

Cities as Brands: Osaka City in Japan Reinvents itself

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Osaka is the capital of Osaka Prefecture and the third-largest city in Japan, with a population of 2.7 million. It is located in the Kansai region of the main island of Honshu, at the mouth of the Yodo River on Osaka Bay.

Osaka is the historical commercial capital of Japan and is still one of Japan's major industrial centers and ports. It is at the heart of the Osaka-Kobe-Kyoto metropolitan area (collectively called the "Kansai Region"). Osaka's population is about 17,510,000. The city's daytime (9 a.m. – 5 p.m.) population is second in Japan after Tokyo.

What made Osaka Famous? A Historical Overview

Osaka was originally named Naniwa, a name which still exists as districts in central Osaka – such as Naniwa and Namba. Emperor Kōtoku, Japan's 36th emperor, made this area his capital in 645 AD, and named it Naniwa-no-miya (the Naniwa capital). It has always been a vital connection, by land and sea, between Yamato (modern day Nara), Korea, and China. Settsu, a former province of Japan, consisted of the northern part of modern Osaka prefecture and the seaside part of Hyogo Prefecture.



The Osaka Castle against the background of a bustling Osaka

In 1496 the Jodo Shinshu Buddhist sect set up their headquarters, the heavily fortified Ishiyama Honganji temple, in Ishiyama, today a part of Osaka. In 1576, Oda Nobunaga started a siege of the temple that went on to last for four years. The monks finally surrendered in 1580, the temple was razed and Toyotomi Hideyoshi took the place for his own castle, Osaka Castle.

Since ancient times, Osaka has been a gathering place. Located at the confluence of a vast web of busy river and sea routes, it naturally grew into a flourishing economic center and became the gateway to Japan for travellers and traders from all over Asia.

As a result, Naniwazu Port, the predecessor to the modern port of Osaka, became a gateway into ancient Japan for visitors from Korea, China and other part of the Asian continent. These visitors brought with them the knowledge and artifacts of advanced cultures, and new

technologies in ceramics, forging, construction, and engineering. They also brought with them a new religion, Buddhism, which very quickly began to spread to the rest of the country.

As Buddhism spread, Prince Shotoku constructed (in 593 A.D.) the Shitennoji Temple in Osaka, and the city became a base for international exchange with the Asian continent. Emperor Kotoku built the Naniwa-no-miya Palace, which is considered to be the oldest palace in Japan. Even though the national capital moved to different locations in the country, including Kyoto, Nara, Kamakura, and Tokyo, Osaka continued to serve as a 'sub-capital' – particularly for the economy, and to play a crucial role as a major gateway for foreign culture and trade.

As Japan entered the Edo Period (1601-1867), when the political capital moved north to Edo (present-day Tokyo) and the country was completely isolated from the rest of the world, Osaka was restored from the impacts of the civil war and quickly grew into a thriving economic hub. It became known as "Japan's kitchen," because essential goods including rice, the staple food of the East, were sent to Osaka from all over Japan for shipment to other parts of the country, and also to international destinations.



Osaka Castle was built at the end of the 16th century. The castle building shown here was reconstructed in 1931. The Osaka Business Park (OBP) now looks over the castle, symbolizing the new direction being taken by the city.

In those days Osaka was the second largest city of Japan and economically the most important, because the national markets for important commodities such as rice etc. were located in the city.

The modern city of Osaka was officially designated as a 'city' on September 1, 1956 by government ordinance.ⁱⁱ

Osaka's Industrial Growth: Post World War II

Osaka was officially incorporated as a city in 1889. In 1903, the Tennoji Area was the site of the 5th National Industrial Exposition, a display of high quality industry and arts, which attracted the country's technological and cultural elite. Also in this year Osaka's first municipal streetcar went into service. By 1925, Osaka was the largest city in Japan in terms of population and area, and the sixth largest in the world.

Continuous air raids by American bombers during World War II leveled almost one third of Osaka, destroying many of its commercial, industrial and public facilities. But after the war, vigorous city planning and Osaka's positive thinking citizens restored the city to an economic prosperity exceeding prewar levels.

A wide range of industry, commerce and business set up their base in the city, by taking advantage of the strong intellectual base provided by the city, and the entrepreneurial spirit of the residents. These included not only big industries, but also many small and medium firms that created the necessary dispersed, but networked production chains for which Japan is famous. These also helped make Osaka the economic heart of western Japan.

For example, Osaka was chosen to host Expo '70, the first world exposition held in Asia. Since then, Osaka has hosted an endless series of international expositions, conventions, trade shows and meetings, including the APEC summit in 1995.

Thus, Osaka has played different roles over the centuries, always at the forefront of developments in the country. It has long been a cultural and scientific center, too. The Tekijuku Institute taught western medicine and science here a century and a half ago.

Another even older center of learning, the *Kaitokudo*, based its curriculum on Confucian thought. The *kabuki* and *bunraku* theaters in Osaka were regularly patronized by the merchant class. Then, after World War II, many industries sprang up here, giving the city its nickname, Manchester of the Orient.

These features and trends, seen over its long history, gave Osaka the necessary intellectual and business base over which the economy could develop.

25 Major Corporations founded in Osaka

Osaka's merchant heritage positioned it well for industrial growth -- iron, steel, fabrics, ships, heavy and light machinery, and chemicals all became part of its output.

- Asahi Shimbun (*media*)
- Daiei, Inc. (*distribution, retail*)
- Ezaki Glico Co., Ltd. (*confectioneries, food products*)
- Hankyu Corporation (*rail transport*)
- Itochu Corporation (*trading house*)
- Iwatani International Corp. (*energy*)
- Kinki Nippon Railway Co., Ltd. (*rail transport*)
- Kokuyo Co., Ltd. (*office supplies*)
- The Mainichi Shimbun (*media*)
- Marubeni Corporation (*trading house*)
- Matsushita Electric Industrial Co., Ltd. (*electric appliances, data devices*)
- Mizuno Corporation (*sporting goods*)
- Nippon Life Insurance Co. (*life insurance*)
- Nissin Food Products Co., Ltd. (*food products*)
- Obayashi Corp. (*construction*)
- The Nomura Securities Co., Ltd. (*securities*)
- The Sankei Shimbun (*media*)
- The Sanwa Bank, Ltd. (*financial services*)
- Sekisui Chemical Co., Ltd. (*housing*)
- The Sumitomo Bank, Ltd. (*financial services*)
- Sumitomo Corporation (*trading house*)
- Suntory Ltd. (*alcohol*)
- Takeda Chemical Industries, Ltd. (*pharmaceuticals*)
- Toyo Boseki (*textiles*)
- Yoshimoto Kogyo Co., Ltd. (*entertainment*)

Osaka's Disintegrative Forces: Economic and Environmental

After the Meiji Restoration (1868), enormous social change, far-reaching reforms to the economic system, and the moving of the capital to Tokyo contributed to a decline in Osaka's prosperity. This caused the city to go through a transformation from a base of trade and finance to a commercial center. So much smoke began spewing from factory smokestacks that by the end of the 19th century Osaka was being called the "smoky city." At one point it was even nicknamed the "Manchester of the Orient."

A second disintegrative shock came after World War II, when the post-war political decision-making concentrated in Tokyo, and industries moved their bases to the Tokyo area.

Some of Osaka's disintegrative economic forces during this period include the following:

- Link between business and research was being loist – new ideas and technologies were not being developed in Osaka.
- No major new business were being set up in the city
- Regional interlinkages and dynamics were not taken into consideration. For example, Osaka was loosing out to Kobe in port services

- Infrastructure provision was not keeping pace with a growing economy
- International economic growth trends and globalization processes were not taken into account

Rapid industrial growth in the 50s, 60s and 70s had had an overall negative impact on the environment, and the waves of economic downturns created blighted areas that affected the city's attractiveness. But these disintegrative forces themselves became rallying points for integration – strong environmental management policies and strategies, urban planning and development, community involvement and heritage conservation were some of the key foci of the 70s, 80s and 90s that enabled Osaka to overcome the slumps it faced.

Osaka as a Brand: Finding Answers in the Backyard

Over the years, the people of Osaka have developed a unique culture of their own based on pragmatism, the entrepreneurial spirit, and a sense of independence and self-reliance. This has played a key role in enabling creativity and innovativeness to flourish in the city.

Osaka has continuously played a strong role in fostering Japan's industries and culture. Residents of Osaka are easy-going, open-minded and friendly, and they have warmly accepted people from other parts of Japan and overseas. This explains Osaka's vitality as a city and its ability to face diverse challenges of integration and disintegration!

Osaka's critical nature and rational approach to life also sharpened its discernment as consumers. Instant noodles, karaoke, pre-fabricated housing, and other innovative products and services became a hit in Osaka first, then expanded into other markets in Japan and overseas.



Maishima Island, a man-made island in Osaka Bay, has an area of about 225 hectares. The island is becoming a center for sporting activities in Osaka



INTEX Osaka is a venue for international trade shows.

There are a number of characteristics of Osaka that will serve it well to challenge the disintegrative forces that buffet the Japanese economy at large:

- Osaka's infrastructure-driven growth clearly illustrates its innovation and far-reaching vision of its leaders to maintain the growth.
- Emphasis on investment in infrastructure -- physical, human capital enhancing, and financial -- has laid the groundwork for industrial expansion in Osaka.
- National and local governments over time have acted as coordinating and facilitating agents in creating the necessary infrastructure.
- Longer-term development planning for Osaka was always tempered by global circumstances
- Infrastructure investment not only focused on the city itself, but on the entire Kansai region, thus enabling it to take advantages of the region as a whole

In order to package these features of Osaka into a salable business opportunity, and to overcome the difficulties that it was facing economically, the local government and the business community came together to form the Osaka Brand Committee.

The Osaka Brand Committee was formed in September 2004 with the goal of creating and establishing a "Brand-New Osaka" image in order to breathe new life into the area. The committee consists of local municipalities, groups and organizations, including Osaka Prefecture, Osaka City, the Kansai Association of Corporate Executives, and Kansai University.

What is the rebranding of a city? The committee has set itself the task of making Osaka more attractive – taking the original resources already present in an area, redesigning them from a new perspective, and publicizing them nationally and internationally as appealing images or messages.

The Way Forward: Osaka Reinvents Itself.

The 'reinvention' of Osaka as an economic and industrial powerhouse that will set the stage for an integrative approach to its survival lies in an urban planning and development policy package that has the following three goals:

- Diversification of its manufacturing base in order to enable new manufacturing industries
- Creating more job opportunities beyond its core industrial base, including those related to the tourism industry
- Increased productivity through improved quality of life and health of its residents by focusing on urban service provision and development

These goals can be enhanced by ensuring that incentives are provided by the government for building core facilities and services; install highly developed transportation and other urban infrastructure; provision of subsidies for industrial firms to locate in the city; and a well established housing and living support system. The onus of seeing these goals to fruition lies with the Osaka Brand committee in generating ideas for Osaka's development.

Western Nakanoshima, Osaka's New Urban Individuality

Collaborative Redevelopment Projects in Western Nakanoshima

Construction work is currently underway on the new Nakanoshima Line, which extends westward along the Dojima River. The line is scheduled to go into operation in 2008. Work has also begun on several projects in the western portion of Nakanoshima, and these projects are being coordinated with the opening of the new line.

Collaborative development efforts in Nakanoshima target the creation of a high-level business environment. The first of the results of these efforts is the Kanden Building completed in December 2004. This building, which serves as the new headquarters for the Kansai Electric Power Co., Inc., is the realization of efforts to create a building that coexists harmoniously with the environment, and makes full use of natural forms of energy, such as solar electric generation and a regional cooling and heating system that uses river water as the thermal source. The next step in these efforts involves plans for Daibiru Corporation to construct two high-rise buildings. With the completion of these buildings, a new base will be created for business and information exchange.

The Osaka University Nakanoshima Center is also located on the west side of the island.

The campus was opened in April 2004 with the goal of making the intellectual assets of the university available to the area through high-level professional courses, graduate-level classes for people who are already working, cultural and academic lecture meetings, and through projects to transfer technologies. A campus innovation center has also been constructed, providing facilities for regional offices and satellite campuses that educational institutions can use to promote their inner-city activities.

Across the river, the "Water Capital Osaka α Project" is underway at the former site of the Osaka University Medical School Hospital. On the west side of this site, new facilities will be



constructed for Asahi Broadcasting, and these facilities will be equipped for production in the new age of ground wave digital broadcasting. When completed, the facilities will include a wood-deck plaza that faces Dojima River, which flows in front of the new facilities, creating a relaxing area for people to enjoy. These facilities will forge an entirely new image of a broadcasting company.

Construction plans for the east side of the site include a 50-story high-rise apartment building, a multi-purpose hall with a 1200-person capacity, and various commercial facilities. Efforts are also underway to encourage Keio University to build a business school in the area.

Combining the allure of the waterfront with a beautiful urban landscape, this area will once again be reborn as Japan's water capital, a place of vitality where people live, travel and work, and a center for

various forms of economic, cultural, and informational activities. Nakanoshima is also a leading venue candidate for the G8 Summit scheduled to be held in 2008.

Source: "Brand New Osaka" - Newsletter of the Osaka Prefectural Government

Osaka has served as an international gateway since ancient times, beginning in the 5th century. This background as a meeting point for people, goods, and information fostered a liberal, forward-looking and enterprising spirit in the people of Osaka.

The City of Osaka has been making efforts to enhance its profile as an international cultural center by promoting cultural, artistic, academic, and sports activities in the city, and enriching them through cultural exchanges with the rest of the world.

Osaka's early concentration of labor and capital, and the political will of local and national governments, was the driving force behind its early, swift, and lasting success as an economic capital of Japan. This will remain its key integrative force.

In conclusion, the direction that of Osaka's integrative forces are taking provide key lessons for other cities facing similar problems. These lessons include (a) the strengthening of urban functions to create intellectual businesses and diversifying its manufacturing industrial base; (b) enhancing urban functions to invite economic and amenity migrants to Osaka, including tourists to develop the city; (c) promote urban development that enhances the living standard and quality of life of its residents.

Endnotes:

- i Contact email address: Hari.Srinivas@unep.or.jp. The views expressed in this paper are those of the author's alone, and should not be construed to represent the views of UNEP or the United Nations.
- ii A city designated by government ordinance is a city that has a population greater than 500,000, important economic and industrial functions, and is considered a "major city" in Japan. The classification was created by the first clause of Article 252, Section 19 of the Local Autonomy Law of Japan. Designated Cities are delegated many of the functions normally performed by prefectural cities, making them almost on par with the prefectures themselves.