

Realization of a Tokyo with high International Competitiveness

—Strategy for Tokyo as a Leading World Metropolis—

1. The Reality of Tokyo in Global Intercity Competition

We are entering an age in which the power of a state depends on the existence and superiority of a large city that functions as the core of growth. This is noticeable particularly in rapidly developing East Asia, where cities are gaining power, although they have not been highly rated worldwide until now. This is causing intensified intercity competition involving conventional high-powered cities in Europe and North America. In these circumstances, **it is seriously feared that Tokyo may lose its international competitiveness.**

(a) City Ranking

More than 10 different city rankings have been proposed in the world. While MasterCard and PwC rank Tokyo as the number 3 city in the world in their Business City Ranking, the City of London Corporation places Tokyo as number 7 in its Global Financial Centre Ranking. According to the Globalization and World Cities Research Network (GaWC) initiated by England's Loughborough University, in 2004 Tokyo was in the first group, composed of the top four cities among 52 world cities. In 2009, however, Tokyo dropped from the first group, comprising New York and London, into the second group, comprising eight cities that include Hong Kong, Paris, Singapore, and Shanghai.

The Global Power City Index (GPCI), originated by the Mori Memorial Foundation in Japan in 2008, evaluates 35 major cities in the world based on 69 indicators of six main functions representing city strength; these are Economy, Research and Development, Cultural Interaction, Livability, Ecology and Natural Environment, and Accessibility. Furthermore, evaluation is conducted from the viewpoints of four global actors—Managers, Researchers, Artists, and Visitors—who are leading urban activities in their cities, and one local actor, Residents.

The GPCI highlighted the first group, composed of four world cities—New York, London, Paris, and Tokyo—and the second group, composed of 22 nearly equal cities located mainly in Asia and Europe, including Singapore, Berlin, Amsterdam, Seoul, Hong Kong,

Sydney, Vienna, and Zurich. This indicates that Tokyo is required to compete on two fronts—among the top four world cities and with other Asian cities that are closing in on Tokyo.

(b) Comparison with Other Top World Cities

Among the top four world cities, **Tokyo has been the fourth city** for the past three years, after New York, London, and Paris. Although Tokyo is rated close to Paris, it is unable to equal the other three cities because, in addition to its weak points, it is largely inferior to New York and London in the number of indicators that give Tokyo above-average strengths. **In order to be the top city in the world, Tokyo should have overwhelmingly strong fields and have many above-average city elements.**

(c) Comparison with the Main Asian Cities

The top four cities are followed by the second group of 22 cities, including five rapidly growing Asian cities—Singapore, Seoul, Hong Kong, Beijing, and Shanghai. Unlike 10 years ago, these cities are closing in on Tokyo.

While **Tokyo remains the world’s second in Economy** among the six functions representing city strength, four emerging Asian cities are closing in—Beijing is in fourth place, Hong Kong is in fifth, Singapore is sixth, and Shanghai is eighth.

In the ranking of Managers, Tokyo is already in fifth place, outstripped by Singapore (third place) and Hong Kong (fourth place). Shanghai and Beijing, in sixth and eighth places, are also closing in. Although Tokyo is apparently superior to the other cities in city functions, this superiority is not considered attractive for users.

These cities will continue to grow rapidly, taking higher places in the ranking. This is evident in the **Gross Regional Product** of each individual city. If the current trend continues, **Japan will be outstripped by Beijing and Shanghai in 10 years, and by Singapore and Hong Kong in 20 years.** The position of Tokyo, Asia’s leader, may be taken by another city in 10 years.

(d) Tokyo’s Individual Problems

Tokyo remains in fourth place in the world city ranking because of its **weakness in four indicators, which are “Regulations and Risks” under Economy, “Cost of Living” under Livability,**

“Natural Environment” under Ecology and Natural Environment, and “Infrastructure of International Transportation” under Accessibility. In addition, Tokyo has largely higher-than-average levels only in nine indicators, such as “Market Attractiveness” under Economy, while New York is much higher in 18 indicators.

Problems in “Regulations and Risks” serve as economic barriers in enterprise location and activity, as has long been pointed out. Tokyo, as well as New York and London, is dampened by the “Cost of Living” problems, as represented by high average accommodation costs and high average level of prices, and this is making things worse. Although Tokyo is inevitably weak in “Natural Environment,” the city enjoys the highest ranking in the field of “Ecology” thanks to its advanced ecological policy. “Infrastructure of International Transportation” indicates accessibility from the center of the city to an international airport and expansion of international flights to the world network, which is Tokyo’s unavoidable weakness.

When a city is rated as one of the top 10 in each individual indicator, the city will be in the top five in indicator groups. This is a task to be achieved by Tokyo, which aims to be a top-ranking world city.

2. Creation of an Internationally Competitive Tokyo: The Path to Being a Leading World Metropolis

(a) Recognition of Problems

Tokyo has developed getting ahead of many other cities in the world, with its spatially close political-bureaucratic-private arrangement, efficient transportation network, attractive variety of commercial and cultural accumulation, incomparable social-system quality and high technology levels, good public order and safety, etc. After the collapse of the bubble economy, however, Tokyo has been considered to be gradually declining in international competitiveness. Tokyo is now not in a position to aim at first place, competing with New York among the top four.

Why should Tokyo enhance its international competitiveness? **For a country to be competitive, it is indispensable that its core city have competitive power.** Tokyo, as the core city of Japan, is destined to play a role that is different from that of other cities in Japan.

It should be recognized that Tokyo is not only the capital of Japan but also functions as a

powerful engine towing the Japanese economy. Therefore, **enhancing Tokyo's international competitiveness is producing wealth as the engine of Japan**, creating maximum contributions to domestic regions other than Tokyo. Tokyo can also play the role of gateway for both flow from Japan to countries overseas and from other countries to Japan, with Tokyo's high-level infrastructure and city managing ability. **A prerequisite for realizing this is to acquire the position of a top city—a leading world city—in the hierarchy of world cities.** This must be done more quickly than rapidly emerging Asian cities.

(b) Two Requisites for Realizing a Creative City

Creative cities, in which a variety of values and functions are compounded and fused with history, culture, and human resources, will lead the world from now on in the 21st century.

This idea has replaced a single basis of value of the 20th century, in which the prosperity of a city was promised by spatial development. Fortunately, Tokyo has many of the individual elements required for a creative city. However, Tokyo lacks a spatial and physical frame for realizing the idea.

Typical functions of such a frame are said to be Global Connectivity (international accessibility) and Livability (a favorable environment in which workplaces and residences are located close to each other based on the global standard).

As clarified by the GPCI city ranking, Tokyo lags behind in Global Connectivity; it is in 32nd place in access time from the city center to an international airport and in 20th place in the number of cities connected with direct flights. In contrast, Seoul (Inchon), Singapore (Changi), and Hong Kong (Chek Lap Kok) have airports that have sufficient land capacity to meet expected future aviation demand. To solve problems such as insufficiency in the number of international flight routes, insufficiency in arrival and departure capacity, and required travel time from the city center to an airport, it is indispensable for Tokyo to construct a fifth runway at Haneda Airport to improve access from Haneda Airport to the city center, as well as to provide a linear Shinkansen train connecting Narita and Haneda airports in a short time, to **allow the two airports to be utilized synergistically.**

With regard to Livability, Tokyo is behind the world level; it is in 32nd place in average price levels, in 21st place in average accommodation costs, and in 17th place in the number of medical doctors per resident, which is one indicator of urban life function. Tokyo must **improve its residential environment to comply with the world standard** and answer the question about how

many inhabitants from overseas countries can be settled in the city center. For this purpose, it is necessary not only to quantitatively increase housing but also to provide additional international schools and to **take such measures as deregulation** of the acceptance of foreigners as household employees.

(c) Priority Policies in Search of New Opportunities

In 2002, **Urgent Urban Renewal Areas** were designated on the basis of the Act on Special Measures concerning Urban Reconstruction in order to promote development of these areas in an attempt to trigger recovery from the economic stagnation after the bubble economy. However, **the areas were designated without a clear viewpoint of how to strategically characterize specific functions of individual areas. This indicated a limit of urban reconstruction measures on a city-block level.** Furthermore, the scheme for Urban Regeneration Special Areas was subject to the permission of local municipalities, which decelerated development that should have been conducted boldly and speedily according to the original intent.

The concept of Urban Renewal Areas should be seriously reconsidered. There existed an idea to create financial centers at Marunouchi, Otemachi, and Roppongi in addition to the existing financial center in the Nihonbashi area. However, in order to intensify the international competitiveness of Tokyo from now on, the idea should be conceived as attractive urban space provided with multipurpose complex functions, not as urban space with homogeneous functions. **The conventional diffusion-oriented urban concept that dislikes accumulation in the city center should be cut off. Instead, selection and concentration should be done in line with multiple values, and priority areas should be designated and developed for strategic urban creation.**

Designating priority areas means making it clear what functions of the metropolis are to be enhanced and where the functions should be allocated. The growth strategy of the Ministry of Land, Infrastructure, Transport, and Tourism stresses that “Special Hub Area for International Competitiveness” (provisional title) should be established to form hubs attractive for overseas countries. For this purpose, **a scheme for prioritizing legal systems, contents of planning, and their implementation should be set up.**

For this purpose, a grand design for growth strategy should be worked out, and selection

and concentration should be done to realize growth policies in the shortest amount of time. For prioritized areas, **advanced space development utilizing ground, aboveground, and underground space as well as increased building volume along with a scheme to realize them and application of compelling legal force are required.** In particular, the existence of narrow streets is a problem that bottlenecks space improvement and is common for prioritized areas and fragile areas. Therefore, **a legal system facilitating enlargement of urban subdivisions is indispensable.**

In implementing an urban space reorganization plan, prioritization should be made so as to utilize the highly organized transportation infrastructure effectively and efficiently, utilizing information owned by Tokyo, high-level environmental technology, educated human resources, and matured domestic markets. It is indispensable for Urban Regeneration Special Areas to establish a scheme for creating international competitiveness. The scheme should facilitate creation of special areas under a new concept, exceeding the city block level to achieve city creation.

3. Compact City Structure Modeling

In contemplating future Tokyo, “city center and suburbs” should be positioned and their roles should be shared, and an entire metropolitan structure should be set up. The Tokyo Metropolitan Government recommended “Circular Megalopolis Structure” in its “New Urban Development Vision” (drawn up in 2001, revised in 2009). “Center Core Area,” or the new city center area functioning as the saucer, will be inside Loop 6. The reorganized core area will receive the pressure of population recovery in the city center, or population flow toward the city center.

An airport and seaports are located in the coastal area (Tokyo Bay Waterfront City Axis), which will be creating industrial energy from now on. A “Creative Ring with Water and Green” comprising residential areas located outside the Center Core and “Nucleus Cities Linkage Axis” located 40–60 kilometers from the city center have been defined as areas composing the metropolitan region and functioning as development poles in the suburbs.

Key to the Circular Megalopolis Structure is how to position and foster development poles for “suburbs,” the “center core,” and the “coastal area.” A development pole, based on a traditional concept for urban planning, is necessary to rule a certain territory. In other words, a

district or area develops on the pivot of its center pole. The extent of a territory varies depending on the nature of the development pole.

Why should the city center be expanded to the Center Core according to the Circular Megalopolis Structure? **The concept is characteristic of Tokyo, which has a huge hinterland covering the world's largest population of nearly 35 million people.** The Center Core, which is as large as all of Paris in land area, will be energized by various development poles, each having specific features. While friendly rivalry is maintained in the city center, Tokyo will not lose vitality. Unlike the previous city subcenters, all the new development poles are incorporated in urban-center development-pole districts or complex urban zones, implying future Tokyo's development axes. The city center's development poles that take the initiative have changed over time, serving as vital power.

4. The Special Framework of Tokyo: Setting up the Tokyo Special District

In order to implement the specific measures proposed above, **a new administrative scheme that has specific powers is required. The committee would like to propose the "Tokyo Special District"** as an example.

When the urban zone of Tokyo is regarded as an integral area, its integrity may cover a larger area of 40 kilometers from the city center (the Tokyo Urban Area according to the 5th Metropolitan Area Basic Plan) or a smaller area of Tokyo's 23 wards plus Mitaka and Musashino. As an alternative, the urban zone can be defined from the viewpoint that Tokyo is the national capital. If only the capital's direct functions are taken into consideration, the integral area may include the Hill of Three Powers of Government, the Diet Building, Kasumigaseki (the Central Government), and the Supreme Court. This area is as small as less than half of Chiyoda Ward. As another idea, the integral urban zone of Tokyo consists of the three wards in the city center.

In order to effectively produce both huge urban activities and capital functions, a new administrative system will be necessary in a Center Core area that cover seven or eight wards (inside Loop 6). The new system should be accompanied specially with new institutions and policies to facilitate exertion of international competitiveness. Designation of the Center Core area as the Tokyo Special District will make it possible to create a cosmopolitan city that is open not only to Japanese people but also to other nations of the world. It is essential to discuss to what extent private

rights should be restricted for public interests. People who agree to curtail their private rights will picture together the image of the capital in the 21st century.

5. Population Change Required for Compact City Structure

The population flow to large cities since the period of postwar economic growth had three peaks: in the early 1960s; in the mid-1980s, when bubble economy started; and in the economic turnaround of the late 1990s. As a general trend, **population increased in the Tokyo metropolitan area, decreased in rural areas, declined in the Kansai area on a long-term basis, and remained unchanged in the Nagoya area.**

With regard to population-change estimates up to 2030, the population in both Tokyo and the Tokyo metropolitan area will increase, although Japan as a whole entered a population-decrease phase in 2005. This trend may continue until at least 2020 or so. As a result, the population ratio of the metropolitan area in the total population of Japan is anticipated to increase from less than 30% now to nearly 40% in 2035.

The phenomenon of population recovery in the city center is significant even in the metropolitan area, where population inflow continues. Since the second half of the 1990s, after the collapse of the bubble economy, all depopulated areas, including the center of Tokyo, enjoyed a sharp increase in population, whereas suburbs developed during the bubble economy began to be depopulated at once.

How will the population in the metropolitan center increase from now on? Presently, **the ratio of the nighttime and daytime population is 1:10 in the three wards in the center of Tokyo, 1:5 in New York, 1:3 in London, and, surprisingly, 1:1 in Paris.**

6. Relationship between Large Cities and Local Regions

It is understood that the difference in financial strength between large cities and local regions has become obvious since the collapse of the bubble economy. Before discussing the difference, however, **it is urgently required that we solve the problem of where and how to restore this country, which has begun to weaken.**

The questions here are how policies for local regions that have weakened can be exercised adequately and promptly, and whether policies to enhance the strength of national finances can be initiated promptly in megalopolises. Places that can be financially taken care of by the central government will be largely restricted. Consequently, **a transition to a “compact state” and improvement of the “competitiveness of large cities” will be indispensable.** In order to accomplish “accumulation,” “compacting,” and “selection and concentration” amid international competition under globalization, policies should be implemented with the concept of “creation and utilization” to pave a new way in lieu of the conventional vague concept of “control and induction.” **Adhering to established interests and attempting to maintain the status quo should be eliminated under renewed values. Prioritized measures should be directed to areas that have weaknesses, along with improving the international competitiveness of Tokyo, with bold changes in thinking and institutional design.**