)	7.3	3.2	3.0	6.3	5.9
Tokyo (1975)		4.5 ^e	1.9	--	11.0
Great Britain (1971)	1.6	1.2	0.4	2.9	--
United States (1970)	2.9	2.2	1.2	2.9	--
Japan (1975)		2.6 ^e	0.7	--	--
1980/1981					
London (1981)	4.5	1.9	0.6	8.1	15.7
New York (1981)	10.2	3.4	3.0	8.3	3.9
Tokyo (1980)		4.2 ^e	1.8	--	10.2
Great Britain (1981)	2.1	1.1	0.3	4.3	--
United States (1981)	3.4	2.3	1.3	4.1	--
Japan (1980)		2.8 ^e	0.7	--	--
1984/1985					
London (1984)	4.8	1.7	1.0	10.2	16.6
New York (1985)	10.7	3.2	3.1	9.4	3.7
Tokyo (1985)		4.2 ^e	1.9	--	10.2
Great Britain (1984)	2.4	1.1	0.6	5.0	--
United States (1985)	3.5	2.2	1.4	5.3	--
Japan (1985)		3.0 ^e	0.8	--	--

Table 1 Great Britain and London, United States and New York, Japan and Tokyo, Employment Share of Selected Producer Services (1980s and 1970s). Source: Sassen S. (2001). The global city : new York london tokyo (2nd ed.). Princeton University Press

Concerning this differentiation, the case presented by the Japanese economy is the most interesting one, as well as the most difficult to clearly define.

If we were to measure its success as an informational economy by the percentage of information employment, that is the ratio of workforce engaged in information-processing technologies, the result would be different to what one would foresee: in the first half of the 20th century, the increase was only of 0.1%, and again of one more point percentage in the last 20 years between the 80s and the 90s, from 0.4% to 0.5%⁸⁶. It consequently appears that there exists a discrepancy at play in between the effective workforce and its expansion in the information sector and the maturing of the “*information society*” in cities such as Tokyo.

As stated beforehand, it is important to denote that this peculiarity is not only native to Japan: Germany as well, during the 1970s and 1980s experienced the same interesting circumstances. Both countries were characterized by a steadfast manufacturing workforce, in contrast to a more limited service to industry employment and information to goods employment rate.

In *Table 2* it is possible to see detail how Japan differed from other global cities such as London and New York in the distribution of employment in manufacturing services. While between the 70s and the 80s London and New York were affected by a strong drop in manufacturing sector workforce, Tokyo, while nonetheless following the same trend, presented a much slower decrease.

Comparing Germany to Japan in the same decade range, it is possible to observe how despite the same increase of producer services employment could be detected between the 70s and the 80s, it still presented the lowest rate among the European nations: Castell concludes that internalization of

⁸⁶ Castells, M. (2010). Chapter 4, The Transformation of Work and Employment: Networkers, Jobless and Part-Timers”, *The Rise of the Network Society*. United Kingdom: Wiley.

service activities could play the same role in this case as they did in Japanese economy, closely connecting producer services and processes⁸⁷.

<i>New York</i>	<i>1977</i>	<i>1981</i>	<i>1985</i>
Manufacturing	21.9	18.7	15.4
Tertiary industry	63.7	68.6	73.8
Wholesale/retail	19.4	20.2	20.2
FIRE	15.9	16.6	17.3
Services	28.4	31.8	36.3
<i>London</i>	<i>1977</i>	<i>1981</i>	<i>1985</i>
Manufacturing	22.0	19.2	16.0
Tertiary industry	73.0	75.2	78.5
Wholesale/retail	13.5	19.2	20.5
FIRE	9.9	15.9	18.2
Services	49.6	40.1	39.8
<i>Tokyo</i>	<i>1975</i>	<i>1980</i>	<i>1985</i>
Manufacturing	25.1	23.5	22.0
Tertiary industry	54.5	57.2	59.8
Wholesale/retail	27.5	28.5	28.4
FIRE	6.4	6.0	6.1
Services	20.6	22.7	25.3

Table 2 New York, London, and Tokyo Distribution of Employment in Manufacturing and Service Industries, 1970s and 1980s. Source: Sassen S. (2001). The global city : new york london tokyo (2nd ed.). Princeton University Press.

Japan presents a peculiar case even when the social services and welfare system is taken into account. As a matter of fact, despite being an informational society, the country denoted a particularly low level of workforce employed in social services.

Up until the 1970s traditional forms of decentralization of social support in both the workplace and the family led to low levels of employment; however

⁸⁷ Castells, M. (2010). Chapter 4, The Transformation of Work and Employment: Networkers, Jobless and Part-Timers”, The Rise of the Network Society. United Kingdom: Wiley.

this model could no longer be sustainable as the country became more and more industrialized and oriented towards a process of internationalization and thus needing to keep up with the welfare state already existing in other countries. This evolution was consequently the result of state-oriented policies rather than born of economic needs⁸⁸.

This case is significant when compared to how the welfare system employed grew in other countries. Between the 1970s and the 1990s, countries such as the USA, Canada and France presented lower employment rate growth in social services, contrary to Germany and Japan, in which it increased significantly. Japan in particular offered a peculiar case: while the rest of the world shared the same trend of slower growth rate in the 80s compared to the previous decades, Japan during those years presented a remarkable expansion of social sector, both in terms of services offered and in jobs created⁸⁹.

It is thus possible to say that Japan and the United States present different employment structures, reflecting the way not only governments, but also firms interact with the global market: the varying rate of manufacturing workforce or the widely spread presence of “white-collars” is connected to different economic policies followed by each state government, such as the United State trend being more offshoring-oriented, especially when concerning manufacturing jobs⁹⁰.

2.3 Tokyo, a Global City

Having defined the importance of producer and services, and the exceptional case of the steadfast manufacturing sector present in certain kinds of

⁸⁸ Graham, F. *Cities, Autonomy, and Decentralization in Japan*. Decentralization and the tension between global and local urban Japan. Routledge Contemporary Japan Series, 2006

⁸⁹ Castells, M. (2010). Chapter 4, *The Transformation of Work and Employment: Networkers, Jobless and Part-Timers*, *The Rise of the Network Society*. United Kingdom: Wiley.

⁹⁰ Castells, M. (2010). Chapter 4, *The Transformation of Work and Employment: Networkers, Jobless and Part-Timers*, *The Rise of the Network Society*. United Kingdom: Wiley.

informational societies, it is fundamental to introduce the more general and visible characteristics of such concept.

A global city is a megalopolis in which are operative the world's major financial and producer services institutions and international corporate headquarters. Furthermore, the production-oriented structure of the city allows for a huge network of companies belonging to different stages of the production processes, such as manufacturing and R&D, granting it the title of "*neo industrial*"⁹¹ city. In Japan, Tokyo is the primary example of such an urban complex.

Tokyo, as stated beforehand, differs from other megalopolis such as New York as its industrial component is still very strong, creating jobs for more than a quarter of the total workforce⁹². The same finance and service industries, whose main headquarters are located within the borders of the city, function parenthetically to the need of producing constant technological innovation, carried out by the R&D and product lines of the major small and medium Japanese companies, and alimented by the cost-saving production processes outsourced in cheap labored countries⁹³, such as Malaysia, Thailand and Vietnam.

2.4 Financial Institutions and Industrial Capital

The urban arrangements function as a small-scaled representation of the market dynamics of the Japanese economy: while the greater financial institution such as the Bank of Japan or the Bank of Tokyo Mitsubishi are in

⁹¹ Gottfried, Heidi. (2017). The Phoenix Rises: Tokyo's Origins as a Global City. *Critical Sociology*.

⁹² Child Hill, R., & Fujita, K. (2003). The Nested City: Introduction. *Urban Studies*, 40(2), 207–217.

⁹³ Gottfried, Heidi. (2017). The Phoenix Rises: Tokyo's Origins as a Global City. *Critical Sociology*.

the southeastern part of Tokyo, foreign banks rise around the more fashionable and popular spots in the *Asakasa* districts⁹⁴.

This deliberate disposition highlights the contrast of Tokyo to the megalopolis of New York, which made its financial district of *Wall Street* one of its greatest attractions.

Beyond the arrangement of the financial institutions, another peculiarity of the Tokyoite urban landscape can be found in the overwhelming majority of Japanese owned companies dominating the city.

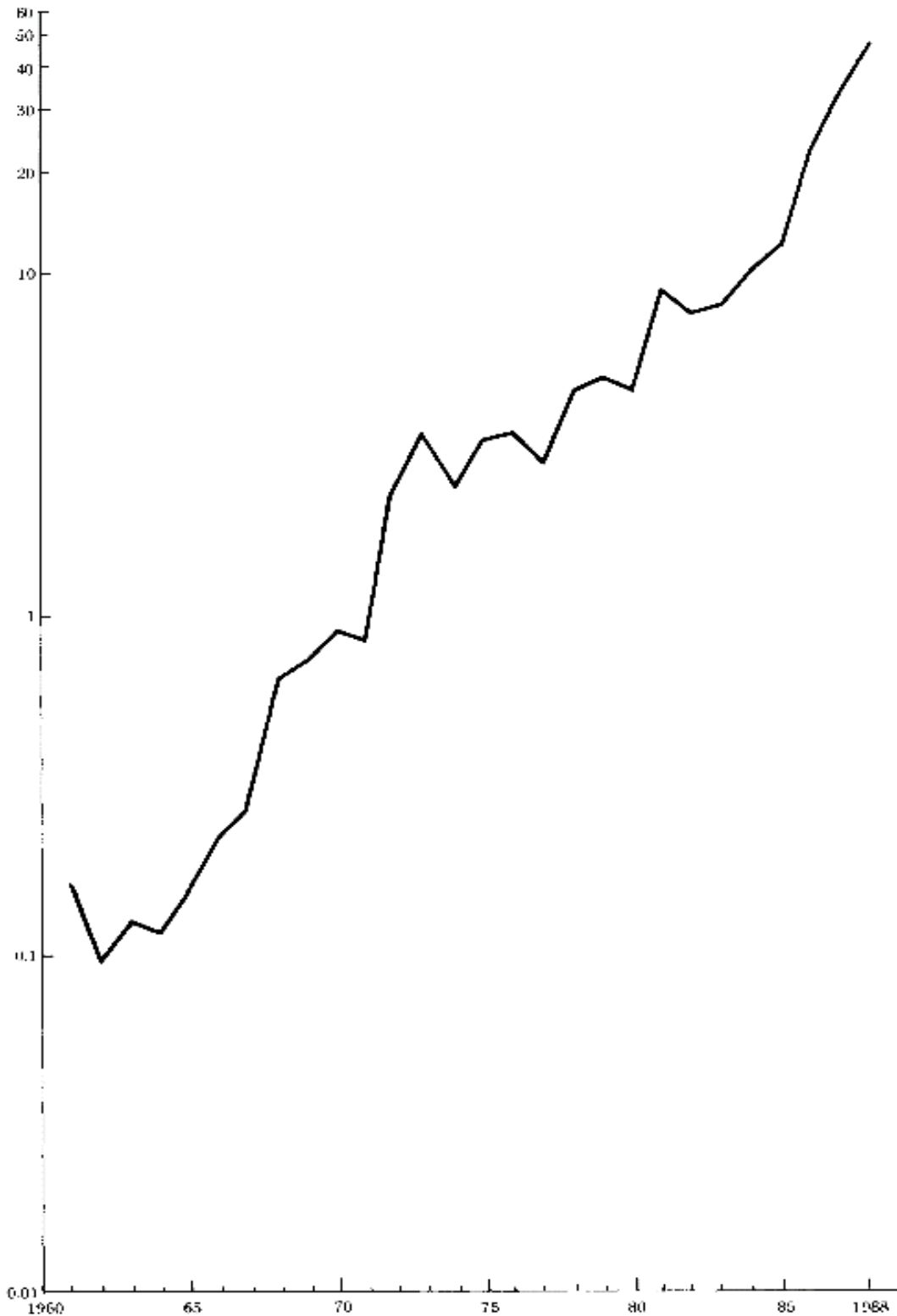
This national predominance has historical roots. Before the decade of the *Bubble Economy*, the government restricted foreign direct investment by imposing high interest rates: at first the FDI were related to resource development in the Asian Region, and it was only in 1972 that the status quo began to change. In Figure 2 (pag.52) it is possible to see how stance of the Government of Japan had changed starting from 1972 onwards, when concerning the overseas direct investments. In *Table 3* and *Table 4* (pag. 53) it is possible to see how in particular this situation evolved. In *Table 4* it is striking how, starting from the time period of 1971-1975 the FDI began to grow rapidly, in particular those from North America; particularly interesting is that in *Table 3* is showed that most of these investments were directed to the Finance and Insurance sector, peaking during the decade of the 80s.

In fact, that year is known as the “*gannen of direct investments*”⁹⁵, in particular in the sectors of manufacturing and commerce: this was brought about most likely by the surplus in the balance of account which led the Japanese government to the easing of its market regulations, which in turn brought forth the lowering of the interest rates.

⁹⁴ Gottfried, Heidi. (2017). *The Phoenix Rises: Tokyo's Origins as a Global City*. Critical Sociology.

⁹⁵ Komiya, R., & Wakasugi, R. (1991). Japan's Foreign Direct Investment. *The Annals of the American Academy of Political and Social Science*, 513, 48–61.

Billion
U.S. Dollar



SOURCE: Japan, Ministry of Finance, *Taigai chiyokusetsu-toshi no kyoka todokede zisseki* [Statistics of approval/notification of overseas direct investment], various years.

Figure 2 Statistics of approval/notification of overseas direct investment, various years. Source: Komiya, R., & Wakasugi, R. (1991). *Japan's Foreign Direct Investment. The Annals of the American Academy of Political and Social Science*, 513, 48-61.

	Sector *							
	Manufacturing	Agriculture, forestry, and fishery	Mining	Commerce	Finance and insurance	Transport	Real estate	Others
1951-60	44.9	2.5	30.4	11.3	3.9	0	0	7.1
1961-70	24.7	2.7	31.8	10.7	9.4	0	0	20.9
1971-75	33.3	2.0	25.1	14.8	8.0	0	0.1	16.7
1976-80	36.7	2.7	15.4	15.6	5.5	0	1.7	22.4
1981-85	25.1	0.7	9.9	15.4	17.9	12.5	5.4	13.1
(1951-85)	29.2	1.5	14.5	15.2	13.0	7.1	3.5	16.2
1986-88	24.8	0.5	2.1	7.1	30.2	6.3	17.6	11.4

SOURCE: Ministry of Finance, *Taigai chyokusetsu-toshi no kyoka todokede zisseki*.

*Classification is according to the area of business in the host countries.

Table 3 JAPAN'S FOREIGN DIRECT INVESTMENT BY INDUSTRY, 1951-88 (Percentage)

	North America	(United States)	Asia	(Asian Newly Industrializing Economies)	(Association of Southeast Asian Nations)	Europe	Middle East	Oceania	Other Areas
1951-60	31.1	(30.7)	17.3	(4.6)	(9.2)	1.1	19.8	0.7	30.0
1961-70	25.0	(18.6)	21.3	(5.0)	(13.1)	19.3	8.4	7.6	17.4
1971-75	24.3	(22.0)	28.1	(10.2)	(17.6)	15.2	5.2	5.3	21.9
1976-80	28.6	(26.6)	27.3	(10.2)	(16.8)	9.5	6.2	7.8	20.6
1981-85	36.4	(34.8)	20.4	(8.7)	(10.8)	13.9	1.5	3.6	24.2
(1951-85)	32.2	(30.2)	23.3	(9.1)	(13.4)	13.2	3.6	5.1	22.7
1986-88	46.9	(45.3)	12.4	(7.2)	(3.5)	18.7	0.4	4.9	16.7

SOURCE: Ministry of Finance, *Taigai chyokusetsu-toshi no kyoka todokede zisseki*.

Table 4 JAPAN'S FOREIGN DIRECT INVESTMENT BY REGION: 1951-88

In addition to that, the increase of the domestic wages rate and the rise of the value of the yen due to the Bretton Woods system collapse led to a reduction of the cost of direct investment, especially for Japanese companies⁹⁶.

It was only in the 1980s that the FDI were subjected to an even sharper increase, from \$4.8 billion in 1980 to \$8.9 billion in 1981, after only one year; over the course of the decade, it rose again 1986 up to \$22.3 billion, and in 1989 to \$60 billion.

The flourishing economy that developed in the 80s led to the creation of the close ties connecting financial sector and industrial capital, linkage built upon the economic policy cooperation between business and the political elites of the METI, the Ministries of Finance, Economy, Trade and Industry: this is one of the other characteristics that sets Tokyo apart from New York as a financial city.

On the topic of banks, the development of the Tokyoite companies was strongly supported by the period of export-led expansion that characterized the postwar period up until the burst of the economic bubble.

The international capital transactions generated by the trans-nationalization of the Japanese companies and the concurrent rise of both land prices and the stock market were a few of different aspects of the market economy of the time that allowed Tokyo to create the right condition for its evolution into first an international financial city, and eventually a global city.

The consequences of this restrictions on immigrations and access to citizenship led to a missed opportunity in gaining capital and workforce, which relocated to other global hotspots: this is another peculiarity of Tokyo as a global city, the fundamental missed development of a social infrastructure oriented at welcoming and integrating migrant workers typically found in other global megalopolis.

⁹⁶ Komiya, R., & Wakasugi, R. (1991). Japan's Foreign Direct Investment. *The Annals of the American Academy of Political and Social Science*, 513, 48-61.

Furthermore, an additional problem is to be found managing business in global cities such as Tokyo caused by the rising price real estate properties: this leads transfer or off-shoring of certain operation processes to cheap-labored countries, where the cost of living is considerably lower, such as the Caribbean, India and Philippines.

These weak spots are the reason why the supremacy of its status as a global city is thus not unchallenged. Other cities, such as Shanghai, Seoul and Singapore stand out in the international market, especially when one takes into consideration the global finance industry institutions characterizing them, in stark contrast to the financial capital in Tokyo is more rooted in the Japanese nations.

It is still necessary to state that these cities, while acting on a denationalized market, present a density of transnational headquarters that is still scarcer than that of the other megalopolis⁹⁷. That is why Gugler defines them as “*second tier*” global cities⁹⁸, or, in other words *megacities*, in the words of Franz Mathis, located in countries of lower levels of wealth, mostly depending on local production processes and lacking the means, social and otherwise, to support great volumes of migrant work force⁹⁹, as is the case of first tier global cities such as New York.

⁹⁷ Gottfried, H. (2017). The Phoenix Rises: Tokyo's Origins as a Global City. *Critical Sociology*.

⁹⁸ Gugler, J. (Ed.). (2004). *World Cities beyond the West: Globalization, Development, and Inequality*. Cambridge: Cambridge University Press.

⁹⁹ Parnreiter, C. 2013. Bringing Economic Geography Back In: Global Cities and the Governance of Commodity Chain. In Exenberger, A., Strobl, P., Bischof, G., & Mokhiber, J. (Eds.), *Globalization and the City: Two Connected Phenomena in Past and Present*.

3. Global retrospective on the Tokyo urban development

3.0 Tokyo, an peculiar case of world city

In today's world, Tokyo is often seen as a leading megalopolis in the interconnected international market. On par with other giants such as London and New York , these three world cities share more similarities than most. However, Tokyo, as a world city, is characterized by particular economic, social and political factors that shaped its urban structure and international attitude in a very specific way in comparison to the other megalopolises.

Two important factors deeply influential in shaping Tokyo's character are the role played by business, in particular international ones, and the degree of intervention of the state on different matters, from the more economic concerns to the structural and social ones¹⁰⁰.

As stated beforehand, the idea of the global city, while not necessarily new in some aspects to the 20th century literature, was first laid out by the research conducted by Friedmann and Wolff during the decade of the 80s.

That was the decade in which Tokyo and the Japanese economy were flourishing, to the point of making the city a true competitor to New York and other world cities on the global market: this global race caught the interest of Saskia Sassen as well, seeking the put light on what were the common elements shared by these megalopolis in her work, *The Global City, London, New York and Tokyo*, highlighting differences and similarities of these global players in their histories and social architecture.

¹⁰⁰ Kamo, T. 2000. "An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift," *Urban Studies*, Urban Studies Journal Limited, vol. 37(12), pages 2145-2165, November.

Key turnpoint for the economic boom in Japan, as well as critical step in the globalizing process in which Tokyo was underway, can be found in the decade spanning from the middle 70s up until the end of the 80s, in which many TNCs established or moved their headquarters in Tokyo, generating thus a positive influence stimulating the expansion of the national economy.

This led to a great diffusion of jobs in the service sectors: in particular when concerning IT, producer and advertising service¹⁰¹. The IT sector found its peak expansion during the start of the 80s, when employment in the sector rose up to 98%¹⁰², and again between the end of the decade and the start of the 90s, when it increased of 61%¹⁰³: similar market circumstances were to be found in both London and New York.

Led by international business and financial institution, the Japanese economy flourished to the point of making Tokyo one of the top three players in the global economy: the presence of transnational corporation was the sought access to the global market for the Japanese government.

A peculiarity of Tokyo as world city is the initial lack of foreign attractiveness for direct investment during the 80s, shown in the low rate of incoming international capital and workforce¹⁰⁴.

This was caused by the overwhelming dominance of national corporations and banking institutions, catering mostly to the need of Japanese citizens. As the economy started to flourish and foreign investors were beginning to move their capital to Tokyo, the city became a leading center of export and investment, and a global leading exporter of capital¹⁰⁵ as well.

¹⁰¹ Kamo, T. 2000. "An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift," *Urban Studies*, Urban Studies Journal Limited, vol. 37(12), pages 2145-2165, November.

¹⁰² Kamo, T. 2000. "An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift," *Urban Studies*, Urban Studies Journal Limited, vol. 37(12), pages 2145-2165, November.

¹⁰³ Kamo, T. 2000. "An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift," *Urban Studies*, Urban Studies Journal Limited, vol. 37(12), pages 2145-2165, November.

¹⁰⁴ Kamo, T. 2000. "An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift," *Urban Studies*, Urban Studies Journal Limited, vol. 37(12), pages 2145-2165, November.

¹⁰⁵ Sassen S. (2001). *The global city : new york london tokyo* (2nd ed.). Princeton University Press.

As stated beforehand, Tokyo's success as a world city is mostly due to the support to the national economy given by a solid national manufacturing sector, comprising of few small to medium firms: it gives employment to 19% of the population inhabiting the Greater Tokyo Area, and 25% of the macro region¹⁰⁶. Despite this, the city's capital are mostly directed towards Japanese owned transnational companies, making it a closed economy world city. In *Table 5* it is possible to see how Tokyo, compared to other Japanese metropolis, presents, beyond the largest number of total employment, the highest location quotients for the Finance and Insurance and Real Estate sector, shortly followed by Osaka.

Another distinguishing feature of Tokyo as a world city is the presence of the government in local affairs and economic policies, making it a case of the Japanese "developmental state". In fact, it was under new government legislation that the manufacturing sector widened its range and became more internationalized, as was the case for the financial sector¹⁰⁷.

As further explained below, Tokyo will be the exemplary case of the influence of the "iron triangle", a political and economic alliance between LPD politicians, business leaders and members of the bureaucracy. Such a strict system made impossible all external influence, and was the only engine of change and innovation in the Japan, and more specifically Tokyo, of the last decades of the 20th century, making, in the words of Toshio Kamo, the city a curious case of "*closed economy*"¹⁰⁸ or "*state-centered political-bureaucratic global city*"¹⁰⁹ in contrast to the "*market-centered bourgeois*"¹¹⁰ world city that is New York.

¹⁰⁶ Kamo, T. 2000. "An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift," *Urban Studies*, Urban Studies Journal Limited, vol. 37(12), pages 2145-2165, November

¹⁰⁷ Fujita, K. (1991) A global city and flexible specialization, *International Journal of Urban and Regional Research*, 15, pp. 269-2

¹⁰⁸ Kamo, T. 2000. "An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift," *Urban Studies*, Urban Studies Journal Limited, vol. 37(12), pages 2145-2165, November

¹⁰⁹ Kamo, T. 2000. "An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift," *Urban Studies*, Urban Studies Journal Limited, vol. 37(12), pages 2145-2165, November

¹¹⁰ Kamo, T. 2000. "An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift," *Urban Studies*, Urban Studies Journal Limited, vol. 37(12), pages 2145-2165, November

While the iron triangle made the any external influence difficult to be exerted, it was also due to the amendment in local and national policies that allowed Tokyo to open its borders to a more global approach, and, in a sense, a more international appearance.

Particularly important to understand the increasingly international attitude of Tokyo in the last decades of the 20th century is also to be considered through the parallel rise in power of other world cities in Asia, such as Singapore and, later on, Seoul.

In order to properly understand this rise of power, it is necessary to present the historical circumstances that led to the evolution of Tokyo to the megalopolis it today: what was the economic and political climate that led it to become such an exceptional case, and how important was the role of urban policy in both the architectural development of Tokyo and surrounding areas, and its rise as a leader in the global market.

	<i>Total Employment (N)</i>	<i>Location Quotients</i>		
		<i>Finance and Insurance</i>	<i>Real Estate</i>	<i>All Services</i>
Tokyo				
1977	5,620,000	1.57	2.44	1.23
1981	5,672,000	1.49	2.33	1.23
1985	5,910,000	1.82	2.28	1.23
Nagoya (Aichi Prefecture)				
1977	2,881,000	0.93	0.79	0.88
1981	3,049,000	0.88	0.85	0.86
1985	3,240,000	1.10	0.78	0.87
Osaka (Osaka Prefecture)				
1977	3,708,000	1.22	1.73	0.94
1981	3,811,000	1.20	1.60	0.86
1985	3,989,000	1.56	1.66	0.96

Table 5 Japan, Location Quotients of Financial and Service Industries in Major Cities, 1977-1985. Source: Sassen S. (2001). The global city : new york london tokyo (2nd ed.). Princeton University Press.

3.1 Urban development and Modernization: from Edo to Tokyo

“Competition between cities is international – to revitalize Tokyo is to revitalize Japan ... if Japan is to prosper in an age of globalization, its cities must attract residents, goods, finance and information from around the world.”

Mori Building Website, July 2002¹¹¹

The metropolis that is Tokyo today first rose in importance in 1590, when Tokugawa Ieyasu, who would a few years later become shogun, conquered the region, and made the city (under the name of Edo at that time) capital. However, it was only after twenty years of international military and economic involvement in the national politics whose influence left the Japanese political system profoundly changed that Edo rose to true power under the new name of Tokyo.

By then the city hosted more than a million citizens: its urban organization however did not evolve to equally accommodate the whole population, as most of the viable space was occupied by the mansions of the governmental officials and shogunate entourage. The rest of population lived in narrow neighborhoods characterized by little diversion nor particular landmarks¹¹².

The first wave of modernization can be traced back to the governmental efforts in 1868 to make Japan competitive to the eyes of foreign powers.

Social innovation and legislation shaped both the private and public sphere, creating the opportunity for foreign professionals and skilled workforce from the US, Germany, Great Britain and France to transfer their knowledge and know-how, in particular in the matter of urbanism and architecture.

¹¹¹ Cited in Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

¹¹² Exenberger, A., Strobl, P., Bischof, G., & Mokhiber, J. (Eds.) 2013. *Globalization and the City: Two Connected Phenomena in Past and Present*. innsbruck university press.

Poster case of this modernization were the neighborhood of Ginza and Marunouchi¹¹³: the fire that destroyed them in 1872 became the opportunity to build anew a “western” style modern urban space, where tradition was set aside in order to abide to new standards, featuring street lights, balconies and telegraph lines, becoming thus the “*visual image of modern Tokyo*”¹¹⁴. What little remained of tradition became mostly tourist attractions and peculiarities.

After these two neighborhoods, the rest of Tokyo followed quickly: the old shogunate institution buildings were transformed into the modern political apparatus of the government, comprehensive of ministries and the same National Diet Building¹¹⁵: to a similar fate were subjected the residence of samurai and their entourage, whose scale was reduced and oftentimes wholly replaced in favor of western-style academic and healthcare institutions.

The true turnabout towards modernization was achieved, however, with the Tokyoite new transportation system, forever changing the urban landscape and marking the stark difference from the city of the past and what it planned to become in the future.

3.1 The international landscape Tokyo transportation system: 1870s to 1940s

It was the complete innovation of the city’s transportation system that led Tokyo one step closer to becoming a *modern* city. With the visuals of cities such as London and Berlin in mind, the government developed in thirty years starting from 1870 a complex system of railways that covered the entire

¹¹³ Exenberger, A., Strobl, P., Bischof, G., & Mokhiber, J. (Eds.) 2013. *Globalization and the City: Two Connected Phenomena in Past and Present*. Innsbruck university press.

¹¹⁴ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

¹¹⁵ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

nation. In the same time period, the Tokyo Station building was ultimately by architect Tatsuno Kingo, following western aesthetic canons.

While residential neighborhoods remain largely untouched, the development of railways led to a consequential westernized reshaping of the infrastructural structure of the city. Western trends followed in influencing the urban spaces of the city, leading to a large diffusion of cafes and department stores¹¹⁶ and to higher attractiveness for the general population, that in the first decades of the 20th century started to leave the countryside in favor of the city.

This trend steadily continued until 1923, when the Great Kanto Earthquake destroyed most of the older neighborhoods. It was in that moment that the need for thorough modernization became evident: only the buildings made with modern techniques were able to withstand the heat and suffered only minor damages.

The completely rebuilt neighborhoods were then designed to follow newer standards, to which it followed eventually the creation of the first subway structure, in 1927¹¹⁷.

The city now had for the most part risen from its ruins into a new urban landscape, more similar to the western metropolis in infrastructure and design than any other Japanese city: the newly built residential spaces were created to host a large volume of population, both in the city center and in the surrounding spaces, enabling even bigger migration from the countryside to the city.

As the population grew, the city itself became larger than its own borders, slowly engulfing even the surrounding areas.

¹¹⁶ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

¹¹⁷ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

Parallel to Tokyo's urban development, Japan during those years followed a particularly aggressive foreign policy whose apex was the dropout from the League of Nations, caused by to the occupation of Manchuria in 1931. While international tensions soared, however, the wartime led to an all-time high in the national spirit, faith that was to be broken just as quickly with the disaster of the nuclear attack to Hiroshima and Nagasaki.

Following this disappointment, Tokyo itself shaped its landscape anew once more. As most of the city had been demolished by the war and the population itself was halved, new rebuilding was necessary: however, most of the neighborhoods were constructed again following the standards of the first 20th century¹¹⁸.

The reduction of population however did not stop the migration movement from the countryside, leading then to the necessity of new residential spaces in limited areas with limited building capability: the *apartment house style building* was thus introduced.

The railways lines and stations started to connect different parts of the surrounding region, creating the right circumstances for further urban expansion beyond the cities' boundaries: as the population reached its peak in 1962, counting more than ten million citizens, the city government started to "distribute" its own population to the surrounding prefectures, such as Saitama and Chiba¹¹⁹. The expanded public transport system allowed for workers to travel daily from the city center to their residence in short time.

Japan became a member of the United Nations in 1956. This decision was part of the government's effort to gain once again the support of the international community, in order to restore its place among the global powers by bringing proof of its modernization and global spirit.

¹¹⁸ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

¹¹⁹ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

Tokyo began a new process of rebuilding, where the old traditional structures stood side by side with newer high-rise buildings, and that would eventually reach even farther horizons, such as the urbanization of the aforementioned Tokyo Bay area.

3.2 The economic boom of 1950s and 1960s: Japan Inc.

Between the decade of the 1950 and the 1960, began to globally spread the idea of “Japan Inc.”: a *“highly efficient, technocratic, well-planned developmental state which effectively mobilized national resources in pursuit of economic growth”*¹²⁰.

This image was born out of the political context of the period: the rising power of the LDP, the Japanese Liberal Democratic Party, united with the governmental officers and the exponents of the zaibatsu, the too-big-to-fail giants supporting the whole Japanese economy, together ruled and directed the national market under what would be later called the “iron triangle”¹²¹. Under its guidance, this political force was able to employ and make freely use of the country’s resources, leading Japan into a period of amazing growth, both in the local and international market.

This led to a great development of the industrial sector and its related investments and capital accumulation; what it lacked, however, was the focus on necessary social capital¹²².

The constant re-investment of the generated capital was mainly concentrated in sector revolving around the production chain, or the construction of public infrastructure: the Japanese government hadn’t yet developed proper policies

¹²⁰ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

¹²¹ Colignon, Richard & Usui, Chikako. (2001). The resilience of Japan's iron triangle - Amakudari. Asian Survey - ASIAN SURV. 41. 865-895. 10.1525/as.2001.41.5.865.

¹²² Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

concerning the use of capital towards private urban planning or development¹²³.

As a matter of fact, the “relevant” urban development to be taken into account was that which would attract investment and generate capital: the transport architecture, such as roads and highways, or access points for cargos and wares, industrial spaces and workplace-oriented buildings, designed to host the regional workers migrating to rising cities such as Tokyo to find better living conditions.

Production-oriented infrastructure was the priority in the urban development plan of the government. While residential space was mostly ignored, a smaller part of the budget was used to develop basic utilities such as the water supply architecture, the electrical roadmap, upon which the railways had to depend on, and, as stated before, the general transport infrastructure, such as roads and passages.

The policies of the Iron Triangle were mostly oriented towards generating economic wellness and prosperity: factor which led Japan, and in particular Tokyo, to a first great jump ahead in the global market, becoming an example of post-war economic boom¹²⁴. As a consequence, not only capital was oriented towards industrial or capitalist projects, but the same urban spaces were shaped in order to better reflect this thought.

Tokyo’s urban space was divided into four functional zones¹²⁵: Andre Sorensen, in his work “*Building World City Tokyo: Globalization and conflict over urban space*” (2005), points out the development of the industrial, semi-industrial, commercial and residential area of the city. However, this division was not created in order to best host the population’s need, and

¹²³ Honjo M. (1984) Key issues of urban development and land management policies in Asian developing countries. In: Honjo M, Inoue T (eds) Urban development policies and land management: Japan and Asia. City of Nagoya, Nagoya, pp 15–35

¹²⁴ Colignon, R. & Usui, C. (2001). The resilience of Japan's iron triangle - Amakudari. Asian Survey - ASIAN SURV. 41. 865-895. 10.1525/as.2001.41.5.865.

¹²⁵ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

neither did it respect safe housing standards. That is why, while it allowed an incredibly fast growth of the city's size, it also caused the creation of high-density neighborhoods, sometimes concentrated on the old city's narrow alleyways, still unpaved and often left without a connection to the gas or water system¹²⁶.

One likely reason can be pointed out to the consequence of highly developmental states. The strong power exhibited by the government influences the funding and the related plans and policies concerning the territory. The non-existence of a housing regulation, stating the standards for plot and connected infrastructure was caused by the impossibility of local functionaries of going against the demands of the central government.

3.2 The first development of the Tokyo skyline: the right for sunlight

As the 50s drew to a close, the exacerbation of these policies caused the government a vast loss of public support. The high-density zones into which Tokyo was divided into led to a rise in pollution, caused by the industries placed right alongside the residential neighborhood. Pollution was not only related to air, but water and food supplies¹²⁷ were tainted by the chemical byproducts as well, causing terrible health complications in the population¹²⁸

Pollution of air, water and food supplies was directly related to the spread of environmental diseases, and hundreds died, thousands suffered debilitating and painful diseases or were born deformed, and hundreds of thousands suffered from asthma and other chronic pollution related ailments. This led to the insurgence of protest movements to contrast the unregulated industrial

¹²⁶ Sorensen, A. (2001) Subcentres and Satellite Cities: Tokyo's 20th Century Experience of Planned Polycentrism, *International Planning Studies*, 6:1, 9-32, DOI: [10.1080/13563470120026505](https://doi.org/10.1080/13563470120026505)

¹²⁷ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

¹²⁸ Ui, J. (1992) Industrial pollution in Japan. United Nations University Press, Tokyo

activities, and to make the government grant a more resident-friendly infrastructure, characterized by parks and water and electrical facilities-connected neighborhoods.

These efforts found their ultimate result in the 1968 *New City Planning Law*¹²⁹, a major legislative change, shifting the government's focus of action from the industrial and production-oriented investment and urban development to a "*urban quality of life and tighter regulation of development*"¹³⁰, thus marking a definite change from the policy followed in the previous decade.

Such new legislation shaped the urban development of Tokyo by creating new system of urban areas division, in which a new zone was introduced, the so-called "*Exclusive Residential Zone #1*"¹³¹; here the land could be only used to host residential neighborhoods, and the consequent needed infrastructure and facilities.

In 1970 another peculiar change was introduced: a new revision in the Building Standard Law abolished the limitation in residential areas concerning buildings taller 10 meters in height.

This was a clear change from the standard imposed in 1968. As a consequence, during the decade Tokyo's skyline began to change, showing high-rise buildings and apartments, phenomenon that would be then identified as "*Manshon Boom*"¹³².

However, this new development of the skyline brought about new tension within the city's society. The diffusion of modern high-rise buildings led to even higher rates of population concentration, and thus higher levels of noise

¹²⁹ Hasegawa, J. (2014) Drafting of the 1968 Japanese City Planning Law, *Planning Perspectives*, 29:2, 231-238, DOI: [10.1080/02665433.2014.899921](https://doi.org/10.1080/02665433.2014.899921)

¹³⁰ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

¹³¹ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

¹³² Sorensen, Andre & Okata, Junichiro & Fujii, Sayaka. (2010). Urban Renaissance as Intensification: Building Regulation and the Rescaling of Place Governance in Tokyo's High-rise Manshon Boom. *Urban Studies*. 47. 556-583. 10.1177/0042098009349775.

pollution. Another problem was the fact that such buildings blocked sunlight for lower height houses, oftentimes whole neighborhoods¹³³.

New movements of opposition rose, striving to change this situation: the actions of the activist groups was not limited to mere protest, and even won in the Supreme Court cases against the building of high-rise complexes, by appealing to the article 25 of the Japanese constitution, stating:

“All people shall have the right to maintain the minimum standards of wholesome and cultured living. In all spheres of life, the State shall use its endeavors for the promotion and extension of social welfare and security, and of public health¹³⁴”.

As a direct result of their campaign, in 1972 the Building Standard Law was once again revised to limit buildings in residential areas to a maximum of ten meters.

One year later, in 1973, the movement was granted another success. The proposal and approval of the *Hiatari Jorei*¹³⁵, protecting the right of exposition to the sun, in particular against infrastructure or invasive architecture. These revisions came into effect in 1976, and created an equilibrium between governmental policies and living spaces.

These regulations, however, would later on turn out a liability in the process of globalization of the city. As a matter of fact, during the 80s the Japanese government began to strive to make Tokyo a city which could compete with the global market in economy and in industrial proficiency: in order to do so, it was necessary for the urban landscape to undergo a renewed change, beyond what was imposed by these regulations¹³⁶.

¹³³ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

¹³⁴ Japanese Constitution, chapter III, art. 25.

https://japan.kantei.go.jp/constitution_and_government_of_japan/constitution_e.html

¹³⁵ Sorensen, A. (2011). Evolving Property Rights in Japan: Patterns and Logics of Change. *Urban Studies*, 48(3), 471–491. <http://www.jstor.org/stable/43081754>

¹³⁶ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

3.2 From 1980s to the 2000s

It was the intervention of a new leading figure of the Japanese political scene that marked the definite change on the urban development policies: Prime Minister Nakasone. As the 80s started, the international political climate was mainly influenced by the neoliberal school of thought, as was the case of Great Britain's Thatcher or USA's Reagan.

Neoliberals believed in market deregulation and business privatization and deflationary fiscal measures, to limit debt and borrowing: this policy was adapted in Japan with the goal of improving national competitiveness in the global market¹³⁷.

This new policies reflected into the urban landscape through a deregulation restricting the development of the city of Tokyo: the government aimed at transforming it into a renowned world city, able to compete with other economic poles such as New York or London, a national symbol of the strength of the Japanese economy.

Despite Tokyo's governor Suzuki believing that the economic growth should be accompanied by reasonable living conditions, the shared consensus was that it was that it would be the economic power to lead Japan among the leading nations of the world market. Suzuki also promoted the creation of infrastructure such as water and waste facilities, as well as new and improved transport systems, to allow for better and quicker urban development¹³⁸.

In 1982, in fact¹³⁹, a zone defined as Exclusive Residential was planned in order to create a district in Tokyo which could be characterized by a skyline

¹³⁷ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

¹³⁸ Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145-2165.

¹³⁹ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

similar to New York. In the following year, further regulation would be eased: lots would become bigger and many zones would be converted into business areas.

The intensity of this phenomenon was caused by the shared feeling that, compared to other leading world capitals, Tokyo was lacking in land use, due to the strict restriction on buildings height and width¹⁴⁰. This was thought to be an obstacle to free development of the economy.

This new development of the national economy led to a transformation of the urban landscape of Tokyo: the city lacked enough space to host offices and companies, *leading* to higher prices of land and oftentimes the relocation of whole neighborhoods¹⁴¹. Fiscal benefits and architecture developments gave the expected result: as the national economy expanded and got more and more international, Tokyo itself became to stand out among other world capitals.

The reason behind this accelerated growth was connected to the scale of the new business: now Tokyo was the hub of many global companies and corporations, attracting foreign investments and making Tokyo renowned in the international market. Prime Minister Nakasone, was, in fact, pushing for Tokyo to reach a dominant standpoint among the other World Cities, and this could only be achieved through a strong economic and productive system. His efforts however were slowed by the opposition, seeking to maintain the traditional post war controlled development¹⁴².

An exemplary consequence of this unrestrained growth can be found in the office shortage affecting the city in 1985¹⁴³. The estate market was subjected

¹⁴⁰ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

¹⁴¹ Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145–2165.

¹⁴² Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145–2165.

¹⁴³ Noguchi, Y. (1990). LAND PROBLEM IN JAPAN. *Hitotsubashi Journal of Economics*, 31(2), 73–86. <http://www.jstor.org/stable/43295909>

to an incredible rise in prices, reaching its highest point in 1988, when they quadruplicated in comparison to the start of the decade.

Despite this critical situation, Nakasone succeeded in enforcing the *Capital Reconstruction Plan*, shortly followed by the *Fourth Capital Region Development Plan*, both created with the aim of making Tokyo more international and attractive for the global market: they laid the foundation for the creation of new financial, administrative and commercial districts in central Tokyo¹⁴⁴. In parallel, both the *Capital Reconstruction Plan* and the *Fourth Capital Region Development Plan* stated the creation of a multi-core urban map: by doing so, business would not be concentrated in a single spot, and consequently the same human congestion on road or public transport caused by workers could be avoided.

Global companies and headquarters would be relocated to the central parts of Tokyo, in which most part of the production processes took place, while other functions, such as the research and development process, were moved to other parts of the city. This process can thus be seen as both a restructuring and development process: the old urban structure would be in most part maintained, though in an improved way, while other parts would be recreated anew in order to better serve the international ambitions of the government.

In *Table 6* (pag. 76), it is possible to see how Tokyo in 1986 presented, compared to the other Japanese metropolis, a great concentration of workforce employed in Finance, Insurance and Real Estate Services, making the need for urban development and optimization necessary in order for value and capital to be generated properly.

In 1987, the *Second Long Term Plan* was defined, and it confirmed and further developed the urban reconstruction set forth in the previous plans¹⁴⁵. The

¹⁴⁴ Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145-2165.

¹⁴⁵ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

new structure of the city would devote the central wards as hubs of the financial and IT business: that was the case of Shinjuku, to be developed as the center for office buildings and corporations, and Shibuya, specialized in fashion industry companies and media.

Both Shibuya and Shinjuku were examples of the restructuring projects planned by the Plan. As of the development projects, it is exemplary the *Tokyo Waterfront*¹⁴⁶: initially known as Tokyo Teleport Town, a hub for IT and Telco companies, it was constructed on reclaimed territory on Tokyo Bay. Its goal was to become the greatest access to global communication in Japan, by uniting a vast office space and the latest technology.

It was in these plans that the word “world city” was first used:

*“In the 21st century, Tokyo will make further strides as a big city with a population of over 12 million, a lively city characterized by mutual contacts and support for transcending generations, a comfortable city with a combination of abundant greenery and charming waterfront, and a city which will maintain a balance between residence and work place while functioning both as a domestic and international information junction and as a major base for the international economy. This is the very image of Tokyo as an attractive international city—that is, a world city—which will lead the world both in name and reality.”*¹⁴⁷

Though deregulations and fiscal stimuli had led Japan, and, in particular Tokyo, to become an example of World City, such economic expansion could not be sustained for long. Among shared belief that soon Japan would exceed in economic power even the USA, the price of land soared, creating a diffused inequality among weaker classes. Despite the rising prices, investment in real

¹⁴⁶ Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145–2165.

¹⁴⁷ Cited in Saito, A., & Thornley, A. (2003). Shifts in Tokyo's World City Status and the Urban Planning Response. *Urban Studies*, 40(4), 665–685. <http://www.jstor.org/stable/43084824>

estate kept on coming, allowing for the restructuring of different residential zones that were still “low rise”¹⁴⁸.

Once this “bubble economy” burst, the incredible expansion of the national economy came to an halt: bordering on financial collapse, since 1991, the country found itself in what would be defined as the “lost decade”, a long period of recession.

Movements of land regulation began to rise again at the start of the 90s, and led to the designation of the *Basic Land Law* of 1989, stating the importance of public welfare over private interest, and limiting land speculation¹⁴⁹.

During this decade, the Japanese economy suffered from the consequences of the drop of the value of equities and the low prices caused by the recession: government financed the reconstruction of a stronger financial system by spending on urban development projects such as constructions and infrastructure.

Because of this, with the hope of increasing profits, during the 90s that new amendment of the *Building Standards Law* was once again approved, allowing higher and bigger buildings¹⁵⁰.

Similar amendment would be passed once again by the Koizumi government, in 2002: it introduced a “*urban regeneration office*”¹⁵¹, designated to identify and improve those zones in which deregulation would be profitable, acting directly and avoiding the intervention of local government forces.

Most companies strongly supported this reform, as it could generate profit and could put Tokyo on par with other rising global cities such as Singapore, Shanghai and Hong Kong. The new redevelopment of low rise inner areas in

¹⁴⁸ Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145–2165.

¹⁴⁹ Saito, A., & Thornley, A. (2003). Shifts in Tokyo’s World City Status and the Urban Planning Response. *Urban Studies*, 40(4), 665–685. <http://www.jstor.org/stable/43084824>

¹⁵⁰ Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145–2165

¹⁵¹ Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145–2165

Tokyo will offer new residential and business areas, possibly attracting new investments and generating capital¹⁵². In 1996, the Hashimoto government declared that Tokyo should return to be a global economic leader, and to do so it was necessary to become active part of the global financial market.

However, in 1998 that the economic stagnation reached its lowest point. Bankruptcy was declared by many corporations and financial institutions, and the government did not intervene: it was the beginning of great change in the Japanese economic policy system.

Keizo Obuchi, Prime Minister elected from the Liberal Democratic Party, in 1999 founded a Commission composed by many experts of various fields, with the goal of discussing possible innovations and improvement by defining "*Japan's Goal in the 21st Century*"¹⁵³.

The consequent report created after this debate defined globalization as the new reality against which Japan had to adapt: it stated the need to make not only economy, but every aspect of the Japanese Society adhere to the ideals of a globalized world, and refuse the logic of a "closed system" nation¹⁵⁴.

The same ideals were proposed by the newly elected Governor in 1999, Ishihara Shintaro, who believed that in order to revitalize the national economy, it was first necessary to redevelop Tokyo.

After his election, different plans and white papers were drafted, all stating the need to transform Tokyo and making it a beacon of attractiveness and competitiveness in the global market. He believed that "*the future of a city depends upon its degree of attractiveness in intercity competition*"¹⁵⁵.

¹⁵² Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

¹⁵³ Goto-Jones, C. (2009 'Epilogue: Japan in the 21st century', *Modern Japan: A Very Short Introduction*, Very Short Introductions (Oxford, 2009; online edn, Oxford Academic, 24 Sept. 2013).

¹⁵⁴ Sorensen, A. (2005). Building world city Tokyo: Globalization and conflict over urban space. 10.1007/3-540-28351-X_15.

¹⁵⁵ Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145-2165

In 2000, Ishihara's Tokyo Plan 2000 was approved: it identified the goal transform the city into a proper global city.

Urban structure and infrastructure remodeling became the key to reach the goal of becoming attractive and competitive in the world market, as lacking to do so will eventually lead decline.

The spread of the ideals of globalization and technological innovation became the main theme of the new millennium, and this report marked the urgency of action: in order to truly become a world leader, Japan needed to transform and adapt to the new status quo.

The need to improve competitiveness became the push to fight the economic stagnation, and in 2001 a new emergency package was approved by the government¹⁵⁶.

It defined a committee charged with the duty to enhance the competitiveness of Japanese cities: how attractive they are to foreign investments. It was especially the case of Tokyo and Osaka, hosting the most important national and international corporation and institutions.

Competitiveness became the crucial factor in order to keep up with the global market: adapting both the national economic policies and the capital's institutions and urban structure were essential to create the foundation for an international-oriented attitude.

It is important to note that this action plan wasn't limited to the city of Tokyo: Osaka, since the start of the new millennium, adapted to the changing global conditions and strove to become an appetible destination for foreign investments, thus becoming a national rival for the leading position in the country that used to be exclusively occupied by the megacity of Tokyo.

¹⁵⁶ Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145-2165

	<i>Finance and Insurance</i>	<i>Real Estate</i>	<i>Services</i>
	<i>City's Share (%)</i>		
Tokyo			
1977	16.6	25.8	13.0
1981	15.2	23.9	12.5
1985	14.2	23.0	12.5
Nagoya (Aichi Prefecture)			
1977	5.0	4.3	4.7
1981	4.8	4.7	4.8
1985	4.7	4.3	4.8
Osaka (Osaka Prefecture)			
1977	8.5	12.1	6.6
1981	8.2	11.0	6.5
1985	8.2	11.3	6.6
	<i>National Employment ('000s)</i>		
1977	1,383	372	8,741
1981	1,577	427	10,288
1985	1,742	485	11,924

Source: Japan Statistical Yearbook, 1978, 1982, and 1986.

Table 6 Japan, National Employment Share of Major Cities in Selected Producer Services, 1977-1985. Source: Sassen S. (2001). The global city : new york london tokyo (2nd ed.). Princeton University Press.

4. The Globalization Age: Tokyo and Osaka post 1990s recession

4.0 The East Asian Crisis

The process of globalization brought about great economic development, inducing large volumes of capital and foreign investment into the economies of many East and Southeastern Asian states, and allowing the urban growth and prosperity in metropolis such as Tokyo or Seoul. However, in 1997 the economic crisis started in Thailand and quickly overturning the economies of the adjacent countries in a ripple effect led to a shared financial distress worsened by the withdrawal of the foreign direct investments that up until then sustained a large part of the national business¹⁵⁷.

With both export and import severely crunched, most countries of the areas found themselves in a newfound financial hardship, with the sole exceptions of the cities of Singapore and Taiwan: Japan and South Korea were terribly affected by the crash of currency value, stock market and asset prices, in addition to an increase of foreign debt-to-GDP rates, starting from an initial stage of 100% in 1993, which rose to 167% in 1996, only to reach up to 180% in 1997 in the four top countries of the ASEAN (Association of Southeast Asian Nations) league¹⁵⁸.

The Asian Economic Miracle transformed quickly into the Asian Financial Crisis: the economic crunch caused by the burst of the bubble anticipated this period of financial distress which would later affect the entire geographic zone.

¹⁵⁷ Chomsisengphet, S., Kandil, M. (2007) Towards Understanding the Asian Crisis and its Aftermath, *Journal of the Asia Pacific Economy*, 12:4, 452-484, DOI: [10.1080/13547860701594095](https://doi.org/10.1080/13547860701594095)

¹⁵⁸ Kihwan, Kim. (2006). The 1997–98 Korean Financial Crisis: Causes, Policy Response, and Lessons.

In this context of economic slump, the cities of Tokyo and Osaka stood out as the center of the Japanese national economy, generating most of the country's GDP and financial activities. As Tokyo is far more advanced in percentual of wealth generated and business activities, Osaka's status as a Japanese world city was in disadvantage, while retaining the same characteristics that made Tokyo rise to power, such as the population expansion and the presence of an economic-oriented central city zone¹⁵⁹.

The growth of both cities was stunted due to the end of the bubble economy at the start of the decade of the 90s, suffering from terribly low or non-existent growth in GDP which caused a blow to the up-until-then strong manufacturing sector. Many companies in the sector relocated many activities of their production process in other countries characterized by cheap labor to cut costs¹⁶⁰. Parallely, the same financial institutions that moved to Tokyo and took great part in the rise of the economy of the city in the previous decade found themselves moving their headquarters from the city to countries untouched by the Financial Crisis, such as Singapore¹⁶¹.

By observing these two trends happening in two adjacent decades it is possible to understand the opposite effects caused by the globalization process. While in the 80s globalization led to economic prosperity and flourishing through the investment and the capitals attracted, leading to both urban evolution and rise in financial power, during the last decade of the millennium it had exactly the opposite consequence. The withdrawal of both capital and investment by foreign corporations left the national economy in a slump¹⁶².

In order to properly understand how it is possible that the same phenomenon yielded such contrasting result in a short time period, it is essential to analyze

¹⁵⁹ Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145-2165

¹⁶⁰ Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145-2165

¹⁶¹ Kihwan, Kim. (2006). The 1997-98 Korean Financial Crisis: Causes, Policy Response, and Lessons.

¹⁶² Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145-2165

the change in urban policy that were approved a few years before the East Asian Financial Crisis. During the first years of the 1990s, the idea of global city wasn't pursued as a goal anymore: the Tokyo Metropolitan Government in 1995 shifted from the term "world city" to that of "resident-friendly city"¹⁶³.

The focus was then reverted more on the reprisal of local economic activities and attracting population in the metropolis: however, this led to the opposite result, by worsening living conditions due to the rise in prices, pollution, and overconcentration. The consequent risky investment in both the financial and real estate sector led created the right conditions for both the rise and the burst of the economic bubble.

In addition, in 1999, the rise to power of Ishihara Shintaro, Governor of Tokyo, seemed to only highlight the new status quo: his policies were strongly driven by an anti-globalist, nationalistic spirit. It seemed thus that the combined effect of the burst of the economic bubble and the financial crisis had put an end to the ambitious plan of the world cities of Tokyo.¹⁶⁴

Among the legislations he amended, particular relevance has his new taxing policy, built to contrast the lingering effects of the financial crisis and generate capital to further Tokyo's development: aiming towards local autonomy, it taxed for 3% the banks residing in the center of the metropolis¹⁶⁵. Great resistance to this legislation was made by the country's major financial organs and banks, who believed that it would only weaken the national banking sector and worsen the already damaged financial market of the city. This move was made to drive economy to break free from "institutional

¹⁶³ Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145–2165

¹⁶⁴ The Japan Times, *Ishihara's bank tax plan leads charge for local autonomy*, Feb. 23 2000. <https://www.japantimes.co.jp/news/2000/02/23/national/ishiharas-bank-tax-plan-leads-charge-for-local-autonomy/>

¹⁶⁵ The Japan Times, *Ishihara's bank tax plan leads charge for local autonomy*, Feb. 23 2000. <https://www.japantimes.co.jp/news/2000/02/23/national/ishiharas-bank-tax-plan-leads-charge-for-local-autonomy/>

constraints”¹⁶⁶, and generate income safely in order to fight the megalopolis’ debt.

It was in this context that Osaka, as well as other minor cities, started to seek to steal Tokyo’s supremacy as a global city.

4.1 Osaka, the second Japanese world city

As stated beforehand, Osaka is the second largest economic and political pole in Japan: while historically the city gained its reputation thanks to its geopolitically strategy position for the international commerce, it used to be a competitor to Tokyo in economical prestige. However, since the start of the 20th century, the city found itself in a continuous decline, leading to a sort of focusing of the country towards Tokyo, characterized the concentration of important political institutions and financial organs in the megalopolis¹⁶⁷.

Most of the transnational companies located in Osaka were characterized by second headquarters also present in Tokyo, which, in time, became increasingly management-oriented: such was the case of corporation such as Sumitomo, Daiwa and the Sanwa group banks¹⁶⁸. Osaka’s leading sector is the industrial one: it is the engine that created great development in the area neighboring the city, allowing the construction of many plants and factories, even though geographically disconnected from the national corporations’ production processes.

Because of this, the formation of a net of specialized, high skilled workforce could not be guaranteed, thus stunting the city’s economic prestige for the international market, and making Osaka the eternal second to Tokyo.

¹⁶⁶ Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145–2165

¹⁶⁷ Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145–2165

¹⁶⁸ Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145–2165

This was due to change at the end of the 1980s, when new local policies drove for major globalization and technical advance. While Tokyo was beginning to face the first issues involved with the status of world city, despite still being considered the most prestigious megalopolis of the country, the local government in Osaka strove to shape the city to evolve in a similar way to that of the capital¹⁶⁹. Exemplary of this project were the creation of the Kansai International Airport, the Kansai Science City, and the Osaka's futures stock market.

These effort came to be successful as in 1995 Osaka became the host city for the APEC Meeting of the year, which produced the "World city - Kansai" project¹⁷⁰.

It is thus possible to say that during the 80s both the investments and the plans towards internationalization were higher in Osaka than Tokyo, trend that continued up to the 1990s, when the economic prosperity of the city increased further, creating the phenomenon known as "Kansai Renaissance".

This renaissance was, however, to be short lived: as the bubble economy came to an end, the economic downturn affecting Tokyo hit Osaka as well, leading to diffused bankruptcy and financial crisis for the local government, leading the prefecture's budget deficit to be substantial, making Kansai the region that suffered the worst consequences of the economic crunch in the entire country¹⁷¹. In *Table 7* (pag. 82), it is possible to see how, at the end of the 20th century, Tokyo had the upper hand on Osaka in most sectors.

As was the case of Tokyo, the downfall of Osaka was connected to overspeculation and investment in the local urban projects. However, it is important to note that the backlash was harder due to the same factors that

¹⁶⁹ Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145-2165

¹⁷⁰ Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145-2165

¹⁷¹ Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145-2165

made its rise as a global city quicker than that of the capital: that is, the scale and the resourced invested in these projects were far greater than Tokyo's.

Notwithstanding this brief interlude, and despite new competition arising, such as Nagoya, strengthened by the presence of the giant corporation of Toyota, or the Fukuoka area, strong in the service sector, Tokyo maintains its status as leading global city in Japan and in the international market¹⁷².

Osaka's government, however, is still striving to detach itself from the competition with the capital, through new opportunities and possibilities for internationalization. While the production process network of the Kansai region is weaker than Tokyo's, the local government tries to expand its capital and investments through the process of internationalization, in order to revive the prefecture's economy.

Thus, the project for the "*Kansai Renaissance*" was not discontinued, and Osaka is still developing towards better globalization.

		1988	1991	1994	1997
GDP	Osaka	8.4	8.4	8.1	8.0 ^a
	Tokyo	19.0	18.5	17.4	17.0 ^a
Value of shipments	Osaka	8.0	7.5	6.9	6.7 ^a
	Tokyo	7.2	6.8	6.5	6.3 ^a
Wholesales	Osaka	15.9	15.1	14.5	15.0
	Tokyo	34.0	34.7	34.6	31.0
Export	Osaka	8.5	8.5	8.8	10.6
	Tokyo	23.3	23.4	23.3	25.1
Import	Osaka	12.6	12.1	12.4	13.4
	Tokyo	27.4	28.0	30.3	32.3
Bank deposit balance	Osaka	13.0	10.6	9.9	9.3
	Tokyo	38.2	32.2	29.3	24.9
Outstanding bank loans	Osaka	14.6	13.2	12.6	11.9
	Tokyo	50.6	44.4	43.1	41.8
Stock trading	Osaka	9.7	10.2	14.1	11.8
	Tokyo	86.1	86.8	79.8	82.3

^a1996.

Source: OPIAD (1999).

Table 7 Japan, National Employment Share of Major Cities in Selected Producer Services, 1977-1985. Source: Sassen S. (2001). *The global city : new York london tokyo* (2nd ed.). Princeton University Press.

¹⁷² Kamo, T. (2000). An Aftermath of Globalisation? East Asian Economic Turmoil and Japanese Cities Adrift. *Urban Studies*, 37(12), 2145-2165

5. Conclusions

The history and economic and political circumstances surrounding Tokyo made its rise to the status of Global City inevitable. As the center of the nation's economy and biggest corporation, the city displays Japan's innovation in the international market as a result of its unique background and development that allowed it to become an exceptional world city, exemplifying of both its universal traits and its profound contradictions.

The Japanese Economic Miracle driving Tokyo's economy between the 1970s and 1990s shaped the city into the megalopolis we know today, constructing the basis for a strong economic growth that allowed an unprecedented expansion of the urban structure of the city, which became the heart of the national economy and the flagship of Japan's prowess in the international market.

The evolution of Tokyo as global city followed different stages, and implicated the transformation of different aspects of its economy. During the 1970s the capital's economy was mostly driven by a strong manufacturing service, in particular the IT, automobiles or metallurgical sector. The economy was supported by giant corporations such as Sony and Toyota, whose efficient production process made Japan one of the leading countries in terms of export.

As the Japanese economy grew, soon Tokyo's economy would become more service sector-oriented. The need to create competitiveness in the international market would fuel the development of a financial sector able to attract transnational corporations and institutions, whose headquarters started to appear more and more often in the decade of the 80s in Tokyo's city center. The city's economy, driven by newfound capital and investments, prospered, leading in particular to the boom of the real estate market: as the need for office and residential spaces rose in parallel with the migration of new workforce and residents, the property prices soared.

This economic boom was shortly due to stop in the 1990s, just as Tokyo was globally recognized a leading world city in both economic and political power. the high level of foreign investments, capital, and strong export market supported the megacity's economy, making the Tokyo Stock Exchange one of the most important in the world.

Despite the financial crisis caused by both the burst of the economic bubble caused by the real estate sector speculation and the ripple effect due to the East Asian Financial Crisis, in the post-2000 era Tokyo maintained its role as a leading global city, characterized by both robust economy and driven forward by a competitive IT and innovation sector.

The success of the city is built upon a constant duality, that of tradition and modernization, which created the particular response of the city to the globalization phenomenon, similar but ultimately fundamentally different from other megalopolis such as New York or London.

New York developed to become the global city that we know today by “embodying” the very essence of modernization: its influence on the global market built on a unrivaled financial and entertainment sector, flagship of the latest trends in culture and art; and similarly so did London, strong in its insurance and international trade sector. However, Tokyo fundamentally differs from the two of them in different fields: hosting the largest share of population in comparison to both New York and London, it established its global leadership through excellence in IT and manufacturing service sector, becoming a hub for innovation and R&D of countless national and international corporations within its city center.

What really draws the difference between the other global cities is how, though technological leader in the global market, Tokyo was able to maintain the root of its traditions, history and culture which marked the process of modernization that led it to become a global city.

In New York and London, during the process of modernization and, to an even higher degree, globalization, traditions and history were relegated to the inspiration behind pop-cultural influence to spread throughout the world, for example by creating iconic symbols out of landmarks such as the Big Ben or Wall Street. On the other hand, “modernization” as itself, was the result of economic prowess and the consequent need to adapt to the international market and protect the competitive advantage of the city and, to a larger extent, of the nation.

While in New York and London this duality, though present, is inherently oriented towards different aims, with tradition as the “soft power” of the city, and modernization as the true weapon for economic advantage, in Tokyo, innovation, both urban and political, has always been introduced by following the pattern of tradition.

The new modern neighborhood of Tokyo were built through the urban development and modernization of Edo’s older and historical ones, and the same participation of State, both local and national, in urban development and policy is a residue of the traditional active participation of the government in most fields of the national matters, from economy to international attitude. Tokyo’s economic success is inevitably built on the strong support of tradition, comprehensive of both culture and history of the country, which allowed the city to modernize, become a leader in the latest-edge technological field, while at the same time maintaining its own “spirit” despite the levelling force of globalization.

One exemplary case of this duality is the city’s infrastructure: it was able to adapt to the evolving times by re-transforming the old urban areas to suit modern needs, creating an efficient transport system able to reduce congestion and limit traffic.

A hub for financial and economic investments, Tokyo is able to attract foreign capital through the presence of many transnational corporations and

financial institutions, among which many of the world's largest banks. Capital is moreover attracted through the unending research and innovation projects developed by universities and companies within the city, truly making it a world technopole.

Though financially strong and epitome of research and innovation, Tokyo is emblematic of many of the challenges typical of the modern global city.

Among its numerous concerns, of note are that of the aging population, combined with ever declining birthrates: in the long period, it will inevitably lead to workforce shortage and concerns regarding how to provide care for its growing elderly population. In addition to this circumstances, it is important to highlight other issues typical of a megalopolis of Tokyo's scale: as the population grows and the companies within it multiply, inevitably the quality of living will decline, due to the rising pollution caused by the traffic congestions; moreover, the cost of housing will start to rise again as residential and working spaces starts to dwindle again.

It is of fundamental importance that Tokyo, in order to maintain its status as global city, addresses this challenges in the coming decades, making it able to support the rapid growth of its borders and population and keep its economy healthy.

Tokyo, as a global city, demonstrated its ability to overcome financial crisis and adverse historical and political circumstances by adapting to the changing times: of key importance will be promoting sustainability, both social and economic, in order to move forward towards future success and keep its competitiveness in the global market. In order to protect its status, Tokyo must keep evolving and adapting as it showed to be capable of in the past, as it rose to become a successful global city.

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