Global City in Developmental State:
Urban Restructuring in Tokyo*

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Abstract

There is much discussion concerning the extent to which global economic forces influence
the ways cities manage their economies and govern their communities. In this regard, the
study of Japanese cities has significant meaning because Japan is known as a country with a
history of state-guided economic development, the so-called ‘Developmental State.’ In this
paper, I examine the mechanism of the ‘developmental state’ and how it has affected the
process of global city formation by paying particular attention to strategic planning and urban
redevelopment in Tokyo.

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Globalisation and Nation State

There is much discussion concerning the extent to which global economic forces influence the ways cities manage their economies and govern their communities. On the one hand, those who emphasise the weight of the global economy argue that global economic forces are the source of urban dynamics, which in turn lead to the decline in state power and significance. (Ohmae 1995, Appadurai 1996) Technological advances of the telecommunication networks which accelerate circulation of capital, information, people, and image (Castells 1991, Thrift 1989) help to diminish the importance of place. In additions, the penetration of global forces at lower spatial scales, such as the city and the state (Fainstein et.al 1992, Sassen 1991) is a powerful manifestation of the ruling global economy. Taken as a whole, this reading suggests although "state and urban government can mediate global influence in some cases, global economic force dominate their urban life in general." (Beaugard 1995, 232, emphasis mine)

On the other hand, many are critical of these arguments emphasising the limitations of global economic forces and the importance of nation state. (for instance, Taylor 1995, 1996) Their argument consists of several points. Firstly, they emphasise the governed nature of the global economy by highlighting the function of international treaties and agreements, super-national organisations such as EU (Held 1995, Sassen 1998). Transnational corporations (TNCs), who are supposedly doing their business irrespective to the national boundaries, actually operate within framework set by nation states. (Hirst and Thompson 1996) Secondly, socio-cultural infrastructure of the city is emphasised, which supports global business operations and plays a significant part in global city formation. Research reveals that face to face contact, and social and cultural interaction so-called 'institutional thickness' create roles and norms, a sense of solidarity and trust among members which are the breeding ground of innovative ideas and new practices. The global economy is only invigorated through the socio-cultural infrastructure in global cities. Thirdly, there is a hard line statist argument that state has its own will irrespective to the global economic condition. In their view, the state can "challenge, usurp, collude with, and create market" (White 1998, 470, Savitch 1988) thus not necessarily subordinated by global economic forces.

Global City

One of the leading proponents of the global city analysis is Professor Saskia Sassen. She has brought arguments about global city to a new height of sophistication with great 'sociological imagination.' (Friedmann 1995, 29) Her biggest contribution to the study of global city, among many, is to re-emphasise the city as the research focus of social life in relation to globalisation, as she claims that the city reflects "concrete, localised processes through which globalisation exist." (Sassen 1996, 206) In the middle of global economic decentralisation and flexible production in which placeless logic of market economy aided by time-space compression through technological innovation prevails, Sassen argues that "...inherited place dependency of globalisation process." (Brenner 1999, 436) She insists that it is precisely the role of the global city as a place of articulation, which coordinates and organises dispersed production site, that enables global economy to properly function. In other words, the global economic order involves both 'centrifugal and centripetal forces', and without the global city, the global economy does not take the shape it now has.
A major criticism to global city analysis is its lack of comprehensiveness of the approach. The approach typically followed every change in the city in relation to global economic forces, which leaves an impression of global economic determinism. This impression is caused by several peculiar ways of understanding and investigating the global city.

Firstly, this economic determinism comes from a monolithic conceptualisation of capitalism, which is a mixture of "reductionist Marxism" and "neo-classical economics". Such a mixture sees the world as driven by the market mechanism and "the state is but the executive subcommittee" of global capitalist classes. (White 1998, 457)

Secondly, the strongest critique yet, however, is that her study was conducted from urban functional viewpoint, which treats the city as machine like and fails to give adequate emphasis to the role of agents and institutions. The study does not adequately analyse actual networking process to build relationship between different actors (Zukin 1992) and leads to Sassen's proposition about social order rather deterministic. Crucially, it underemphasised political variables against the market mechanism, and the role of state is almost totally disregarded. (White 1998) However, state policies and urban government can influence significantly the way in which cities manage their external relations and internal structures. (Ward 1995, Hamnet 1996) Also, Sassen's analysis does not take into account the tradition of state centred capitalism in some European countries (Strom 1996) and in Asia (Johnson 1982, Henderson and Applebaum 1992). This point will be further discussed later.

Thirdly, her study does not adequately address the relationship between the nation state and the global city. Some theorist claim that there is an apparent contradiction between national economic policy and urban economic policy in global cities; "What is good for global city and what is good for the nation no longer coincide." (White 1998, 453) The claim derived from an apparent disembledment of urban economy and the element of 'detachment' of global cities from the nation states. For instance, in the case of London, the City's role as a global financial centre has very little to do with what the rest of the UK. (King 1990) "The City is now a global stage located in Britain rather than a British stage in the global arena." (Toulouse 1991, 62)

In this regard, the study of Japanese cities has significant meaning because Japan is known as a country that has a history of state guided economic development, and the “collusion, collaboration, or the adhesion of state and capital” (White, 1998, 461) is well known. Therefore, it is possible to assume that the role of the state in the process of global city formation is also considerable. Indeed, various researchers have studied the globalisation of Tokyo and found the state’s role significant. According to Hill and Fujita, concentration of command and control function of corporate sector in Tokyo is due to its proximity to the state government departments, as much for the fact that Tokyo has become a global city. Therefore, they conclue that “Tokyo’s functional primacy is the spatial expression of Japan’s Developmental State”. (ibid, 191) Rimmer took a similar view (Rimmer 1986) and went on to argue that the close relation between the government and construction industry played a decisive role in the spatial production of global city in Tokyo in the 1980s. (Rimmer 1989) In this paper, I will examine the mechanism of the 'developmental state' and how it affected the process of global city formation by paying special attention to property development and urban redevelopment in Tokyo.

**Capitalist Developmental State (CDS)**

It is argued that the way in which a market society was created in Japan was a result of a unique configuration of relationships between politics and economics, and between public and private sectors, which are different from other Western countries. (Polanyi 1944, Palan
et.al 1996) In this section, I will outline the political economic theory of the Capitalist Developmental State (CDS), which is associated with particular historical context of Japanese industrial development. The theory emphasises independent role state played to guide industrial development of modern Japan.

The idea of theorising the role of the state in Japan as a "Capitalist Developmental State" is based on the tradition of the German Historic School, which includes Wilhelm Roscher and Max Weber. The work by Friedrich List, who stressed the necessity of state protection of indigenous industry in the face of international competition and from foreign rivals, was an important contribution. The theory attributed to state officials a leading role in national economic development. It assumes that state officials have autonomous will independent of economic and social interest and lead the policy making process, although they can not do everything by themselves. It emerged from the unique historical experience of the Meiji Restoration in which, as a country newly joined to the international community, Japan had to face the threat of the colonial powers as well as international economic competition against already industrialised countries. The most essential and urgent task for the state was to increase national power by military forces and economic means to ensure its survival. This was the historical background in which state had to act to promote its industrialisation by intervening in the process of economic restructuring. Palan et al summarised the character of the CDS under the following five sub-headings. (Palan et. al 1996)

Public Private Distinction

Firstly, they claim the distinction between the public and private sphere was blurred in the CDS, which is very important because the distinction is one of the key tenets of western political economy. In Confucian philosophy, which had great influence in Japan from the 17th century and once "state religion", the relation of economy and polity is 'unity' rather than 'division'. (Bellah 1957) In a linguistic sense, the very word 'economy' is translated into 'Kei-Zai' in modern Japanese, but it is a short hand of 'Keikoku-Zaimin', which means in the word of Dazai Shundai "governing the empire and assisting the people." (Bellah 1957) Therefore, economy was not regarded as an independent autonomous sphere but a practical part of the government. As a historical/institutional context, the Meiji Restoration and Japanese integration with the global economy made a decisive impact on blurring the distinction between public and private. As it had to face colonial power and threat of the invasion, issues of defence and social security were paramount, and a strong interventionist approach to the market was justified. (Johnson 1982)

State Ideology and Nationalism

As well as blurring the public private distinction, state ideology and nationalism played an important part in consolidating the concept of the CDS. State ideology was an important tool to stress state interests above the individual, to create compliant workforce, and to achieve considerable state autonomy. Confucian tradition was said to have important contributions here too. It constituted an ethical/moral basis for government, justified a hierarchical political system, and emphasised consensus and conformity as a sign of respect and loyalty. (Pye1988, O'Malley 1988) Most importantly, Confucian tradition highly valued collective (i.e. public)

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1 Palan et.al pointed out that Karl Polanyi’s work (Polanyi 1957) revealed that, before the writing of Smith and Ricardo and the creation of market society, substantial part of the economy was embedded in the social whole, and there was no clear distinction between the two even in Europe. (Palan.et.al 1996)
desire over individual desire, and regarded the latter as essentially selfish and therefore downgraded it. Historical circumstances, threat of foreign power, enabled the newly emerged elite (i.e. state officials) to claim their necessity to have control over people, and identify public interest with state interest, while private interest remained to be regarded as selfish and destructive to the state. State not only suppressed individual freedom, but also looked after the population in a paternalistic manner through the education system and corporate culture. Fukui summarised it as "Nationalist-Paternalist-Capitalist state". (Fukui 1992)

**Developmental Legitimacy**

Control by state ideology alone was not effective without the legitimacy of the authority, which was also the legitimacy of the state officials, in order to carry out a developmental strategy. Legitimacy of state officials was derived from the fact they had weak ties to the ex-ruling class before the Meiji Restoration. Most state officials in the early Meiji period were from the then ruling class "Samurai", but had very humble status within the rank. Therefore, as a new ruling class, they did not have ready-made legitimacy, which they needed to govern the nation. It was achieved by putting the national interest above their own class interest, and by emphasising their ethos as public servants. Unlike other Western states, legitimacy of the authority in Japan did not come simply from the recognition by civil society through democratic means, but through the "development" project. (Castells 1992) Development became the most important legitimising principle of the state, because economic growth lead by successful development project ensure the state to claim the legitimacy, secured a regime of new ruling class who had weak ties to civil society, and enable the state officials to continue developmental projects.

**Plan Rationality**

In order to achieve the developmental goal, the state had to play positive role in the market, and quite often had to take an interventionist stance. The role of the state in the market, and the way in which this relationship was instituted is vital to understand CDS. The relationship can be understood by the term "Plan Rationality" as contrast to "Market Rationality". Market rationality is based on the belief in the supremacy of the market mechanism and a minimum state intervention, while plan rationality is, as Henderson and Applebaum put it, "...plan rational political economies are those in which state regulation is supplemented by state direction of the economy as a whole. Here, national economic goals are identified, and the state operate with various degree of influence or pressure to urge companies to act in accordance with these goals." (Henderson and Applebaum 1992, 19)

**Autonomous Technocracy**

The fifth element to explain the character of the CDS is an autonomous economic technocrat, economic bureaucratic elite. As Wade argued, "Governing the market requires small number of powerful policy making agencies to maintain the priorities expressed in the routine accumulation of particular negotiations and policies in line with a notion of the national interest."(Wade 1990, 195) The successive elite was chosen by a meritocratic examination system accompanied by hierarchical education system, and functioned well. (Beasley 1990) Members were recruited from most blight and able graduates and their moral commitment to serve the national interest was quite high. They maintained close contact and dialogue with the head of private firms, and provided central guidance to industry. (Johnson 1987, Amsden 1989) Although they enjoyed autonomy from most political and societal pressures, it was
often this group who made informal alliance with business leaders and political leaders of then ruling LDP in post war Japan. Their regular contact and exchange of personnel was a source of “cross-fertilisation of ideas” (Palan et.al 1996, 94), and important for the state officials to avoid to be isolated from the economic reality. Therefore, their power relations should not be viewed as static, rigid control by the former, but constructed as a dynamic interaction depending on the specific circumstances. However, what I want to emphasise here is that despite those pressures, state officials have maintained relatively strong autonomy by putting the collective national interest above the private.

Public Work State in Japan

In this section, the discussion is extended to how characteristics of the CDS have been reflected in Japanese urban development and planning. In the following, I will explore the role of state played in the process of infrastructure provision and urban development in Japanese cities since the Meiji Restoration. Honma described their role as 'Doboku State' (Honma 1996), which literally means the state of soil and wood, and the word can be translated into construction, civil engineering, or physical development. I prefer here to use the term 'Public Work State' following the translation of Professor Toshio Kamo. (Kamo 1998) Honma explained the character of Doboku State as follows;

- based on huge amount of public work project constructing industrial infrastructure
- led by state officials with centrally controlled fashion,
- forming Development Industrial Complex, involving construction and development industries,
- consolidating the coalition, and have strong influence to the style of management and governance of the state.

In the following section, I will examine the each point.

Public Works

Professor Kamo proposes the concept of ‘Public Work State’ as a spatial expression of ‘Developmental State’. (Kamo 1998) Public works means, in this context, physical infrastructure, such as roads, bridges, railways, ports, etc. They constitute the infrastructure necessary for industrialisation and economic growth. He points out that the ratio of Gross Governmental Fixed Capital Formation (GGFCF), expenditure of public works, in GDP in Japan is extremely high: nearly four times higher than Britain, and the highest among advanced industrialised nation. (OECD 1994) There are several explanations of the amount of public works. Firstly, Japan has a tradition of infrastructure investment. As a late-starting industrialised country, the government had to put extra effort in relatively short period of time. Secondly, and more recently, these public works have created vital means of employment in the provincial regions where the economy lagged. (Igarashi and Ogawa 1997) The direct beneficiaries of public works are construction-related industries, such as building materials and developers. In Japan, they employ around 10%² of Japanese workforce and earn nearly 20% of the GDP. Most of them are self-employed or small-scale firms, who are heavily relied upon public work projects. The third reason is that public work projects have become an instrument for national and local politicians to appeal to the voters in their respective constituencies because it could bring material benefits to the local community.

² Statistics from Statistic Bureau, Management and Coordination Agency in Japan
Therefore, they tend to pressurise the government to increase their share. Fourthly, budget maximisation of bureaucrat should be responsible. Those government departments who are responsible for public works compete with each other to maximise their share in the government's overall spending programme. (Igarashi and Ogawa 1997)

Central Control

The second aspect is centralisation. As I explained in the previous section, one of the characters of developmental state was autonomy of state officials. Although the basic framework of the public works project, such as overall amount of spending, implementation time tables, and policy priority is decided in cabinet meetings and have to be authorised by the Diet, substantial practical work is left in the hands of public officials. Because state officials have the capacity to decide which region/city should have what amount/type of public works projects, they exercise central control over the local projects. State officials justify their central control by emphasising neutral technocratic orientation over the danger of political influence.

Development Industrial Complex (DIC)

Against this background, Development Industrial Complex (DIC) has been formed as an instrument to deliver the state's development project. The members of the DIC are state officials from development related ministries, construction/development industries, and politicians in the ruling Liberal Democratic Party (LDP). They are tied by mutual material benefit, and structurally support each other.

Firstly, Japanese state officials work not only for implementation of policies but also as a brain centre for policy making, therefore politicians heavily rely on their skills and expertise for creating policy and making legislation. The LDP, in return, offered electoral support to officials who want the political carriers by mobilising party machines.

Secondly, the business community generally support the LDP regardless of their types and size, because the LDP is perceived to be pro-business, especially, for construction/development related industries. They lobby politicians who have strong ties to the related ministries and try to reflect their wishes to public work projects. In turn, business communities support the LDP by giving donations and helping election campaigns.

Thirdly, because the details of the public works programmes such as exact location, amount of money, and contents of the development was decided by state officials, business heavily rely on them too. In turn, the business community recruits retired state officials as advisor by paying substantial amount of salary. They had expertise of government administration machine, and work as an informal link between the two.

Structured Coalition

Development Industry Complex is not only the coalition of individual actors based on particular development projects, but a structured and historically grounded exercise. It is also called the ‘Iron Triangle’ because of its exclusive and self-embracing nature. (Igarashi

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3 The concept is borrowed from ‘Military Industrial Complex’ in American politics, where arm industry have strong influence to national political decision.

4 It is a well established route to become politician in central/local government in Japan especially since 1960s.

5 Executive officers in the ministries retired relatively early age, and they need second employment to support their life afterwards.
They were formed so tightly that it is impossible for outside interests, such as community leaders and environmental campaigners, to penetrate. Therefore they were criticised as undermining democratic society. Moreover, they have been blamed as a main cause of creating new public work project only to maintain their power and status without seriously considering local needs. For instance, national highway projects have been continuing despite a huge financial losses and environmental damage. (Igarashi and Ogawa 1997)

**Public Work State in the Developmental State**

In the following section, I try to establish the link between the Developmental State and Public Work State.

Firstly, the existence of huge amounts of public works manifests a close connection between the Developmental State and Public Work State. As I discussed in the last section, the unique configuration of the Japanese polity and economy characterises ‘blurred distinction between public and private’ in which the market is not self-regulating mechanism but the state remained a substantial part of the economy. Public works projects plays crucial role in the market economy by building industrial infrastructure to guide the direction of private investment and job creation.

Secondly, the aspects of central control in urban development also overlap the mechanism of the Developmental State. State officials have substantial space to exercise their discretion over the planning and implementation. They have capacity to control information and funding, and mechanisms to deliver the programme. One of the clearest examples of central control is a direct appointment of state officials to local authority. They play pivotal role to pass government directives, to represent the position of local authority, and above all, to oversee the implementation of the project.

Thirdly, Development Industrial Complex, a vehicle of Public Work State, is also a practical form of Developmental State. Although it seems to contradict the theory of the autonomous technocrat because it can not escape from the special interests of business community and politicians, it is actually state officials who take a key role in leading the rest, because they have information, expertise, and decision making power. Therefore it is reasonable to argue that state officials lead policy making in Development Industrial Complex.

In summary, it has become clear that the Public Work State is part and parcel of developmental state. It has an important role to construct physical industrial infrastructure for the purpose of state-led economic development. Therefore, it can be concluded that ‘public work state’ is a reflection of the ‘developmental state’ regarding the dimension of urban development and physical infrastructure provision. Economic success majored by GDP growth in modern Japan may not have been met without state-led public work projects. In that sense, similar to Developmental State argument, economic success itself, in the end, give legitimacy to the existence of the Public Work State.

**Strategy to make Tokyo as a global city**

This section will describe major urban physical development policy in Tokyo in the 1980s, and explain how the state and the Tokyo Metropolitan Government (TMG) tried to deal with the transformation of Tokyo into a global city, and will highlight the role which the state played. The following section will explain, firstly, strategic planning by the state and the TMG. The fourth Comprehensive National Development Plan (CNDP) set the framework of strategic policies for the national/regional/local land use and direction of urban function.
Secondly, the nature of 'Minkatsu Policy' which was a Japanese version of privatisation and de-regulation of urban policy will be examined and its impact to the urban structure will be analysed.

**Strategic Urban Planning**

The third CNDP, which was replaced by the fourth CNDP, showed willingness to adopt more welfare distributive policies by the central government than was previously the case, and emphasised the policy to rectify over concentration of Tokyo in order to achieve evenly balanced economy throughout country. (NLA 1979) Following the period of low economic growth, however, the government changed their tune and took more pro-active step toward economic development in Tokyo. In 1986, then Prime Minister Nakasone provide leadership in propagating the role of Tokyo as a global city, and called for more investment to strengthen it. As a result, the fourth CNDP acknowledged for the first time the role Tokyo might play in the global economy. (NLA 1987)

The significance is that it envisioned firmly the future of Tokyo as global financial capital, gateway to the world, and place for the exchange and communication of ideas, which marked a clear policy change. (Kitagawa 1989) The main policy to achieve this vision was dispersion and concentration of selective urban functions within greater Tokyo region. It was to cast particular economic and social function to a particular city or district, such as main global finance to central Tokyo and research and development functions to outside Tokyo. It aimed to achieve, on the one hand, maximum benefit from agglomeration and clustering of particular economic activities, and on the other, avoiding negative externalities of congestion and sprawl. It also emphasised the need of creating more attractive environment for the people of Tokyo, especially for those who work in global finance and the corporate sector.

Fourth Capital Region Development Plan (NLA1985) produced by the state, and 2nd Long Term Plan for Tokyo (TMG 1986) followed the same line and conformed to the CNDP. The main proposal was to restructure the mono centric (central Tokyo) urban structure to a multi core type. A number of Business Core Cities were designated around Tokyo such as Yokohama and Kawasaki in Kanagawa Prefecture, to have self sufficient economic territories so that people would not have to rely on employment and service provision in central Tokyo. Hence, in central Tokyo, the plan sought to purify the economic function to global business management and finance. To achieve these objectives, relocation of government department / agencies from central Tokyo was planned. Also the waterfront around Tokyo Bay was identified as having great potential for new development. Therefore, the strategy of the state can be summarised as assistant and promotion of globalisation by allowing selective concentration of urban function, global control, finance, and information, by means of dispersing and restructuring existing functions. (Teranishi 1991) However, it was not yet clear that how this strategy should be achieved. (Honma 1998) Housing and environmental concerns were also expressed but mainly for the sake of maintaining attractiveness of Tokyo to professional and managerial class who supposed to be a core workforce of global city.

**Minkatsu Policy and Politics**

Similar to other Western countries, Japanese politics has experienced a transitional period particularly in regard to neo-liberal economic ideology and new-right political philosophies since the late 1970s. In this section I will explain how these changes of Japanese politics

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6 It covers Tokyo and neighbouring prefecture, such as Saitama, Kanagawa, Chiba, and Ibaragi, Tochigi, and Gunma.
shaped urban policy and politics, and resulted in rapid transformation of urban landscape in Tokyo in the 1980s. The government's policy which instructed the change is called "Minkatsu Policy", and means the utilisation of financial resources and managerial expertise of the private sector into the government programme. (Ministry of Construction = MOC 1987)

There was also unique cause for promoting the policy, which was related to international relations. As the Japanese trade surplus mounted, government faced pressure from trading partners, notably the USA and the EU, and tried to alter the imbalance of trade by boosting domestic consumption, so that products were less oriented to export. Moreover, Minkatsu Policy was expected to stimulate consumer demand, create a positive economic cycle, and increase imports. Therefore, the government tried to put forward measures boost economic activities.

One of these measures was to deliberately increase the amount of urban redevelopment. As a result, urban development became an attractive market for private business, and new types of private developers have emerged. They included not only developers but also others who was experiencing hard time facing industrial restructuring such as heavy manufacturing industries. A significant development was the establishment of Japan Project Industry Conference (JAPIC). It was originally organised as an association of private developers and building material industries, but soon expanded to include manufacturing and utility industries and became a lobbying organisation for urban development projects. A number of reports were published that proposed private finance and management of infrastructure development. Therefore, JAPIC symbolised close corporation between ministries and private business in Minkatsu policy. (Machimura 1995, 121, Igarashi and Ogawa 1993)

Planning policy was also responsible for creating the conditions of a number of urban redevelopment project. Administrative Directive issued by MOC in 1984 set the framework by relaxing existing land use regulations, providing some incentives to private developers, forming public private partnership, and releasing publicly owned land to the market. (Ishida 1993) I will explain each policy by giving some examples.

Firstly, land use regulation was altered to adopt more flexible approaches to individual projects, and to streamline the administration process. For example, a special planning scheme was introduced which allowed intensive development of limited plots of land, irrespective of the existing use class, height restriction, and capacity regulation. It enabled developers to build smart high rise office building typical in redevelopment project.

Secondly, in some case, specific incentives were necessary to encourage the developers to be positively involved in redevelopment projects. Such incentives were given to the developers on the basis of which the project was deemed publicly beneficial (in terms of economy and jobs), and it was to achieve maximum benefit for the public by spending minimum government money.

Thirdly, partnerships between the public and private sectors were encouraged to achieve more close corporation and maximum use of their respective resources and expertise. "Promotion of the Construction of Special Facilities through the participation of private Enterprise Act" (so-called Minkatsu Law) was established in 1986. It was designed to give greater subsidy to the developer who formed partnership with public sector and develop specific facilities, such as information infrastructure and international exhibition centre, which were expected to play vital role in global economy. Fourthly, because of the relocation and privatisation of government run corporation, a number of sites which has substantial amount of spaces, such as former railway works and housing estate for national government officials, became available and released to property market. They were very useful for large scale development because of the single land ownership.
Spatial Outcome of Urban Restructuring

The impact of urban restructuring was recognised in various aspects of spatial expression in Tokyo. First, and foremost, a dramatic rise of land price was noticed. This was said to be caused by three different factors, which were globalisation and industrial restructuring of Tokyo, impact of urban policy, and financial situation at that time. (Otani et.al., 1988)

Firstly, a new type of urban economy led by the service sector, and globalised businesses were heavily concentrated in central Tokyo creating a demand for office space on an unprecedented scale. (Sassen 1991, Waley 2000) Office vacancy rates were reduced to near zero level, and the property market reacted swiftly.

Secondly, the restructuring of urban space led by the government's Minkatsu policy and concomitant consumer demand for a better quality of life and urban amenity led more development. Large surplus profit from international trade forced government to take up-evaluation of Yen after the Plaza Accord in 1983 and lower interest rate policy, which created large disposable surplus among Japanese TNCs. Some of them went to overseas investments, but the rest was poured into domestic property market. Moreover, many critics argued that speculative property investment and forecast for demand of office space was to be blame for the skyrocketing price rise, and the rise and fall of 'bubble' economy. (Igarashi and Ogawa 1993, Otani et.al 1988, Honma 1998) For instance, National Land Agency announced that further 5,000 ha of office floor was needed in Tokyo by 2,000 (NLA 1985), and Nomura Research Institute estimated that twenty to fifty more skyscrapers were necessary to create new office spaces to meet the demand. (Douglass 1993) Second, because of the pressure from development, many urban residential communities were replaced by more profitable use mainly offices, and residents were dispersed or evicted. Whole neighbourhoods were affected as they lost essential community facilities, such as small corner shops, primary schools, and community public baths. In some case, press reported the use of gangstars called "Jiageya" employed by the developer to harrass and scare the resident who refused to go away or sell their own property, and forced to evict. (Douglass 1993, 98) It completely changed the character of many neighbourhoods in inner districts of Tokyo. (Cybriwsky 1998)

Third, and as a result of these two, Tokyo saw a flourishing of redevelopment projects. Data suggested, in quantitative terms, a steady flow of new construction of urban spaces, especially office spaces. For instance, total construction of office floor in Tokyo in 1986 was doubled from 1983, and it was trebled in 1988. Special attention should also be paid to large scale redevelopment project. The number of project which has more than 25,000 sq. m of floor space and 45 m high building completed during 1984-1986 nearly twice, and nearly two and half times bigger during 1987-1989 than its 1975-1977 figure. (Machimura 1995) Those projects were geographically concentrated within inner 7 ward, and especially old down town, which had mix of residential and commercial areas, were wiped out by wave of new mixed use development with office, commercial, and small number of residential unit. (Machimura 1995 Ch.6) In additions, a number of projects were planned around the coast of Tokyo Bay. There was a large amount of land available because of the relocation of heavy industry, public utilities, and warehouses, which once occupied the areas, and also some reclaimed sites became available after decades of stabilisation period. At least forty schemes came up during a short period in the mid 1980s, some of which were quite unrealistic and pure imagination of architect, such as Kisho Kurokawa's New Tokyo Plan in 2025, which sought to build huge man-made island covering more than half of the Tokyo Bay. (Douglass 1993, 99) Among them, the biggest and most influential were Minato Mirai 21 (MM21) in Yokohama, and Makuhari Messe in Chiba, east of Tokyo. The former was planned on 186 ha of disused dockyard in port of Yokohama and accommodate 200,000 workers, hence the
latter had 437 ha and 100,000 workers. Both were intended to create business centre for global corporations together with commercial and entertainment facilities to serve those who work there.

Concluding Remarks

Although it is difficult, at this point, to determine precisely to what extent state policy and politics has shaped Tokyo as global city, examination of strategic planning and Minkatsu Policy revealed that its influence was considerable, and it is worth paying some attention. Firstly, fourth National Comprehensive Development Plan, fourth Capital Region Development Plan, and second Long Term Plan for Tokyo recognised the significance of the function of Tokyo as a command and control centre in the global economy, and positively tried to promoted the accumulation of appropriate business functions. Secondly, the structured alliance between Japanese government official and the national business community was a main dynamo behind the urban restructuring of Tokyo, and in a way, more effective than statutory strategic planning. However, Minkatsu Policy and Development Industry Complex hampered the effectiveness of strategic planing by causing speculative investment and the boom and bust of property market.

Although, the Developmental State has significant impact in shaping Japanese cities, it does not mean state controlled economy nor state imposed development. There are much complex interrelationship and bargaining processes as the model of Development Industry Complex showed. As far as global city research is concerned, it is unhelpful and even misleading to contrast the influence of globalisation against state power. (Brenner 1998, 1999) Instead, it is important to distinguish between the 'substance' of globalisation and globalisation as an 'ideology'. (Kim and Short 1999) In the case of Tokyo, state mobilised ‘globalisation’ as an ideology and used it as a ‘catchword.’ Global City was presented as an ultimate destination, although it was only a particular vision of Global City (i.e. command and control centre of global business), to manipulate the population. (Machimura 1998) This could suggest an example of the enduring nature of nation state who take advantage of the situation in the global economic age.

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Figure: Structure of Developmental State
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