

CPIJ

News Letter

No.19 July 2001

Published by The City Planning Institute of Japan

Ichibancho West Building, 6th Floor Ichibancho 10,
Chiyoda-ku Tokyo Japan /zip 102-0082

Tel:81-3-3261-5407 Fax:81-3-3261-1874

URL:<http://wwwsoc.nii.ac.jp/cpij>

Edited by The International Affairs Committee of the CPIJ

Chairman: Yoshihide NAKAGAWA, Prof. of Waseda Univ.

RELOCATING CAPITAL FUNCTION

Japanese Decision-Making Process may realize a Mysterious National Project



Editor: Hiroo ICHIKAWA

Meiji University,
School of Political Science and
Economics

Contents:

1. Prologue: What Happens in Japan Now
2. The Significance and Effects of the Relocation endorsed by its Supporters
3. The Nine Criteria for Choosing Sites
4. Allocations and Location of Facilities in a New City
5. The Selection of Candidate Sites
6. Benefits Questioned by Opponents of Relocation
7. Examining the Arguments to the Relocation of Capital Function
8. Strong Objections in Tokyo
9. Epilogue: Dream or Nightmare toward a New Century

1. Prologue: What Happens in Japan Now

The scramble is on to succeed Tokyo as the future capital of Japan. The release in December 1999 of a central governmental Council's final report on the relocation of the capital function intensified a competition among prefectures that had been simmering on the back burner for several years.

In November 1990, when the Diet reached its one-hundredth anniversary, the House of Representatives and the House of Councilors passed a resolution on the relocation of the Diet and other organizations. This resolution stated that, as a basic policy for rectifying the bias in the overall use of national land, the government should relocate the Diet and other

organizations in order to help eliminate the excessive concentration of activities in Tokyo, and to establish a framework suited to the 21st century for conducting political and administrative functions. In December 1992, the Diet passed the Act for the Relocation of the Diet and Other Organizations as proposed by Diet members.

The National Land Agency had established a Round-table Committee for the Relocation of the Diet and Other Organizations in 1990, before the Diet resolution was passed, which had set out the argument for relocation. Two years later, in April 1993, the Investigating Committee was established on the base of the Act for the Relocation of the Diet and Other Organizations passed the previous December. It was re-established as the Council in December 1996, following the partial revision of the Relocation Act in June 1996.

The Round-table Committee issued a report on the basic idea in June 1992, that proposed relocating capital functions, such as the Diet, the Supreme Court and the central-government ministries, to somewhere within 60 to 300km outside Tokyo. The report estimated that the new capital would have a population of 600,000; the relocation cost was estimated to be 14 trillion yen (132 billion dollars) excluding money for building an airport, roads and railways. The largest cost would be for land purchases, estimated at 5 trillion yen. However, the originally estimated figures of the population and the relocation cost were decreased to 560,000 and 12.3 trillion yen in 1998, in response to criticism by groups objecting to the relocation.

After two years and nine months of discussions, following the proposal presented by the Committee, the

Investigating Committee presented its final report to Prime Minister in December 1995. This clarified fundamental points regarding the relocation policy, including “the significance of the relocation of the capital functions” and “the criteria for selecting candidate areas.”

The Investigating Committee recommended a transfer to a relatively earthquake and volcano-free site, to be chosen in the following two years, within 60 to 300 kilometers of Tokyo. In line with the committee's recommendations, the Diet passed legislation in June 1996 allowing for the establishment of a new committee, later named as the Council for the Relocation of the Diet and Other Organizations, that was expected to select candidate sites for relocating capital functions. The Council began discussions in the winter of 1996. It recommended several sites which were officially recognized as appropriate candidates in January 1998, then final sites were decided at the end of 1999.

2. The Significance and Effects of the Relocation endorsed by its Supporters

The National Land Agency put forward several reasons for relocation. It cited problems caused by centralization of capital functions in the Tokyo area, including overpopulation, high land prices and lack of amenities in residential areas. Furthermore, supporters of relocation contend that it would speed deregulation and spread power to local areas. They also pointed out that relocation would reduce the risk of destruction of central government functions in a major disaster like the Great Hanshin-Awaji Earthquake that struck the Kobe area in January 1995.

Relocation may provide a good opportunity for both the public administrative and private sectors to reconsider the relationship with each other. Through the relocation, the functions of public administration and the economy would be physically separated, as in the case of Washington D.C. and New York in the U.S. This might result in a reduction in regulation and the centralization of power.

Most recently, after many twists and turns, the agency summed up the significance and effects of the

relocation of the capital functions under three headings: (1) overall government reform, (2) solutions to the problems of excessive concentration of activities in Tokyo, and (3) strengthened disaster preparedness capabilities.

(2-1) Overall government reform

The process of overall government reform has only just begun. An effective stimulus will be needed to promote it if the government is truly to be reformed overall. The relocation of the capital functions could work as an extremely effective means of stimulating the overall review of the government system, including its origins and roots. Combining the work on the relocation of the capital functions with efforts at overall government reform would accelerate innovations in the current administration, popularize the new system among the citizenry, and further promote the tasks of making governmental organizations more efficient while achieving decentralization. Separating the centers of politics and economy would initiate a new relationship between legislators, bureaucrats, and ordinary citizens as well as help build a horizontal information network that covers the entire nation, including local communities. This will enable the adoption of policies that are actually desired by the people.

(2-2) Solutions to the problem of excessive concentration of activities in Tokyo

The increase in the concentration of population in the Tokyo area has temporarily slowed during the past few years when the economy has been sluggish, but the concentration of functions and information is still high in this area. The structure that tends to concentrate activities in Tokyo still remains, and Tokyo is still overcrowded. If just the crowded commuter trains and the frequent traffic jams are taken as example, the pain caused by these phenomena is far beyond the tolerable level. If relocation of the capital functions stimulates more extensive efforts at overall government reform, people will be able to free themselves of the obsessive belief that Tokyo is at the top of the hierarchy that governs all that exists in Japan. At the same time, local

communities will become more aware of the importance of self-support and will be more likely to foster their own cultures. Companies will no longer be unwilling to build their headquarters outside the Tokyo area.

(2-3) Strengthened disaster preparedness capabilities

With Tokyo as highly concentrated as it is, a great earthquake would be an enormous disaster. Core functions all over the nation would stop, resulting in a serious crisis that could affect not only Japan, but foreign countries as well. At present, central and local government in Tokyo could not function properly to control and manage such a crisis without a great deal of difficulty. The relocation of the capital functions would make it possible to avoid simultaneous damage to all the nation's centers, including those for politics, public administration, business, and culture. If the crisis management function that should work in the event of disaster were to be relocated to an area that is much safer from major disasters, Japan's disaster preparedness capabilities would be considerably strengthened.

3. The Nine Criteria for Choosing Sites

The final report presented by the Investigating Committee to the Prime Minister in 1995 defined nine selection criteria for choosing sites.

The report submitted envisaged that administrative and legislative functions as well as the Supreme Court would be relocated, but Tokyo would remain the capital city since the Imperial palace would stay put. It is, however, unfortunate that the definition of "Capital" has remained unclear. Some supporters of relocation consider that the Capital City needs only the Parliament and some administrative bodies. It may seem strange that, on the one hand, central government has just recently rebuilt the Prime Minister's official residence but has pursued the discussion of relocation on the other hand. Furthermore some of major governmental buildings have, bit by bit, been newly rebuilt in the Kasumigaseki area or in other administrative complexes around Tokyo.

The committee recommended that potential sites be equally accessible from any part of the nation, be within 40 minutes of an international airport, and have a maximum of 9,000 hectares of land available for the facilities. The final report made no mention on relocating the Bank of Japan and the Tokyo Stock Exchange, apparently indicating the committee's support for moving political functions but keeping economic institutions in Tokyo. It also said that the top priority should be given to shifting the Diet from Tokyo, based on the idea that central government ministries and agencies would have no choice but to follow suit.

The nine criteria are as follows:

(1) Location in the Japanese archipelago

The site must not have any great disparity of access from all parts of Japan.

(2) Distance from Tokyo

The site must be between about one to two hours (by train), and between about 60 to 300 kilometers away from Tokyo. However, it must not be part of the greater Tokyo Metropolitan Region.

(3) International airport

The site must be served by an airport that is (or will be) capable of handling the aircraft carrying the heads of all the various countries, that is no more than about 40 minutes' travel time from the center of the site, and that will definitely be in service no later than ten years from now.

(4) Ease of land acquisition

The site must allow prompt and smooth acquisition of large tracts of land. It needs about 2,000 hectares during the first phase alone, and land suitable for development of a group of cities with a final combined population of about 600,000 at maximum

(5) Safety from earthquakes and other disasters

Sites which are at risk of serious damage in the event of a major earthquake are to be avoided, as are sites in which volcanic eruptions could cause serious damage.

(6) Safety against other natural disasters

Full provisions must be made to ensure that other natural disasters do not greatly disrupt the activities in the new city.

(7) Quality of the terrain, etc.

Sites at very high elevations or with steep slopes are to be avoided.

(8) Stability of the water supply

Sites in which the development of a city with a population of 600,000 could put more of a strain on the water supply than does the current national capital are to be avoided.

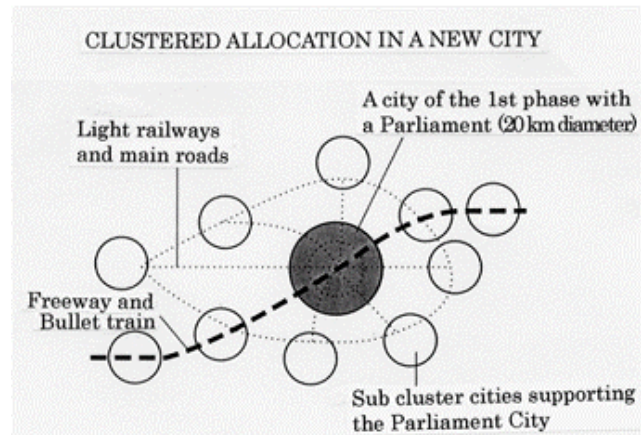
(9) Distance from other cities

The site must be far enough away from cabinet-designated cities so that it would not be affected by "urban sprawl" from them. [Note : There are currently twelve "designated" cities, eleven of which have a population of more than a million outside Tokyo. Under the Local Autonomy Law, they take over some important functions prefectural governments.] Sites that are more than 300 kilometers from central Tokyo could be considered if they are equipped with great advantages in respect of the other criteria.

4. Allocations and Location of Facilities in a New City

In 1997 the Council proposed a revised plan which was in three phases. As a first phase, construction is planned over about ten years, before the Diet opens its first session at the new location. Phase 1 will cover the relocation of the necessary minimum functions, including relocation of the Diet and construction of the new city with a population of about 100,000 and an area of 1,800 hectares. The facilities built during phase 1 will include the Diet Building, the Prime Minister's official residence, ministry and agency buildings, an information center for activities in the event of earthquake or other major disasters, a public square symbolizing the new city, houses, and other residential accommodation. The new capital will have good links with Tokyo through transportation and information communication facilities.

The second phase will have the second half of the planned facilities in an area of 4,800 hectares with population of 300,000, whilst the final phase will complete the remaining buildings expected in a new capital which, in the future, will cover 8,500 hectares and have a population of 560,000.



【 Figure1: Clustered Allocation in a City 】

5. The Selection of Candidate Sites

The Council, responding to a request for advice from the Prime Minister in December 1996, conducted investigations and considered candidate sites for the relocation of the capital functions over approximately three years, holding a total of 31 meetings.

The Council adopted a unique "weighting method" as a major tool for the comprehensive and objective evaluation and the impartial selection of candidate sites. It then advanced the selection of the candidate sites through diversified and multifaceted deliberations.

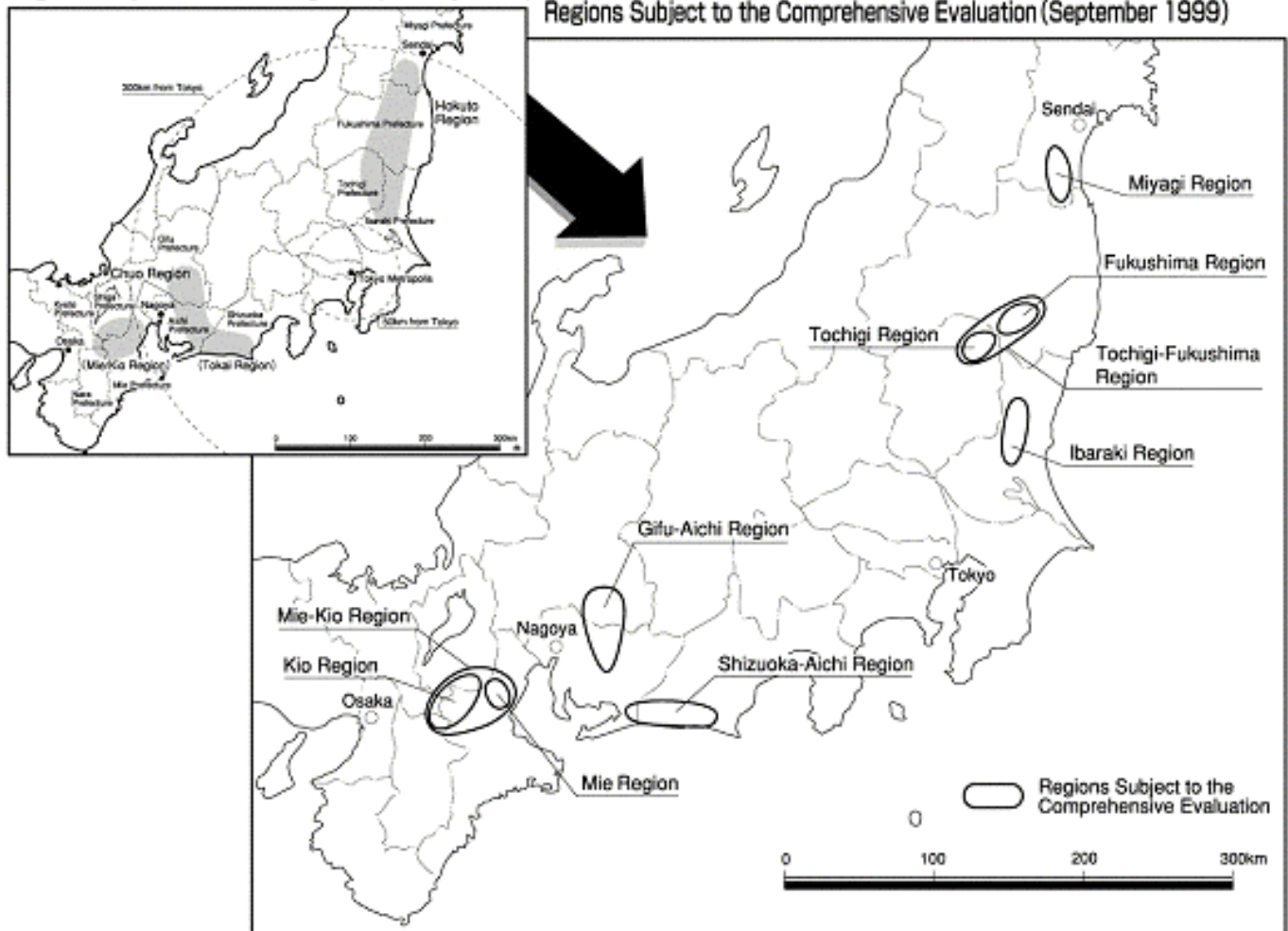
The results of the selection was as follows:

- Tochigi-Fukushima region and Gifu-Aichi region.
- Ibaraki region has superior features such as freedom from risks of natural disasters, and is expected to play a role of supporting the Tochigi-Fukushima region.
- Mie-Kio region has unique features. Provided that a new high-speed transportation network is developed in the future, it may be considered as a candidate site.

Capital functions will not work very well from the beginning without the cooperation not only of major cities such as Tokyo, Sendai, Nagoya, Osaka and Kyoto, but also of other region in the areas under investigation. Lobbyists for the prospective locations are making the rounds in Tokyo's Kasumigaseki district, wielding slogans that sound like marketing pitches for holiday resorts. They boast of convenient transportation, natural beauty and disaster-free geography.

Regions Subject to the Investigation (January 1998)

Regions Subject to the Comprehensive Evaluation (September 1999)



[Figure2: Final Candidate Sites for Relocation]

6. Benefits Questioned by Opponents of Relocation

Opponents of relocation reject such arguments. They say, for example, that even if 600,000 people move to a new capital from Tokyo, crowding in Tokyo's commuter trains will not improve much. It will not be enough to ease Tokyo's traffic snarl-ups, solve its massive garbage disposal problems, or turn it into a more livable city. They also contend that the relocation cost will be much more than the estimated 14 trillion yen and that moving the capital will cause the government to stop seriously considering anti-disaster measures in Tokyo.

Tokyo Metropolitan Government is angry and remains opposed to this project. The reason is that the socio-economic situation has changed dramatically since 1990 and the move is certainly not at all

necessary. Rather, a more realistic and effective options to the solution of Tokyo's problem would be to decentralize the power and to disperse the national government administrative organizations, etc., to areas adjacent to Tokyo.

Although Tokyo still has shortcomings as an international city, it is a safe city that has a convenient public transportation network, and it offers a full range of arts and culture. In addition, new investment into the deteriorated infrastructure in Tokyo will bring about a recover in its international competitive position in relation to other rival major cities overseas.

It agrees with the widely held opinion of urban economists that Tokyo's population has not become huge because the central government is located there, and that further economic activities are most efficient in Tokyo where there is a highly multi-functional stock of facilities. A move would just be a waste of money,

because benefits of relocation cannot cover the costs.

7. Examining the Arguments to the Relocation of Capital Functions

Careful consideration of the fact that lies behind the project is really needed in order to attempt to judge the validity of the six major arguments on which the proposal to relocate capital functions are based. The six arguments are: 1) mitigation of over-concentration in Tokyo Metropolitan Region, 2) priming of the economy, 3) reducing the risks to the capital functions, 4) balancing of the national land structure, 5) lifting of the nation's morale, and 6) acceleration of government reform and decentralization.

(7-1) Mitigation of over-concentration in Tokyo Metropolitan Region

The negative effects of over-concentration of Tokyo include: traffic congestion; long-distance commuting; poor housing; waste problem; and difficulty of securing enough water and energy resources. However, if we look at the congestion of commuting trains, for example, a simulation shows that the relocation of capital functions reduces the rate of congestion only by 3%. This means that the rate of congestion, measured as 200% in 1997, reduces to 197%, which is still far from the target rate of 180%. The result of the simulation shows that the relocation barely has any mitigating effect on the congestion of commuting trains. Although, the congestion of commuting trains is only one aspect of Tokyo's urban problems, the simulation implies that the basis for the argument that the relocation can provide a resolution to "the Tokyo problems" is very weak from a quantitative perspective.

(7-2) Priming of the economy

There is a great expectation among not just a few economic institutions of a large-scale public investment, which would revitalize the stagnant Japanese economy. For construction of a new capital, it has been estimated that investment needed in infrastructure and buildings will be as high as 9 trillion-yen, (later adjusted upward to

11.4 trillion-yen), excluding the cost for land purchases. Furthermore, from input-output flow analysis, it is estimated that the construction will leverage 25.3 trillion-yen into the production industry. It shows that the public investment generates production of as much as 2.8 times of the original value. If the construction is to take 10 years, there will be an economic effect (value added base) of 1.3 trillion-yen annually. The amount corresponds to almost 0.3% of the Japan's GDP, which was 465 trillion-yen in 1995. Since the Japan's annual GDP growth is only 1% at present, it will have a significant, although not dramatic, effect. However, this is a macro-economic simulation. If the same simulation is applied individually to the three candidate sites, the economic effect is going to be significantly lower since those sites are located in relatively low productivity areas. It is suggested that the effect on the Japanese economy as a whole could even be negative.

(7-3) Management of risk to the capital

Since the Great Hanshin-Awaji Earthquake in 1995, the importance of disaster prevention and risk management for cities has become clear to many Japanese. It is easy to imagine that if an earthquake hits the brain (Tokyo), the body (all of Japan) will be totally paralyzed. However, compared to the present day Tokyo Metropolitan Region, which covers Tokyo and three neighboring prefectures, the size of the planned new capital is only 2% in residential population and 1.5% in working population. This means that 98% of economic functions will still remain in Tokyo.

A question here is , "is the relocating of the central decision making body to a newly built city the only way to manage the risks to the capital?" An alternative, if the capital functions were to remain in Tokyo, would possibly be to build a backup system by moving selected capital functions and risk management headquarters to several core business cities in the Metropolitan Region and other existing major cities, and networking them. This is a much more realistic alternative way of managing risks to the capital.

(7-4) Balanced national land structure

There is a concept of creating a balanced national land structure while creating National Development Axes. The word 'balanced' here refers to a balanced development between urban and rural areas.

Brasilia in Brazil is one example that tried to develop undeveloped rural area by building a new capital. The capital which was completed in 1960 is located in the plateau area at the center of the nation, with the intention of shifting developments that have been concentrated in the South to the undeveloped Northern area of the Amazon. Brasilia is located as far as 940km from the former capital, Rio de Janeiro. However, the last report prepared by the Investigating Committee concludes that the new capital should be located 60 to 300km from Tokyo. Even taking in account the difference in size of Japan and Brazil, the distance is not enough to achieve the objective of promoting development in undeveloped rural area.

(7-5) Lifting of the nation's morale

This argument says that the capital relocating project will be the 'new goal' which will unite the nation in a common ideal, breaking through the present stagnant mood caused by the bursting of the 'bubble economy' of the late 1980s.

Around the world, there are around 20 precedents for relocating capitals. The backgrounds to those relocations vary. Some examples are at the time of independence of the nation, major political reform, for ethnic unity, or to balance the national land structure. Although backgrounds may differ, many of those have aimed at uplifting the nation's morale. Compared to the state of those countries, it seems an exaggeration to say that our national morale needs uplifting, considering our present day situation. It is a forced analogy to praise the relocating as an "important national project" which can break through the nation's stagnant mood.

(7-6) Acceleration of government reform and decentralization

The last major argument is that the relocation provides a chance to review Japan's present

governmental system, which has its origins in the highly centralized government system established in wartime. Therefore, the relocation can be a force promoting government reform and decentralization.

From a physical perspective, building of a capital with a population less than 600,000 can hardly change the polarization of Tokyo (with a population of 3.25 million in the Metropolitan Region). So the argument is important in the sense that it focuses on the need to review the centralized system which is causing the polarization of Tokyo. However, the relocation only provides a chance for review. If government reform is really needed, reform itself is the action which needs to be taken first. It is escapism to say that the relocation itself can smooth the way for government reform, when there are many other issues to be resolved.

8. Strong Objections in Tokyo

Under the politically influential leadership of the Governor Ishihara, Tokyo Metropolitan Government is strongly opposed to the relocation. As one of main reasons for opposition, it criticizes the procedure exclusively initiated by the central government. That is to say, the central government has acted too rapidly in promoting the relocation project as a policy with a first-order priority but without any reasonably acceptable reasons for most people. He claims that the central government pays little attention to the disadvantages, ignoring a balanced view, particularly without respecting the important historical stock which has been accumulated in Tokyo over several hundred years.

On 3rd September 1999, the Bureau of Policy and Information at Tokyo Metropolitan Government announced the results of an opinion poll on "life as a Tokyo resident". Asked to state their opinion on moving the capital, citizens who did not feel the need for any move accounted for about 57 percent and greatly outnumbered those who felt there was a need at about 16 percent.

The 40th conference of heads of seven prefectures and cities which constitutes the Tokyo Metropolitan Region (Tokyo, Saitama, Kanagawa and Chiba

Prefectures, and Yokohama, Kawasaki and Chiba Cities), was held on 11th November 1999, and the participants considered their objections to the relocation of the capital function. One of the main reasons is that the social and economic climate has changed dramatically since the resolution on the Relocation of the Diet and other Organizations was adopted in 1990, and the need for the move is now less clear. Alternatively, as realistic and effective measures to solve the problem of "concentration of all functions in Tokyo," the seven municipalities have put forwards "developing the capital" through fostering several core business cities and reorganization of the Metropolitan Region through "decentralization."

On 17th December 1999 just five days before the submission of the final report by the central governmental Council, Governor Ishihara organized a large-scale citizens' rally - the 10,000 Citizens' Rally to Oppose Relocation of the Capital. The participants included the governor, municipal personnel, 178 commercial, industrial and other groups, as well as representatives of the governments of Yamanashi, Hiroshima, Oita and other prefectures which are not nominated as candidate sites for the relocation. Following speeches by chairman of the Metropolitan Assembly, and a chairman of the Tokyo Chamber of Commerce and Industry, spokespersons from the six major political parties took turns to voice their strong non-partisan opposition to the relocation. "The concentration of all functions in Tokyo is no longer a worrisome topic" and "it is a wasteful project without a cause" were two of the views presented by the spokespersons.

9. Epilogue: Dream or Nightmare toward a New Century

Since the Diet passed the resolution on November 1990, the relocation of the capital functions has been subjected to investigations and deliberations from many perspectives. It is an important subject that concerns a large number of individuals. The central governmental Council's report is expected to encourage discussions of broader aspects, from wider angles, by an even

greater number of people.

History has shown that most Japanese large-scale projects have been planned and implemented within a closed circle, which is not open and the majority of people to see no visible benefits resulting from such projects. The twenty-first century opened in Japan with much concern about such big money-wasting projects, initiated by the central government and associated with supporting groups that may accept or expect direct benefits from the projects. On the topic of relocating capital function, many previously hidden facts have been revealed since the Diet resolution. A growing number of people, not only in Tokyo's municipalities, have become increasingly concerned with a process which may be legally legitimate but has the objective of implementing a project which is of very doubtful value. Furthermore, there is great concern that the central government and the regions, or candidate areas, are looking at this as a building project. The regional governments trying to attract the new capital to their areas seem to think that if you put up a building, like a citizens' hall, hey-presto, you have a capital!

We are supposed to see a conclusion sometimes early in 2000's as to whether the biggest project in the twenty-first century is a fascinating dream or an irrevocable nightmare.



【 Figure3: An Image of a New Parliament 】