

A Study of Tokyo Bay

By Anita Xu

I. Economic strengths of Tokyo

Tokyo, the capital of Japan and one of the most influential cities in the world, has a population of 13.6 million people who call it home. It is also an international financial hub containing 76 percent of foreign-affiliated companies in Japan and, globally, one of the top cities for commerce with the most Fortune Global 500 company headquarters.¹ Japanese society is attractive to those who live, work and conduct business—both domestically and internationally because the nation values the importance of freedom and fairness. For these reasons, Tokyo's capacity for steadily growing its amount of foreign business partnerships can be attributed to its desire to create a global network by developing cross-cultural exchanges.²

As a global epicenter for business and commerce, Tokyo has an output that was valued at \$930 billion USD in 2013. With a noteworthy reputation for its large market, willing and able business partners, an abundance of human resources, and protection of intellectual property rights, individuals and companies alike have been taking advantage of Tokyo's wealth of resources when choosing its location for developing industry.³ Tokyo is globally recognized for its IT sector, which also happens to be Japan's most stellar industry. Paired with the great strides that have been made in the advancement of combating global warming, the environmental field is of equal importance for paving the way of sustainable development on a global level. What makes Tokyo's diversified work force successful is that both big and small companies alike are very much valued within the city's landscape as they all take root in utilizing various innovative technologies. In

¹ "Tokyo's New Urban Development Plan Incorporating Changing Socioeconomic Conditions", Bureau of City Planning - Tokyo Metropolitan Government

² "Information for Tokyo", *Tokyo's Urban Strength Information for Tokyo*, Tokyo Metropolitan Government

³ Ibid.

addition to all of this, universities and institutions have all followed suit in this unique way of thinking.⁴

Despite Tokyo Bay's rapid development, the central Japanese government has faced challenges and difficulties throughout the years, some of which have been efficiently solved while others have lingered until recent times. The following section will outline some of the problems and potential solutions offered by Japanese authorities.

II. Population Imbalance

In 2015, there was a marked increase in Tokyo's population along with areas closely surrounding the capital city, as per data released by the Japanese government. Even though some people have left the city or the surrounding area, the number of people who have moved to the city centre or within the three neighbouring areas including Saitama, Chiba, and Kanagawa has steadily grown for the 20th consecutive year.

The influx of a growing population is attributed to a revival of the economy as explained by the government. However, two other metropolitan areas of Japan and its surrounding areas, which include Kyoto, Osaka, Hyogo, and Nara, have decreased in population along with central and western areas of the country. Due to a dense population increase in Tokyo and its peripheral areas, a land shortage is taking place. However, a sharp decrease in other towns and cities across Japan also caused distress in these areas.

In order to achieve a more balanced distribution of population, the Japanese government started to develop a program for regional revitalization in 2014 which strives

⁴ Ibid.

to monitor the influx and outflow of Tokyo and the surrounding area by 2020. The central government have been trying to promote regional revitalization programs, such as start-up support and improvement of medical care, to reverse the flow of people moving from rural areas to Tokyo. Those efforts saw success in 209 cities, wards, towns and villages that registered population gains after 2013.⁵

III. Problems with redevelopment

In 2014, 142,417 homes were under construction among a population of over 13 million inhabitants in Tokyo. This number is almost double the number compared to new home construction in the state of California (USA), with a population of 38.7 million people, or that of the country of England with 54.3 million people and a total of 137,000 homes in new development. This is attributed to the fact that property costs in Japan have remained at a steady price, without increase, even if homes are in demand. However, the price to pay is that once again, this results in a shortage of land and an imbalance in other cities that have lost their inhabitants as they've moved toward Tokyo and the surrounding area.⁶

Japan's history of natural disasters, along with immense complications that arose after WWII, has been a major factor in a disposable housing market in Japan. Most pre-war structures were destroyed in Tokyo and had to be rebuilt from nothing. The new buildings that were constructed in fact weren't of good quality so after some time, they had to be reconstructed once again. However, at present, this mentality is still prevalent,

⁵ "Japan's population drops for 7th consecutive year", Nikkei Asia Review, July 15, 2016 <https://asia.nikkei.com/Japan-Update/Japan-s-population-drops-for-7th-consecutive-year?page=2>

⁶ Robin Harding, "Why Tokyo Is The Land of Rising Home Construction But Not Prices", *Financial Times*, 3rd August 2016. <https://www.ft.com/content/023562e2-54a6-11e6-befd-2fc0c26b3c60?mhq5j=e7>

as the government updates its building code every ten years in order to minimize the risk of damage from earthquakes that could occur at any given time.

The relatively low house prices can also be attributed to the relaxed development rules. Japanese urban planning has originally been based upon western models in which cities are divided into areas which include industrial, commercial, and residential zones. Areas that were once industrial zones have a greater number of high-rise apartment buildings because there are fewer regulations on building and development. On the contrary, areas that have been zoned as residential areas are much more difficult to develop as the land owners' rights are strong and their homes can't be simply taken away by city planners and private developers.⁷

In the 1980s, Japan experienced a housing bubble which was even more severe than those cities such as London or New York and this in turn leads Japanese economists to believe that urban planning and zoning structures were a key factor to a reduction in supply. When the figurative bubble burst, developers couldn't sell expensively constructed office buildings, which weren't in demand as they once were. In turn, the 1990s financial structure in Japan almost collapsed as bad loans were given to developers and by 2002, the "Urban Renaissance Law" was put into place in which developers had more freedom in developing urban construction as the government relaxed on its zoning laws. The once unoccupied offices from the 1980s and 1990s were then zoned as new

⁷ Ibid.

housing in order to help the economy recover from the problems of the previous decades.⁸

This practice of frequent redevelopment has caused great distress on the environment; as there is tremendous waste created from demolition and construction. Although a law was passed in 2000 that requires at least 80% of construction waste to be recycled, recycling uses large amounts of energy yet the results of valuable materials being repurposed are considerably lower. There is also the issue of illegally disposed materials from construction sites paired with the considerable amount of emissions of carbon dioxide released into the atmosphere. However, the issue remains that although newer houses of today are actually built well and could last for many future decades, homeowners have a lot of freedom in knocking down their houses and rebuilding new ones if they indeed have the means to do so. Without much government regulation, this once again causes a cycle of great waste and negative environmental impacts.⁹

IV. Planning Tokyo's Urban Development

The Bureau of Urban Development was formed in 2001 and then again revisited in 2009. In conjunction with the government, it has developed its plans in order to clearly reflect the growth and development facing the needs of Tokyo and its greater area.

⁸ Ibid.

⁹ Elisabeth Braw, "Japan's Disposable Home Culture is An Environmental and Financial Headache", *The Guardian*, 2nd May 2014. <https://www.theguardian.com/sustainable-business/disposable-homes-japan-environment-lifespan-sustainability>

Through a clarification of policy, city planning can be effectively implemented through a series of Six Goals and Seven Basic Strategies that the Bureau of Urban Development has established. The ultimate goal, according to the Bureau, is for Tokyo and its periphery to evolve into a city that values environmental issues and that makes advances in order to firmly place Tokyo on the world stage as a role model in the way it carries out its eco-friendly city planning.¹⁰

The Bureau of Urban Development's Six Goals in city planning and implementation since the mark of the 2000s is to maintain and develop an urban area that is internationally recognized and serves a global leader with an emphasis on sustainable development regarding environmental issues. Environmental issues will be addressed through the restoration of urban spaces that utilize both greenery and water. In terms of well-being for the city's and region's inhabitants as well as visitors, safety and comfort are paramount along with calling upon citizens, corporations, institutions, and organizations to also participate within city functions. The Seven Basic Strategies include improving both urban and regional transportation infrastructure by taking eco-friendly steps towards transitioning the city into a low-carbon zone along with creating functional and useful spaces based upon water and greenery. Ultimately, the city and its region must be secure and built well in order to withstand natural and manmade disasters.¹¹

V. Lessons for Greater Bay Area

¹⁰ City Planning Tokyo Metropolitan Government, "Planning Tokyo's Urban Development" *The Bureau of Urban Development*, www.toshiseibi.metro.tokyo.jp/eng/pdf/2016-1.pdf

¹¹ Ibid.

We can learn from the experience of Tokyo Bay area when developing the Guangdong-Hong Kong-Macao Great Bay. First, it is worth looking at Tokyo Bay Area's innovation ecosystem which is characterized by a strong manufacturing sector with a high proportion of small and medium-sized companies. Although the most Great Bay Area cities are going after high-value adding services, the manufacturing sector and SMEs should not be left out in the development plan. Second, although the population distribution of the Greater Bay Area and its surrounding area is different from that of Tokyo Bay Area, strategies for a more balanced population growth among cities in the Greater Bay Area and Guangdong in general might be desirable. Finally, environmental protection should be one of the key considerations in our economic development and urban planning.

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