



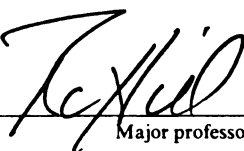
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In the Detroit and Nagoya Auto Regions**

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INTERGOVERNMENTAL RELATIONS
AND UNEVEN DEVELOPMENT
IN THE DETROIT AND NAGOYA AUTO REGIONS

By

Andrew James Jacobs

Volume I

A DISSERTATION

Submitted to
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ABSTRACT

INTERGOVERNMENTAL RELATIONS AND UNEVEN DEVELOPMENT IN THE DETROIT AND NAGOYA AUTO REGIONS

By

Andrew James Jacobs

The relationship among political economic context, intergovernmental relations, and metropolitan development in the Detroit and Nagoya Auto Regions, over the past three decades, is the theme of my dissertation. During my research, I investigated four related research questions. First, what type of metropolitan development patterns (balanced or uneven) have evolved in Detroit and Nagoya Auto Regions, over the past three decades? Second, what kind of inter-municipal relations have come to exist in each region, during this period? Third, what has been the political economic context for inter-municipal relations and metropolitan development in the U.S. and Japan, since 1969? Finally, what has been the relationship among political economic context, intergovernmental relations, and metropolitan development in these two regions?

My methods combined literature research, descriptive data analysis, and in-depth, open-ended, face-to-face interviews with 142 land use and development officials, representing more than 50 municipalities in the Detroit and Nagoya Auto Regions.

What I discovered was that within the political-economic context of: 1) the development policies of the U.S. Federal Regulatory State; 2) Michigan's strong home-rule; 3) racial and class conflict; and 4) Fordist production practices; competitive, non-cooperative inter-municipal relations have come to exist in the Detroit Auto Region. This context has also fostered little local support for metropolitan planning. Inter-municipal competition, accompanied by the absence of comprehensive metropolitan planning, has then resulted in extremely uneven development in the Detroit Auto Region over the past three decades.

In contrast: 1) the development policies of Japan's Unitary Developmental State; 2) partial local autonomy; 3) an absence of race and class conflict; and 4) Toyotaism; have promoted cooperative inter-municipal relations in the Nagoya Auto Region. This has, subsequently fostered strong local support for comprehensive metropolitan development planning. The net result of cooperative inter-municipal relations and metropolitan planning has been balanced development in the Nagoya Auto Region over the past three decades.

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Chapter 1

OVERVIEW AND RESEARCH QUESTIONS

I. Overview

The relationship among political-economic context, intergovernmental relations and metropolitan development in the Detroit and Nagoya Auto Regions, over the past three decades, is the theme of this dissertation. In my study, the political-economic context refers to the governmental, economic, and historical setting in which metropolitan development and intergovernmental relations have emerged. This includes the governmental system that exists within a nation-state (i.e., Federal or Unitary), as well as governmental policies towards the economy and development (e.g., Regulatory or Developmental).

Metropolitan development represents the distribution of population, employment, and income among municipalities within a metropolitan region (i.e., economic and spatial organization within a metropolitan area). Finally, intergovernmental relations have been operationally defined as the interactions or interrelationships between public officials representing different governmental units within a nation-state. These include both vertical (central-prefectural-municipal), and horizontal (e.g., inter-municipal or inter-

state/prefectural) intergovernmental relations. My focus is on those interactions, especially among municipalities, which influence metropolitan development.

Preliminary research has indicated that the Detroit Auto Region has experienced uneven metropolitan development over the past three decades. As edge cities focused on auto-related research & development and producer services have experienced rapid growth in employment, population and income, traditional auto production areas in the urban core of the region, including the City of Detroit, have suffered relative declines in these indicators. Conversely, the Nagoya Auto Region has developed in a relatively balanced fashion during this same period.

This preliminary research provided the building blocks for my dissertation. However, in this study, I delve much deeper into how and why growth in these two regions has evolved so dissimilarly. While it is impossible to uncover all the factors behind these divergent outcomes, a comparative examination of the relationship between intergovernmental relations and metropolitan development in these two regions, and their political-economic context, provides an insightful start.

II. Organization of the Study

In the first chapter of this thesis, I present the theoretical questions and methods that guided my dissertation research. In Chapter 2, I examine scholarly literature regarding the political-economic context for both metropolitan development and intergovernmental relations in the U.S. and Japan. Here, in particular, I focus upon the *State*, or scholarship that describes the national context for development and intergovernmental relations in the

U.S. and Japan. When I capitalize the term *State*, I am referring to either the national governments, or the national governmental systems that exist, within these two countries (i.e., the U.S. Federal Regulatory State and the Japanese Unitary Developmental State).¹

During the third and fourth chapters, I define, in detail, the two regions under study. This is followed by a chapter in which I update and expand the data analysis sections from my prior research. In chapters six and seven, I chronicle the findings from my field research on intergovernmental relations in the Detroit and Nagoya Auto Regions. In the eighth chapter, I incorporate the aforementioned field research with relevant literature, in order to compare and contrast the relationship among political-economic contextual factors, intergovernmental relations, and metropolitan development in these two regions. It is in this chapter that I also summarize my research, and offer conclusions based upon the research questions I posed in Chapter 1 of this study. In the final chapter, Chapter 9, I discuss potential policy options for Detroit and the U.S., as well as for Nagoya and Japan, and their political feasibility.

III. Research Methods

In the remainder of this chapter, I present my research questions and study design, as well as discuss the significance of my study. Since this chapter discusses my research methods, it uses a more personalized style than the subsequent chapters. In other words, with the exception of the Afterword in Chapter 9, this is the only chapter in which I often refer to my research, or use the active voice, first person pronoun “I.” In Chapters 2-8, I

deliberately avoid this style, unless I am attempting to illustrate an important point, or I am introducing a section.

III-A. Research Questions

When I began my pre-dissertation research, my original purpose was to investigate the internationalization of manufacturing and its effects on cities in the U.S. and Japan. In particular, I was interested in the links among industrial organization, corporate restructuring, deindustrialization, and uneven development. Having worked as an urban planner for six years, I had seen, first hand, how industrial reorganization and deindustrialization had produced uneven development within a metropolitan region. With these ideas in mind, as well as having a special interest in the auto industry from having lived eight years in Michigan, I decided to compare the major automobile production regions in both countries: Detroit and Chūkyō (centered on Nagoya).

During that research, I discovered that between 1969 and 1991, population and employment had grown at a much more balanced rate within the Chūkyō Region than it had in the Detroit Region (Jacobs, 1997). I concluded, that while the combination of the U.S. Federal Regulatory State and mass production techniques had resulted in deindustrialization and uneven development in Detroit, flexible production within the context of the Japanese Developmental State had not produced the same events in Chūkyō.

However, during that study, I did not review literature on intergovernmental relations in the U.S. and Japan. I was also unable to compile comparable population and

employment data for both regions, after 1991. Following the completion of a more comprehensive literature review of the two regions, I began to suspect that intergovernmental relations, especially among municipalities, had greatly impacted growth patterns in each region. (I also refined the boundaries of Chūkyō into the current Nagoya Auto Region; See Jacobs, 1998 & forthcoming).

Based upon this line of reasoning, during my dissertation research, I investigated five related, but basic research questions:

- 1) What type of metropolitan development patterns (balanced or uneven) have evolved in Detroit and Nagoya Auto Regions, over the past three decades?
- 2) What kind of inter-municipal relations have come to exist in each region, during this period?
- 3) What has been the political-economic context for inter-municipal relations and metropolitan development in the U.S. and Japan, since 1969?
- 4) What has been the relationship among political-economic context, inter-municipal relations, and metropolitan development in these two regions?
- 5) What, policies or lessons from the Nagoya Region, if any, are transferable to the Detroit Region, and vice versa?

These research queries then directed the analyses and conclusions that I present in this study.

III-B. Study Design

Generally speaking, the study design I utilized during my research can be categorized as a descriptive, cross-national comparative case study (Kohn, 1987). During my research, I combined the methods of what Evans (1995) called a “Comparative

Institutional Approach,” with a cross-national case study of two metropolitan regions: Detroit, in the U.S., and Nagoya, in Japan. (These regions will be defined in detail in Chapters 3 and 4).

According to Kohn’s typologies, my research represents a cross-national study in which the region is the “object of study” and the nation is the “context of study.” Here, the researcher is “interested in comparing particular institutions” within two countries (Kohn, 1987:714). This description fits best because: 1) the units of analysis in my study were the Detroit and Nagoya Auto Regions; and 2) I compared the impacts of intergovernmental relations and metropolitan development within the political-economic contexts of the U.S. Federalist State and the Japanese Unitary State.

But why did I compare Detroit with Nagoya, two metropolitan regions in different countries, when a study of either region would have been far easier, and would have provided greater knowledge about that one area? In addition, why did I concentrate on the impact of governmental actions, rather than on the influence of the private sector, in these two regions?

Ragan (1987) and Oyen (1990) both argue that sociological research is inherently comparative. Ragan writes,

virtually all empirical social research involves comparison of some sort... Comparison provides a basis for making statements about empirical regularities and evaluating and interpreting cases relative to substantive and theoretical criteria. In this broad sense, comparison is central to empirical social science as it is practiced today (Ragan, 1987:1).

He added,

At the very general level, comparativists [or comparative research scholars] are interested in identifying similarities and differences among macro-social units. This knowledge provides the key to understanding, explaining, and interpreting diverse historical outcomes and processes and their significance for current institutional arrangements...Most comparativists...are [also] interested in the cases themselves; their different historical experiences in particular, not simply in relations between variables characterizing broad categories of cases (ibid.:6).

Bendix (1963:532) wrote that “comparative sociological studies represent an attempt to develop concepts and generalizations at a level between what is true of all societies, and what is true of one society at one point in space and time.” Scheuch (1990:31) stated that “observation under differing conditions is the aim of social research.” Brown (1998:6) writes that comparative studies of economic and social development are valuable, not the least of which, because “they undermine the notion that any one national experience is the norm.”

Kohn (1987) and Dore (1987) maintain that cross-national comparative research provides the best method in which to learn about a society, as well as to determine if sociological theories have general applicability. Kohn (1987:713) stated that,

cross-national research is valuable, even indispensable, for establishing the generality of findings and the validity of interpretations derived from single-nation studies...[it] is perhaps more valuable, for forcing us to revise our interpretations to take account of cross-national differences and inconsistencies that could never be uncovered in single-nation research... [and] provides an especially useful method for generating, testing, and further developing sociological theory...To do cross-national research is to return to the preferred analytic strategy of the forefathers of sociology, a strategy that was nearly abandoned in sociology’s quest for methodological rigor.

Dore (1987:4) wrote,

All learning— all science— proceeds by comparison. There is no better way of learning how societies in general work than by studying, and living in, a country very different from one's own, observing differences, asking why, watching one's own reactions, learning to look a little wide-eyed at things one has always taken for granted.

As for a comparative institutional analysis, Evans wrote that such an approach was necessary to gain “a clear vision of both the *State*’s internal structure and the character of state-society relations (Evans, 1995:39). Aoki et al. (1997) state that comparative institutional analyses are necessary, because interactions among governments units are just as important in the development process as the interactions of private companies. They also maintain that the way in which governmental institutions within one country interact with one another, is far from uniform across countries. Finally, they argue that comparative institutional studies constitute “an integral element of analysis of the role of government” in the development process. (Aoki et al., 1997:vii). Muramatsu & Naschold (1997:8) write that “the impact of the institutional rules of participation, in terms of what groups, and what range of groups influence decision making, is important.” For example, because the U.S. is a federal system and Japan is a unitary system, the degree in which local and state governments have been allowed to participate in the policymaking process differs quite a bit.²

According to Dore, as well as Kernell (1991), comparisons of this type force scholars to ask critical questions about development within a specific country, such as, can it be explained by: 1) a unique cultural or moralistic belief system; 2) different conceptions of the role of the State in the development process that have translated into unique

governmental structures; 3) differences in national politics; 4) the historical context of, or timing of, development; 5) some combination of these influences.

In sum, after review of this and other literature, I decided that a comparison of governmental systems and policy approaches, using Detroit and Nagoya as case studies, provided me with the best chance of gaining a clear understanding of the relationship among political-economic context, intergovernmental relations (i.e., interactions among governmental institutions), and metropolitan development in both the U.S. and Japan (as well as in Detroit and Nagoya).

III-C. Research Design and Process

The research design that I utilized during this project, combined a literature review with descriptive quantitative data collection and qualitative field research in the Detroit and Nagoya Auto Regions. My research proceeded along the following lines.

III-C.1 Literature Review

To begin my research, I reviewed literature that described the political-economic context for intergovernmental relations and metropolitan development in the U.S. and Japan. This quest pushed me primarily towards literature in four general topic areas. Unfortunately, due to my limited Japanese language ability, these texts came only from the English language scholarship, although a few important Japanese works have been translated into English.

First, I consulted a small amount of the research methods literature, which discussed how to conduct comparative, qualitative, and cross-national research. Having done some prior academic research and practical field work, this review was more of a refresher course than a detailed analysis. Some of the discoveries from this review have already been discussed in this chapter.

After better preparing myself to conduct comparative research, I then reviewed scholarship that compared and contrasted the U.S. government's role/approach in the development process, with that of the Japanese government. Following these efforts, I explored the literature regarding intergovernmental relations in the U.S. and Japan. During this review, I focused on two sub-areas: 1) research that attempted to describe intergovernmental authority relations; and 2) literature that defined the role and powers of local governments in each system, including their role in the development process.

I will discuss the themes gleaned from this literature review in Chapter 2. However, many of these ideas will again appear in Chapters 6-8, and as such, I do not completely answer my third research question until near the final stages of my dissertation.

Lastly, I reviewed literature that specifically discussed the Cities of Detroit and Nagoya, their regions, and municipalities within each region. The information I derived from this final review, can be found in Chapters 3 and 4. These chapters define the two regions under study, and provide background history on the development of each region. A fair amount of the material utilized in this chapter also came from documents I obtained during my field work.

III-C.2 Data Collection and Data Analysis

During the second step of my dissertation research process, I addressed research question number one above: What type of metropolitan development patterns, balanced or uneven, have evolved in Detroit and Nagoya Auto Regions, over the past three decades? To accomplish this, I first had to define the boundaries for each region (See Chapters 3 and 4). While counties in Michigan made it fairly easy to define sub-areas in the Detroit Auto Region, it wasn't until my field research, that I was able to accurately define the sub-regions of the Nagoya Auto Region.

In any case, during my field research, I collected population, employment by place of work, and per capita income figures for the 190 municipalities within the Detroit Auto Region, and the 163 local units in the Nagoya Auto Region. The data for these communities were compiled for either 1969 or 1970, and for the most recent year available, which in most cases, was 1996.³

I obtained population counts for Detroit, by far the easiest data to secure at the municipal level in the region, from the U.S. Decennial Census for 1970, and from the recently published *Estimates of the Population of Minor Civil Divisions: Annual Time Series*, for 1996. For Nagoya, I utilized the Population Census of Japan, published every five years, to obtain population counts for 1970 and 1995.

Unfortunately, comparable census data was not yet available for both regions, for after 1990. This is because the U.S. Census Bureau only conducts a population count every ten years. However, in Japan, a census is completed every five years. Fortunately, the U.S. Census' recently published 1996 population estimates for all local government

units in the U.S., served as a reasonable substitute for the most current municipal population counts for the Detroit Region. As a result, I compared a population trend from 1970 to 1996, for Detroit, with a trend from 1970 to 1995, for Nagoya.

The reason that I utilized the 1996 Census estimate for Detroit, as opposed to an earlier 1995 estimate, could probably be debated. Nevertheless, since the 1996 estimates were recently released by the Census, they are generally considered to be more current and reliable than previously released figures for 1995. This is because, as the census produces its new estimates, a refining process takes place which often makes its prior year's approximations obsolete. In other words, since all estimates are calculated from a base year, and new information is constantly becoming available, prior year estimates are constantly revised based upon new figures. However, these revisions are not always published. Having some familiarity with this process from my work as a city planner—acting as a municipal census liaison from 1990 and 1994, as well as having been responsible for population and employment projections for 27 municipal governments within a regional planning district—my professional experience told me that the 1996 estimates provided a truer reflection of the Detroit Region's current population, than did the previously released 1995 approximations. Of course, data compatibility at the municipality level is one of the most difficult aspects of conducting comparative research, even within the U.S., let alone cross-nationally. This issue will be discussed again, in the Afterword section of Chapter 9.

At the county level, for the Detroit Region, I obtained total private and manufacturing employment data, by place of work, for 1969 and 1996, from the Census Bureau's County

Business Patterns. At the municipal level, several sources were necessary to compile manufacturing and total employment for these years. Nevertheless, since County Business Patterns is generally considered the most reliable source of employment information in the U.S. (see Schoenberger & Harkness, 1993), one of my main goals was to reconcile any municipal employment data collected with the county level totals found in County Business Patterns for 1969 and 1996.

I secured municipal data in four of the five counties in the Detroit Auto Region— Wayne, Oakland, Macomb, and Washtenaw Counties— from the Southeastern Michigan Council of Governments (SEMCOG), the regional planning agency serving those areas. I procured data for Genesee County from the Genesee County Metropolitan Planning Commission (GMCP). While I easily obtained current data from these two agencies, collecting data prior to 1990 required persistence and determination. In the case of SEMCOG, this was at least possible, although I had to explore the depths of their library archives. However, in Genesee County, the situation was significantly more difficult.

For Genesee County, the only source of employment by place of work for 1970 was one small table within that year's Census: "Means of Transportation and Place of Work." This I found in the Census of Population and Housing volume: *Census Tracts— Flint, Michigan Standard Metropolitan Statistical Areas*. Unfortunately, this source only provided information for the City of Flint, and even these data was incomplete. This was because in 1970, the Census only reported persons who worked outside of the metropolitan area in which they lived, under the category "Outside SMSA." Therefore, Flint's actual employment by place of work, must surely have been higher than the

96,360 figure that was reported in this table. According to 1990 Journey to Work data, 6,628 workers commuted to Flint city from the Detroit and Ann Arbor Metropolitan Statistical Areas (MSAs). This figure must have been higher in 1970, than it was in 1990.

In any case, after accepting this Journey to Work figure for Flint for 1970, I had to estimate the remaining municipalities in Genesee County. The only way I could accomplish this was to use the current GMCPC data that I had as my base, and work retroactively to 1970. The only source of 1970 employment for all the municipalities in Genesee County was the Michigan Employment Securities Commission (MESC). However, the MESC only computes employment by place of work at the metropolitan level. At the municipal level, they compile it only by place of residence.

Nevertheless, both the MESC and the GMCPC felt that employment change for Genesee County municipalities, by place of work, could reasonably be estimated, since 1969, by utilizing MESC data. This was because very little inter-township commuting was occurring in 1970; only four municipalities, besides Flint, had any employment to speak of in that year. Both GMCPC's most recent Long Range Transportation Plan, and 1990 Census Journey to Work data, suggest commuting patterns in the county have changed slightly, though not drastically, since 1970.

I then created a formula which first compared 1996 MESC employment by place of residence, to 1996 GMCPC estimates by place of work. I then multiplied this ratio by MESC's 1970 figure for each municipality, to calculate a preliminary estimate of 1970 employment by place of work for all the municipalities in Genesee County, besides Flint. This was expressed by the following equation:

1970 Municipal

$$\begin{array}{lcl} \text{Preliminary} & 1996 \text{ GMCP} & \text{by place of work} \\ \text{Employment} = & \text{-----} & \text{X} \\ \text{Estimate} & 1996 \text{ MESC} & \text{by place of residence} \end{array} \quad \begin{array}{l} 1970 \text{ MESC by place of} \\ \text{residence} \end{array}$$

Here is an example from Forest township:

1970 Forest twp.

$$\begin{array}{lcl} \text{Preliminary} & 449 & \\ \text{Employment} = & \text{-----} & \text{X} \quad 1125 \quad \text{or} \quad 241 \\ \text{Estimate} & 2100 & \end{array}$$

I then had to adjust downward, by roughly 5.5 percent, Forest's calculations, and those for all other municipalities, except for the City of Flint, in order to make the sum of my preliminary 1970 municipal estimates equivalent to that of County Business Patterns' Genesee County total for 1970. In other words:

$$\begin{array}{lcl} 1970 & 1970 \text{ Preliminary Municipal Employment Estimate} & \\ \text{Municipal} = & \text{-----} & \\ \text{Total} & 1.055 & \end{array}$$

After this adjustment, I assigned Forest township an employment total of 228 for 1970.

$$\begin{array}{lcl} 1970 & 241 & \\ \text{Forest twp.} = & \text{-----} & \text{or} \quad 228 \\ \text{Employment} & 1.055 & \end{array}$$

Since neither Census Place of Work nor MESC data was available for 1969, one more step was necessary to make my 1970 municipal totals equivalent to County Business Patterns' figure for Genesee County in 1969. This required another simple formula. First,

I calculated the proportion of county employment in each municipality, in 1970. I then multiplied this ratio by the County Business Patterns' 1969 total for Genesee county.

$$\begin{array}{rcl} \text{1969} & \text{1970 Municipal Employment} & \\ \text{Municipal} = & \text{-----} & \times \text{1969 County Business Patterns} \\ \text{Total} & \text{1970 County Business Patterns} & \text{Total Employment for Genesee Co.} \\ & \text{Total Employment for Genesee Co.} & \end{array}$$

For example, I began by dividing Flint's Census total of 96,360, by the County Business Patterns' total for all of Genesee County in 1970, which was 137,201 (see the formula below). I then multiplied this ratio by the County Business Patterns' Genesee County total for 1969, which was 146,272. The result, 102,731, I then assigned to Flint for 1969. According to my sources in the area, and as was mentioned above, this figure was probably slightly underestimated, but reasonable. The formula I used to calculate Flint city's 1969 employment was:

$$\begin{array}{rcl} \text{1969} & 96,360 & \\ \text{Flint city} = & \text{-----} & \times \quad 146,272 \quad \text{or} \quad 102,731 \\ \text{Employment} & 137,201 & \end{array}$$

I estimated the remaining municipalities in Genesee County in the same fashion.

Looking at Forest township again:

$$\begin{array}{rcl} \text{1969} & 228 & \\ \text{Forest twp.} = & \text{-----} & \times \quad 146,272 \quad \text{or} \quad 243 \\ \text{Employment} & 137,201 & \end{array}$$

Despite all of these manipulations to estimate 1969 employment figures, Flint city was the only municipality in Genesee County that had a large enough change in employment, (a decline), to qualify for the Detroit Auto Region's Top or Bottom 15 in employment change between 1969 and 1996 (See Chapter 5). So, it could be argued that my exercise was much to do about nothing. However, I believe this method, reasonably demonstrates how uneven employment growth has occurred in Genesee County, over the past three decades. According to these crude estimates, the City of Flint's employment declined by roughly 22,000 between 1969 and 1996, while the out-county area saw an employment increase of approximately 29,000 (Genesee County, overall, gained 7,144 jobs between 1969 and 1996, according to County Business Patterns).

As for manufacturing employment, despite my best efforts, obtaining 1969 or 1970 data for every municipality in the Detroit Region was an impossible task, as there was never enough information available to even estimate it. I was able to get some 1970 figures for cities in the four SEMCOG counties. The only other source of manufacturing employment at the municipal level was the U.S. Census of Manufactures. However, the Michigan part of the 1967 and the 1972 Census of Manufactures only had information on a handful of the 192 municipalities within the Detroit Auto Region. As a result, within this study, I only present tables regarding manufacturing employment in the Detroit Auto Region, at the county level, and for the City of Detroit. These tables also provide figures for the region as a whole, and the State of Michigan. With the exception of Detroit, if I refer to a municipality's manufacturing employment within the text of this report, the

source of its totals was SEMCOG. For Detroit, the data I present is either from the Census of Manufactures, or SEMCOG.

Fortunately, in securing employment data for the Nagoya Region, I never encountered such difficulties. Although it took some effort and expense to obtain total and manufacturing employment for every municipality in the Nagoya Auto Region, these data were readily available in the 1969 and the 1996 Establishment Census of Japan.⁴ This source, which was published every three years, between 1957 and 1981, and every five years since, provides employment by major industry sector (i.e., agriculture, construction, manufacturing, service, retail, etc.), for every municipality in Japan.

As for Per Capita Income (PCI) information, the only comparable data years for the two regions were from 1970 and 1990. I again utilized the 1970 and 1990 U.S. Census of Population to compile this data, by municipality, in the Detroit Region. For the Nagoya Region, 1970 and 1990 I collected PCI data from Kojin Shotoku Shihyō. Under contract with Japan's Ministry of Home Affairs, Nihon Marketing Kyōiku Center has published yearly income indicators for all municipalities in Japan via this source since 1970.

Unfortunately, I was only able to obtain from the 1970 U.S. Census, PCI for cities and villages greater than 2,500 in population. However, this didn't produce any major problems. This was because by just using these cities and villages, disparities between highest and lowest PCIs were so great, that no more data was necessary to illustrate how clearly uneven PCI has been distributed throughout the Detroit Region, over the past three decades. In fact, it would have only made the situation look worse for the region. This point is clearly demonstrated in Chapter 5.

Using the same sources and years as above, I collected population and employment data for the five counties within the Detroit Region, the State of Michigan, and the U.S. For reasons of comparison, I also tabulated these indicators for the five prefectures within the Chūbu Region of Japan, and the country as a whole. I secured Chūbu data, because parts of four of its five prefectures are within the Nagoya Auto Region. This area could also be used as a surrogate state for comparisons with Michigan, although I do not do so in this study. I present population, total and manufacturing employment change tables, at the state, regional, and sub-regional levels, in Chapter 5.

Population trends for all municipalities between 1970 and 1995/96 are provided in Appendix C and D of this study. Total employment change for municipalities in both regions between 1969 and 1996, and per capita income change between the 1970 and 1990 National Censuses, are also presented in these two appendices. Municipalities are grouped within their respective counties in Detroit, and sub-regions in Nagoya. In these appendices, I also provide an average change for each indicator, as well as standard deviations from the mean, for each region and their sub-regions/counties. I present rankings of the Top and Bottom 15 municipalities in population and employment change in Chapter 5.

There are a number of reasons worth mentioning, as to why I selected 1969 as the beginning baseline point of my study (both my census data collection and field research). These include:⁵

- 1) 1969 marked the beginning of a new era of intergovernmental relations in the U.S., i.e., New Federalism;

- 2) it marked the post-World War II peak year of transportation equipment employment in the U.S.;
- 3) it represented the peak year for manufacturing employment in the State of Michigan, and the five county Detroit Auto Region over the last 45 years (after the Korean War, 1953);
- 4) it marked the beginning of a steady decline in transportation equipment employment in Michigan and in the Detroit Auto Region (1969 was the peak of such employment over the last 30 years);
- 5) It represented the end of an era of inter-local relations in the State of Michigan. In 1970, Michigan changed its local government laws regarding incorporations and annexations and created a State Boundaries Commission (see Chapters 6 and 8);
- 6) based on the Gini index, after hitting a post war low in 1968, income inequality has steadily risen in the U.S. since 1969.

Finally, I determined the existence and the extent of uneven or balanced development in each region, based on these economic indicators. I did this, not by any specific formula, but rather through intra-regional comparisons, as well as comparisons of the regions relative to one another. I expressly looked for clusters of decline and rapid growth among municipalities, and I have highlighted my findings in Chapter 5.

III-C.3 Qualitative Field Research: Who Was Interviewed, How and Why.

During the next stage of my dissertation process, I investigated the second research question listed above: What kind of inter-municipal relations have come to exist in each region over the last three decades? To accomplish this task, I conducted open-ended, face-to-face interviews with 143 land use and development officials working in the Detroit and the Nagoya Auto Regions.

Why did I decide to conduct face-to-face interviews, rather than telephone interviews or a self-administered questionnaire? Why did I choose to use an open-ended, as opposed to a close-ended, survey instrument? Rubin & Rubin (1995:1) captured, both some of the advantages to face-to-face open-ended qualitative interviews, and the essence as to why I selected this style of interviewing for my research. They write:

interviewing is a great adventure; every step of an interview brings new information and opens windows into the experiences of the people you meet... [It also] is a way of finding out what others may feel and think about their worlds. Through qualitative interviews, you can understand experiences and reconstruct events in which you did not participate. Through what you hear and learn, you can extend your intellectual and emotional reach across time, class, race, sex, and geographical divisions.

In addition to wanting to reconstruct events and be a part of my interviewees' world, I also decided to use an open-ended questionnaire, because Japanese survey researchers recommended it as the preferred method for interviewing Japanese people. Fukuoka (1992) for example, claims that Japanese people generally offer answers that are more representative of their true feelings, when they are asked open-ended, as opposed to closed-ended, questions.

There were also methodological reasons why I decided to conduct face-to-face interviews. As I was interested in obtaining in-depth responses from a fairly small number of respondents, rather than tabulating a large quantitative survey database, the benefits from personal interactions made face-to-face interviews the more preferred method of data collection (Clark & Schober, 1992; Fisher & Quigley, 1992; Weinberg, 1983). Since I expected, based on my pre-tests, that my survey questionnaire would require between one hour and 90 minutes to complete, these scholars suggested that interviews of this

length exceeded the limits of successful telephone interviews and self-administered questionnaires. Face-to-face interviews were also said to be the preferred method for open-ended interviews, because they afforded the researcher greater control over the sequence and number of questions asked (Suchman & Jordan, 1992; Rubin & Rubin, 1995)

As for whom I actually interviewed, among my 142 interviews, 121 were non-elected, full-time, land use and economic development professionals, representing more than 50 municipalities in the Detroit and Nagoya Auto Regions. The remaining 21 individuals whom I met with, were land use and economic development officials, employed by the five county governments in Detroit, and by the four prefectures in Nagoya. Of this total, 67 were working in the Detroit Auto Region, and 75 in the Nagoya Auto Region. I completed all of these interviews, between January and August of 1998.

Prior to my official field research, I completed 20 pre-test interviews. An English language questionnaire was tested in the Lansing (Michigan) Metropolitan Area, between November and December 1997. I pre-tested my Japanese survey instrument, in the Hiroshima Major Metropolitan Area, during May of 1998. Although smaller in size, both of these regions have connections to the auto industry.

The municipalities in which I decided to hold my official interviews, were chosen non-randomly, based upon several factors including their: 1) population size; 2) amount of manufacturing employment; 3) geographic location within the region (urban core and suburbs); and 4) historical connections to the auto industry. I did, however, attempt to create a cross-section of interview locations (i.e., both large and small municipalities, as

well as urban core and suburban localities). However, I intentionally included the 10 largest municipalities in both regions in this group.

I selected my respondents, partially, upon the advice of experienced officials in each region, and partially through my own investigations. Many good suggestions came from the contacts I made during my visits to both regions in the summer and fall of 1997. My list of potential interviews then snowballed, as interviewees often recommended other individuals to speak with. However, in some cases, I secured respondents through totally blind phone calls to the communities that I had chosen to interview. This usually entailed phone calls to several offices in the same locality, until I finally reached the appropriate person.

I also drafted my respondents based upon their job responsibilities and their length of service with their municipality. On average, those interviewed, had 20 years of experience in their municipality, with a range of experience of between five and 42 years. The majority of these interviewees had worked roughly 25 years for their respective municipality or county/prefecture. I targeted individuals with extensive experience for two reasons: 1) I expected these individuals would be the most knowledgeable about their region over time; and 2) I felt that officials with extensive service would have had more well rounded experiences than those who had been with their jurisdiction only a short time. Such experiences would also allow them to evaluate more objectively changes in their region over time. This worked fairly well as officials within their respective region, for the most part, had consistent recollections of changes in the tenor of intergovernmental relations over time.

In Nagoya, I met with an average of three officials per jurisdiction; at least two in each municipality and prefecture, and as many as five. In Detroit, on average, I interviewed two planners per jurisdiction. However, in a small number of communities, I only found one person who was appropriate to speak with, and no more than three individuals were seen in any locality.

Interviews generally took an average of two hours in Detroit, and three hours in Nagoya. The reason the interviews in Nagoya took an average of one hour longer was because I conducted them primarily in Japanese, through an interpreter. During these interviews, I would begin by asking a question, in English. The question would then be relayed to the respondents in Japanese by my interpreter. The interpreter was instructed to translate primarily important ideas conveyed to her by the interviewees. This was done, mainly for three reasons: 1) so I could “hear” and write down important points and quotes from each interview; 2) to facilitate further discussion on a topic; and 3) to help prompt me for the next or a follow-up question.

As a result, the quotes from my Japanese interviewees, that I introduce in Chapter 7 of this study, have been derived from these translations. In other words, I have not necessarily presented verbatim translations of what was said by each respondent, but rather quotations from what was translated to me, in English, by my interpreter, during each interview. However, I did make special effort to match these quotes as close as possible to the original. Since interviews in Japan were not taped, in instances when a quote was considered extremely important, I asked the interpreter to repeat what was directly said, so I could record it as a quote. This sometimes required the respondent to

repeat what they had just said, which also added time to the interviews. At other times, I instructed the interpreter to ask a follow-up question, to further clarify what was said by an interviewee. Of course, I also often asked my respondents in Detroit, who were interviewed completely in English, to repeat what they had said, when I thought it was very important.

Interview questions touched upon various subjects, but mostly focused on inter-municipal relations and the local policymaking process (such as the major actors and influences on the development). I present the major findings from these interviews primarily in Chapters 6 and 7; however, Chapters 8 and 9 have also been greatly influenced by my field research. As Rubin (1994:402) wrote in his study of economic development professionals, these findings are “not merely a tabulation of responses to an attitude scale,” but rather, the gleaning of the most important themes from hundreds of pages of interview notes. Similar to Rubin, I do not cite my respondents in this study. This is because I promised my interviewees confidentiality, in exchange for detailed answers to controversial questions, regarding intergovernmental relations and the effectiveness of state/prefectural and national development policies.

Finally, the questionnaire I utilized in both regions was a living document. While I did initially prepare a questionnaire for my interviews in Detroit, and had it translated into Japanese for my interviews in Nagoya, I often added, deleted, and reworded questions, based on their relevance and effectiveness in Detroit and in Nagoya. Moreover, which questions I chose to ask, and in what order, varied depending on the answers of each respondent. In some cases, I skipped questions, and at other times, entirely new questions

were provoked during an interview. While this sometimes presented a problem for my translator, overall, better data was collected in Nagoya than I could have ever expected.

In sum, each of my research steps– literature review, census data collection, and open-ended, face-to-face interviews with professional planners in both regions– provided me with the information I needed to answer research questions 1-3. It was only after I digested the literature, analyzed the data, and categorized my interviews, that I was able to sort out completely my final two research questions: 1) What has been the relationship among political-economic context, inter-municipal relations, and metropolitan development in these two regions?; and 2) What policies or lessons from the Nagoya Region, if any, are transferrable to the Detroit Region, and vice versa? The results of this synthesis can be found in Chapters 8 and 9.

IV. Significance of this Study

As Teune (1990:41) wrote, in viewing “the country as the engine of development,” most cross-national research since World War II has utilized the nation-state as its unit of comparison. Similarly, there is an abundance of literature that compares the U.S. Federal Regulatory State with Japan’s Unitary Developmental State. Nevertheless, few of these studies have presented their findings, after undertaking detailed case studies of specific metropolitan regions in both countries. Richard Child Hill’s (1989a, 1990a, 1996) works comparing Detroit with Toyota City and Osaka, as well as Michigan with Aichi Prefecture, are among the handful of such studies in the English language literature. As a

result, not many studies have compared how the political-economic contexts in these two countries have impacted metropolitan development.

The impacts on inter-municipal relations, of U.S.' Federal Regulatory State and Japan's Unitary Developmentalism, have also been seriously understudied in the comparative literature on these two countries. Samuels (1983), Jun & Wright (1996), and Muramatsu (1997) have been three insightful studies that have compared intergovernmental relations in the U.S. and Japan. However, even in these studies, inter-local relations have been a secondary topic. Moreover, little attention has been paid to the link between inter-municipal relations and varying degrees of uneven metropolitan development.⁶

Still, this is not only a shortcoming of the comparative literature. Generally, the research literatures on intergovernmental relations and economic development in the U.S. and Japan, have focused on national-state and central-local relations, respectively. Notwithstanding, as I stated earlier, I believe inter-municipal relations have had a significant impact on the patterns of development that come to exist in both the Detroit and Nagoya Regions.

In addition, the approach I have chosen to explore my research questions is also unique from past comparisons of the U.S. and Japan. For the most part, comparative research studies of Japan and the U.S. which have conducted interviews, have either surveyed local politicians or national level bureaucrats. Few researchers have conducted face-to-face interviews with local "non-elected" officials, or planning professionals in both countries.

As Thomas (1988, 1997b) wrote, urban planners have generally been ignored in the scholarly literature. Needleman & Needleman's (1981) *Guerrillas in the Bureaucracy* and Rubin's (1989, 1994) studies of economic development practitioners, have been among a limited number of studies whose research methodology and findings were premised on numerous open-ended interviews with urban planners. Moreover, it is highly doubtful whether anyone, to date, has done a comparative study of metropolitan regions in the U.S. and Japan, based on interviews with as many as 140 municipal and county/prefecture planning and development professionals.

So why was, or is, interviewing municipal non-elected urban planners important? First, of all, as Anderson (1960) and Wright (1988), perhaps the two most renowned scholars of U.S. intergovernmental relations argued, individuals working for governmental units have been key to intergovernmental cooperation or dissension. A second reason why I interviewed these practitioners was because I believed that, from their experiences with units of government, they could supply much insight into the relationship among political-economic contextual factors, intergovernmental relations, and metropolitan development in their region over time. A final reason was that I felt planning professionals would provide me with a different, and perhaps more objective, perspective of inter-municipal relations than could be gained through interviews with local politicians.

Finally, in Chapters 6-9 of this thesis, I clearly offer new knowledge regarding the context for metropolitan development in the U.S. and Japan. First, although variations in local governments laws within the U.S. have rarely been discussed in the comparative

literature on these two countries, such differences have impacted metropolitan development patterns a great deal. Since local government laws are determined at the state level, metropolitan regions within different parts of the U.S., have their own unique political-economic contexts. For example, Michigan's form of municipal government autonomy is quite dissimilar from that in Oregon, Florida, North Carolina, and Texas, as well as in most states. Michigan is one of the few states that has given strong home rule powers to its supposedly unincorporated areas (townships). In addition, Michigan's incorporation and annexation laws, have been much different than such laws in most other states (See Chapters 6, 8, and 9).

Despite these differences, comparisons of U.S. Federalism and Japan's Unitarianism, have inferred that all local governments in the decentralized U.S.. were the same. This is a serious shortcoming in the scholarship. When federalism is blamed for uneven development in the U.S., Metropolitan Detroit has been treated as if it were the same as Metropolitan Portland, Jacksonville, Raleigh, and Houston. Yet, the political-economic context for development in these areas have been completely different from that in Detroit. The same could be said if Detroit was compared to metropolitan New York, Philadelphia, or Boston. In fact, the political-economic context for growth in Portland, may be more similar to the context in Nagoya, than that in Detroit (see Chapter 9).

By the same token, all local governments in Japan are also not created equal. As will be discussed in Chapter 7, larger municipalities have much more authority than smaller ones. Therefore, it could be argued that the context for development in Japan's seven largest "Major Metropolitan Areas," such as Keihin, Kichanshin, and Chūkyō, has been

different from those in its four mid-sized “Metropolitan Areas”(i.e., Okayama, Kumamoto, Hamamatsu, and Kagoshima), and in its smaller urbanized areas (ex. Niigata, Kanazawa, and Matsuyama).⁷ However, due to national planning laws, contextual variations are probably smaller, and less likely in Japan, than among metropolitan regions of the U.S..

In sum, with so few studies that compare the links between inter-municipal relations and metropolitan development in the U.S. and Japan, or the connection between political-economic context and inter-municipal relations, any study that compares these relationships provides new knowledge to the research literature. I also believe the combination of elements examined in my study, provides new knowledge to scholars who are interested in urban spatial structure, the causes of uneven development, intergovernmental relations, and the impacts of national policies on metropolitan development in either country.

Chapter 1- Endnotes

1. Of course State is also capitalized when referring to the State of Michigan, and a state agency within Michigan, such as the State Boundaries Commission.
2. Muramatsu & Naschold compare Germany's federal system to Japan's Unitary system.
3. The names of all the municipalities included in the two regions can be found in Appendix A and B of this report. Initially, there were to be 158 municipalities in the Nagoya Auto Region. However, several additions and subtractions were made during the process. As a result, data was actually collected for a total of 172 local units.
4. In fact, 1969 data was actually collected in the United States through inter-library loans. I was able to xerox whatever data I needed. I did have to go to Japan to get the 1996 data, which was published in June 1998; however, I could have purchased what data I needed and had it sent to the U.S., but it would have cost about \$500.
5. Since my study examined development patterns in both regions over the past three decades, another reason why 1969 was selected was because comparable employment data was available for both regions. Employment by sector was available for all levels of government in the Nagoya Region for 1969 and in the Detroit Region at the county level.
6. Hill (1990b) does address this issue in Detroit but does not mention its connections to metropolitan development in his discussion of Japan.
7. According the *1996 Establishment and Enterprise Census of Japan*, Volume 1-1, Japan's seven "Major Metropolitan Areas," are: Chūkyō (centered on Nagoya), Hiroshima, Keihin (Tōkyō-Yokohama-Kawasaki), Kiehanshin (Ōsaka-Kyōto-Kōbe), Kitakyūshū-Fukuoka, Sapporo, and Sendai.

Chapter 2

THE STATE AND DEVELOPMENT IN THE U.S. AND JAPAN

I. Introduction

To understand the relationship between intergovernmental relations and metropolitan development in the Detroit and Nagoya Auto Regions, it is essential to first examine the State, or the national governmental context for these two phenomena in the U.S. and Japan.

II. The State and Development in the U.S. and Japan

Okimoto (1989:16) writes that “variations in State intervention can be attributed, in part, to differences in the way markets in various countries are organized, as well as differences in ideology.” This section reviews literature concerning the role of the U.S. and Japanese national governments in the development process.

II-A. The State and Development in the U.S.

According to Johnson (1982, 1987, & 1995) and Hill (1990b), in the U.S., there exists a liberal "Regulatory State," in which market mechanisms, as well as rules and

regulations, are emphasized in the development process. Johnson (1987:422-423) has stated that:

Americans have tended to believe that an efficient market would automatically elicit sufficient amounts of entrepreneurship to ensure growth... [Therefore], the function of government [has been] to regulate markets in order to ensure the achievement of efficiency– for example, by stopping entrepreneurs from creating monopolies. [However], in the American conception of the market, industrial policy can only make markets less efficient and is therefore, always to be avoided if possible.

Okimoto (1989:10) writes:

In the United States, the government operates on the assumption that it should give the market as much leeway as possible to function efficiently, free from undue interference. Only when the market malfunctions or produces unacceptable results, is it necessary for the government to step in and take action. The presumption that the market is the most efficient mechanism of resource allocation is perhaps the first and most basic commandment in the ideology of market capitalism. Of all the major capitalist countries of the world, America is probably the most strongly committed to the gospel according to Adam Smith. The fervor of this commitment runs deep, even though it is not always reflected in actual patterns of government behavior.

Kleinberg (1995) states that Americans view the appropriate role of their government as twofold: 1) to implement policy that essentially supports private interests; and 2) to develop policies that help local governments and their citizens adapt to economic, technological, and spatial change. Similarly, Gurr & King (1987:7) write, that “the prevailing American view is that the market is the primary shaper of cities and that policy intervention should aim at relieving its undesirable consequences, not at intentionally redirecting market activities.”

Finally, Noll (1991:231) states that because the U.S. has a political culture that is “wary of government control” over any important aspect of our society,

the United States does not have a coherent, comprehensive structural policy... To the extent that the government engages in long-run economic planning, it undertakes this task in the Executive Office of the President... But nowhere is there a sizeable group of people, having real authority, who make policy regarding the long-term pattern of economic development in the United States (ibid.:230).

By structural policies, Noll means,

domestic programs that are designed to subsidize or otherwise directly encourage specific industries or geographic areas. They include infrastructure investments, economic regulation, agricultural subsidies, support for research & development, and other forms of industrial policy (ibid.:230).

He goes on to say that what the U.S. government does have, “is a patchwork of policies or a mixed bag of unrelated programs...intended to fix specific problems, rather than a systematic national development plan” (ibid.:230-231).

In addition to having a liberal regulatory economy, unlike Japan, the U.S. has a decentralized, rather than a unitary, governmental system. As a result, in the U.S. Federal Regulatory system, the responsibility to plan urban and industrial growth has been primarily left to municipal governments and the private sector, especially over the past 30 years (Peterson, 1981; Bartik, 1991; Hill, 1990b & 1996; Keating, 1993; Lewis, 1996). State governments also have the power “to formulate and implement industrial strategies if [they] are so inclined” (Hill, 1991:12). However, state development efforts have primarily focused upon industrial recruitment and have seldom attempted to guide spatial development. Oregon has been one of the few states that has required its local governments to designate urban growth boundaries (Lewis, 1996).

Peterson (1981 & 1995) writes that in the U.S., national, state, and municipal economic development planning are conducted independently of one another. Within this context, American states, as well as local governments, are expected to compete against one another for employment and population. Local, rather than state or national, economic development is seen as the primary tool for municipal governments to expand their tax base, in order to provide quality urban services. Local independence leads to a good deal of cooperation among layers of government, but can also lead to conflict.

Peterson writes:

Where national policy is developmental, local and national goals will overlap and policy will be executed with a good deal of cooperation and mutual accommodation. But where the central government is pursuing a more redistributive objective, its goals are likely to conflict with those of local governments. The national interest in equity will conflict with the local interest in efficiently developing its local economy (Peterson, 1981:82).

In this situation he writes, it becomes difficult to implement national policies.

However, Lewis (1996:39) argues that although land use decisions are “primarily in the hands of local governments,” local spatial organization is “also influenced by state and national politics.” He maintains that national policy initiatives, such as the federal interstate program, have greatly impacted the spatial location of development. Moreover, he believes partisan national politics have also affected which areas were awarded urban development and redevelopment grants.

While there seems to be a general, if not complete consensus among the scholarship, that development decisions in the U.S. are primarily privatized and non-centralized, there also seems to be a fair amount of agreement that the central government’s involvement in

metropolitan development has changed over the past three decades. Between approximately 1933 and 1968, the national government actively participated in the development process. However, since that time, both the role and the perceived role of the U.S. government have changed.

Hill (1990b), Piore & Sabel (1984), Harrison & Bluestone (1988), Bowles et al. (1990), and Kleinberg (1995) have argued that beginning with the Nixon Administration in 1969, though most pronounced under Ronald Reagan, the American government has taken more of a “hands off,” free market approach to development. During this era of “New Federalism,” national government policies have advocated the deregulation of business, cuts in social spending, and the decentralization of government responsibilities. Kleinberg (1995:226) wrote:

The approach to urban issues under Ronald Reagan’s presidency at no time was based on any attempt to define specifically an urban policy. Instead that approach derived from the president’s general philosophy of government, namely, that intervention by government, (particularly the federal government), in areas of economic and social affairs is disruptive... Hence, [it] is to be avoided if at all possible... In effect, the Reagan Administration had an essentially “non-urban urban policy.” Its policy toward urban places and problems was largely indirect and implicit, determined to a great extent by the workings of non-urban policies that were considered of higher priority. Overall, the thrust of those policies was fully consistent with the administration’s philosophy of drastic reduction of direct federal involvement with urban affairs, which came to be known as a “hands-off policy towards cities.

According to Hill (1990b:35), although political ideology was a partial cause, it was “global economic change, more than anything else,” that pressured the New Federalists to realign domestic priorities. He writes that New Federalism was basically a

conservative strategy to combat the declining international position of the U.S. economy– reflected in shrinking [corporate] productivity and profit rates, and expanding flows of capital abroad–.... (ibid.:35).

Hill maintained, however, that as a consequence of this shift, the priorities of the federal government concerning national economic growth, came into direct conflict with the well-being of Urban America. Hill called this "the intergovernmental dialectic of federalism and urban policy." He wrote that the Reagan Administration promoted intense inter-regional and intra-metropolitan competition for development, in order to restore falling corporate profits to pre-1969 levels. Many other scholars have also suggested that Reagan's policies played a pivotal role in the further decline of urban areas, the growth in inequalities between central cities and suburbs, and in increased uneven metropolitan development in the U.S.¹

Albert (1993) claimed that Reagan's policies contributed greatly to the physical and social deterioration of American cities. He wrote:

The most significant outcome of Reaganite liberalism is almost certainly the widening gap between the rich and the poor. This was supposed to be the 'price worth paying' in order to 'reinvigorate' the nation (Albert, 1993:44)

Ledebur & Barnes (1992:13) stated "that federal policy since 1980, has virtually ignored core cities," and that the "link between city-suburban economic disparities and metropolitan development [has been] poorly understood" by the national government. Harrison & Bluestone (1988) and Bowles et al. (1990), have argued that Reagan's policies effectively subsidized the restoration of corporate profits by encouraging

disinvestment and downsizing in unionized areas of the northeastern and north-central U.S., including the Detroit Auto Region.

The comments of those scholars cited above, concerning the national context for (metropolitan) development in the U.S., generally seem to be consistent with what I discovered during my own research. As Peterson wrote, local, state, and national economic planning have clearly been conducted independent of one another. Local governments have been primarily responsible for their own economic development in the Detroit Auto Region. This has mainly been accomplished through the recruitment of private business, or through the creation of policies to accommodate them (i.e., the right business climate). The State of Michigan and the national government have offered some financial and policy assistance, but oversight has generally been minimal. Moreover, state and national policies have mostly left land use development planning completely to the municipal governments. Where the higher levels of government have had the greatest impact on local development, has been via their financing of infrastructure expansions (highways, water and sewer lines).

II-B. The State and Development in Japan

Over the past 20 years, there have been an abundance of theories that have tried to explain the national context for economic development in post-war Japan. Summarizing these works would produce many volumes of text. Therefore, a review of some of the more prominent interpretations seems more prudent.

The current era of Western scholarship on Japan, perhaps began with a group of studies that characterized the country's context for development as "Japan, Incorporated." First popularized in the early 1970's by Eugene Kaplan's book, *Japan: The Government-Business Relationship*, advocates of this theory have perceived "Japan as closely-knit and hierarchically ordered, with the government controlling the economy in a top-down fashion through regulation and other mechanisms" (Murakami & Rohlen, 1992:64). In other words, development in Japan has been determined by "a ruling triad of the bureaucracy, big business and the LDP" (Muramatsu & Krauss, 1987:537). Kohama (1990) writes that many non-Japanese economists have portrayed MITI as the kingpin in this triad. However, Yamazawa (1990:170) maintains that "few in Japan claim that the government played the role of prime mover, with private firms following orders in a Japan, Inc., type relationship."

A second school of thought has centered around Hugh Patrick & Henry Rosovsky's (1976a), *Asia's New Giant: How the Japanese Economy Works*. This 900-page plus, edited compilation contains chapters on almost every aspect of the Japanese economy. In their own introductory chapter, the two editors state that Japan is basically a business-oriented society, which supports a market economy with a private enterprise system. They write:

Our view is that while the government has certainly provided a favorable environment, the main impetus to growth has been private business investment demand, private saving, and industrious and skilled labor operating in market-oriented environment of relative prices. Government intervention generally has tended (and intended) to accelerate trends already put in motion by private sector forces (Patrick & Rosovsky, 1976b:47).

Another relevant chapter in that study, was Trezise & Suzuki's piece on bureaucratic governance. The authors argued that Japanese post-war politics have been as pluralist, competitive, and subject to the same checks and balances, as have other democracies. However, the economy they stated, has been governed by civil servants, rather than politicians.

Trezise & Suzuki wrote that since World War II, Japan's central bureaucracy has been concerned primarily with methods to create economic growth. They argued that the pro-growth macroeconomic monetary policies of the Ministry of Finance, the national development plans of the Economic Planning Agency, and the industrial policy of the "highly activist" Ministry of International Trade and Industry (MITI), have created the framework for development in Japan.² However, they concluded that despite the fact that "the bureaucracy has indeed had an extensive and active part in economic life," most of the "day-to-day economic decisions" have been made by the private sector (ibid.:810).

According to Friedman (1988), Trezise & Suzuki's study, along with Patrick & Rosovsky's, fall within a category of explanatory theories about Japan that can be classified as the "market regulation thesis." Anchordoguy (1988:509) writes, "the Market approach holds that traditional market forces, such as high savings rates, low labor costs, and heavy investment, have been [the] key factors" in Japan's development process. Friedman wrote that proponents of this theory have generally claimed that bureaucratic initiatives have provided "at best, a supportive environment for growth," and that the real source of Japan's economic growth has been private sector responses "to the natural market (Friedman, 1988:5). Noble (1989:58) states that, "in sharp contrast to the

Developmental State approach, the market school argues that government intervention was of minor importance.”

A third body of work has often been referred to as the “revisionist” school. These scholars subscribe to what Friedman (1988) has called the “bureaucratic regulation thesis.”

“Revisionism” refers to the observation [by scholars] that Japan has a political economy [that is] different from that of the Anglo-American countries in terms of institutions, the role of the State, and the weight of economic nationalism. Most American academic economists maintain that the Anglo-American pattern is the orthodox norm that defines capitalism; hence, Japan differs from this alleged norm, and those who point this out are said to be “revisionists” (Johnson, 1995:12).

The father of the revisionist school is said to be Chalmers Johnson, and the study most often cited among these works has been his *MITI and the Japanese Miracle*. Wilks & Wright (1991a & 1991b) stated that Johnson’s “masterpiece,” alone, shifted the Western scholarly debate regarding Japan, away from Japan, Inc.’s power triad, towards one that focused on the dominant role of Japan’s central ministries.

According to Johnson (1982:20 & 1995:10), as opposed to the “market-rational” approach of the U.S. Federal Regulatory State, Japan can be best characterized as a “plan-rational,” centralized Developmental State. In reference to Johnson’s description of the Japanese Developmental State, Hill (1990b:47) wrote:

In contrast to a U.S. style Regulatory State, which emphasizes rules and procedures, the Developmental State takes a strategic approach to the economy. Industrial policy, the promotion of the industrial structures that will enhance a nation's international competitive power, takes priority.

Hill & Fujita (1995:98) added that:

Believing in the liberal creed, U.S. officialdom equates the individual pursuit of profit with the national interest... [However, in Japan], they think that a firm's quest to maximize profits through territorial expansion, can conflict with national development objectives... [Therefore], governments must monitor and guide corporate investment decisions in the interest of workers, communities, and the State.

Johnson argued that Japan's elite bureaucracy, particularly MITI, has directed industrial policy and guided economic development throughout Japan. Administrative guidance has included declaring in what regions of Japan large companies should locate new factories, and what sectors should be targeted for financial assistance, national promotion, strict regulation, and rationalization. He wrote that, "in Japan, rationalization came increasingly to emphasize that competition among enterprises should be replaced by cooperation" (Johnson, 1982:108). This implied the lessening of economic competition, through mergers and cartels. Cartels refer to "agreements among enterprises to fix levels of production, establish prices, limit new entrants into an industry, and control marketing for a particular industry (ibid.:109).

Despite what some have written, Johnson clearly believes that Japan is a capitalist democracy and not a Socialist State. He writes:

Japan is what I call a "Capitalist Developmental State," and that is distinct from either a Socialist Developmental State, of the sort seen in formerly Leninist countries, or a Capitalist Regulatory State, as typified by the United States (Johnson, 1995:8).

He claims, for the Japanese, the function of government is to supply market incentives to the private sector to induce long-term growth (Johnson, 1987). He adds, while the

American government regulates its market economy the Japanese government develops Japan's (Johnson, 1982 & 1987).

Another recent, but important study from the revisionist school, has been Thomas Huber's *Strategic Economy in Japan*. Huber (1994) takes Johnson's thesis of bureaucratic dominance to the extreme by comparing Japan's top-down, strategically organized and planned economy to the military operations of the U.S. Armed Forces. He writes,

most of the Japanese economy, the quotidian [or the daily small business sector], is private and commercial in nature. The remainder, however, namely a quarter or so... comprising mainly techno-industrial and financial activities, appears to have been brought under a pattern of public sponsorship... Economic policy in this [strategic] sector is made rather in the same way diplomatic or military policy is made in the West, by highly motivated officials, with parliamentary and journalistic overview. Policy is devised by MITI, reviewed and accepted or not by the elected legislature, and then implemented through a complex structure of coordination supervised by MITI. Multilevel staffing and planning, running from the government above to the corporations below, are vital elements of the strategic economic system's success (Huber, 1994:143).

While generally not characterized as revisionist, Ezra Vogel's *Japan as Number 1*, has been another pioneering study which can be classified under Friedman's bureaucratic regulation thesis. Vogel stated that while the American government has developed several regulations to try and "curb the evils of business," Japan's bureaucratic elite has done everything within its power to "provide a framework that best enables business to prosper in the long run" (Vogel, 1979:65).

Vogel believes that Japanese bureaucrats have a sense of responsibility for the overall success of their economy that runs broader and deeper than America's bureaucracy. He adds that each ministry publishes one or more annual white papers to inform and instruct

the private sector about every major aspect of the Japanese economy and society, which provides them with “guidelines for future projects” (ibid.:65). He claims that:

Japanese bureaucrats, in each sphere, are expected to think through all major issues in their sphere and to develop and implement long-term plans... Constant interaction among elite bureaucrats [then] reinforces [their] concern with long-range issues (ibid.:66).

Finally, Vogel maintains that while “the government rarely subsidizes private business directly,” economic bureaucrats “are relentless in their efforts to create conditions for business that are necessary to realize [their particular ministry’s] long-term visions” for the economy (ibid.:66).

A fourth and more complex theory regarding the context for development in Japan, has been proposed by Gary Saxonhouse, Daniel Okimoto, and others. Okimoto (1989:1) writes, that Japanese national officials “do not have the same inhibitions about trespassing on the preserve of the private sector” as do their U.S. counterparts (ibid.:1). Although they consider capitalism to be the best economic system,

in the eyes of Japanese officials, the ‘pure’ market is flawed by several shortcomings: imperfect information; narrow, short-term pursuit of instrumental gain; primacy of individual company interests over collective interests; “free ride” approach to the public good; opportunistic behavior; scant spirit of cooperation; structural change and social dislocations; potential subordination to foreign commercial interest; and inattention to national goals. Although the market imparts substantial impetus to long-term economic efficiency, it offers no guarantee that broader social, political, or economic security interests will be served (ibid.12).

Hence, Japan’s bureaucracy has “never felt comfortable about letting the decentralized market run its ‘natural’ course”(ibid.:17). Rather, they believe that, to

“further the collective good, unfettered market forces need to be harnessed and guided by the visible hand of the State” (ibid.:1-2).

According to Okimoto, contrary to widely held Western stereotypes, the Japanese State does not act with the same heavy handedness as do States in planned economies. Moreover, he claims that the level of coherence, effectiveness, and farsightedness attributed to Japan’s industrial policy is often overstated. Rather, he argues that because Japan’s capital and equities markets have not been as well developed as those in the U.S., the central government “has seen both the need and the opportunity to intervene more often” (ibid.:16). Nevertheless, he believes similar to other nations, Japan’s industrial policy tends to be “an agglomeration of ad hoc responses to special circumstances and needs of miscellaneous sectors” (ibid.:5).

For example, “looking...at policy instruments used to promote the development of high technology,” Japan’s policies have been similar to those utilized in other countries (ibid.:230). He writes, “to the extent that there are perceptible differences, they lie in degree and overall mix” (ibid.:230). He maintains the same has been true for Japan’s industrial policy. He states that “the general instruments of industrial policy have been the same” in Japan as in the West. The only difference has been the “blend” (ibid.:230).

However, Okimoto says perhaps the biggest difference between the policy approaches of the Japanese and American governments is that Japan is pro-active and U.S. policy is reactive. He writes,

although Japan and the U.S. share a commitment to the market, the two differ significantly in their perceptions of what constitutes market failure. Japan draws the boundaries of market failure more broadly, including not

obvious breakdowns, like pollution, but also anticipated breakdowns and unacceptable outcomes with respect to what the government deems to lie in the public good and national interest... Tōkyō's greater disposition to act on the basis of anticipated outcomes sets it apart from Washington, which tends to deal primarily with failures *after* they have occurred. [In other words, it is] reactive... By contrast, Japan's approach is anticipatory, preventive [or pro-active]... There is a fundamental divergence in expectations and objectives and hence, in policy actions. Whereas Americans are content to let the chips fall where they may, the Japanese prefer to remove as much of the element of uncertainty as possible from the market processes (ibid.:11).

Finally, unlike Johnson & Huber, he argues that MITI has been only one of a number of important factors that have influenced the context for development in Japan. His list includes the private sector; the Liberal Democratic Party's continued dominance of the National Diet; weak labor-based, socialist parties; Japan's relatively light burden of military expenses; the country's large and homogenous population; structural features of Japanese industrial organization; and other parochial interests. He claims the fact that non-targeted industries have also been successful, demonstrates that Japan's "industrial policy emerges from a complex configuration of factors, no one of which, can possibly be singled out as decisive" (ibid.:238).

Saxonhouse (1983:270) also argues that Japanese industrial policy can be best understood as a response to market distortions, "which might result from the long absence of well-developed capital markets." He writes that despite popular rhetoric, "targeting is largely reserved for agriculture. What other high-profile government intervention does take place is best understood...as a substitute for, and not an unfair complement to, the market system allocation of capital" (ibid.:270). Intervention has been utilized to "ensure

that the concentration of capital in the country does not lead to the misallocation of resources” among its population (ibid.:270).

Similarly, McKean (1993) also believes that the Japanese government has used “regulatory interventions when needed, to produce public goods and has avoided their use when the market has done well on its own. She maintains that, “Japan does not have a strong State. Rather, the State follows when it can, coordinates when it must, and deregulates when it cannot coordinate (McKean, 1993:103). She says that the central government acts more as a conductor or referee in the development process, rather than as a composer or performer, and that business interests are far from docile in Japan. She states that the bureaucracy has not used coercive power, but rather has encouraged and coordinated competing interests to produce outcomes that benefit all of Japan and not just an elite few.

Friedman (1988:229) has labels this theory of timed intervention, the “mixed regulation thesis.” He claims that this thesis has been an attempt by some scholars to combine the features of the two most well known explanations for Japan’s success— market regulation and bureaucratic regulation— into a single argument. He writes that proponents of this theory have contended that “it has been the ability of the bureaucrats to fashion efficient Japanese responses to sectoral crises that has led to [Japan’s] industrial success” (ibid.:230). More specifically, these scholars believe that

in response to discrete stages of economic development, the Japanese [government] resorted to different combinations of market and bureaucratic regulation. As an industry matures, it has different industrial requirements; in one stage, government intervention is particularly important, in another, market regulation produces the best outcome.

[Thus], in Japan, either market or bureaucratic regulation was matched at various times to the particular need of the country's manufacturing industries.... *ibid.*:229).

However, Friedman argues, that although this theory "provides a more nuanced way of describing Japanese industrial and regulatory behavior than is possible with either [the bureaucratic or market regulation] thesis," its explanatory power is also limited (*ibid.*:229). This is because it merely imports, but does not solve, most of the problems of the other two theses, such as whether Japan's success was as a result of independent State responses to current conditions, or if government initiatives were provoked by private sector pressure to enact such measures.

Finally, Friedman states that "proponents of the mixed thesis have tended to look favorably on the bureaucratic regulation approach, and may be interpreted as enhancing the idea that the State should play a role in economic development" (*ibid.*:230).

Friedman himself, believes that Japan's development environment has been a combination of political processes that have simultaneously supported the creation of small flexible-manufacturing firms and have promoted fierce free market competition among them.

Although not necessarily revisionists or mixed regulationists, Hill (1990b, 1996), Dore (1986, 1987), Lee & Blumenthal (1990), and Allinson (1975) have also argued that corporate planning in Japan has been integrated with national and urban development policies, to a much greater extent than it has in the U.S. These scholars have claimed that Japan's central government has set development agendas and encouraged businesses to follow national policies, through the offering of financial incentives tied to performance

standards. In this manner, it was possible for the government to first implement its export-intensive development strategy in the 1960's, and then later, to protect companies from economic downturns in the 1970's and 1980's.

Finally, while Western scholarship has generally only focused on national institutions to describe the context for development in Japan, Edgington (1990 & 1996), as well as Hill (1991) and Fujita & Hill (1993 & 1995), have argued that local governments have also played an important role in the process. Edgington wrote that in addition to MITI's policies towards large companies, prefectural and municipal programs to support business have also impacted economic growth in the Nagoya Region. Fujita & Hill stated that the local development policies, such as those implemented by Toyota city, have both helped to foster small business development and promoted the creation of spatially compact industrial districts. In sum, both Edgington and Fujita & Hill believe that both "top-down," as well as "bottom-up," approaches to planning have been responsible for the Nagoya Region's economic development.

Edgington's and Fujita & Hill's assertions that prefectural and locally initiated policies have worked in concert with national policies, seem to best fit what I found during my research for this study. While Japan's central government has played the lead role in facilitating national economic development, prefectural and municipal governments have also played a key role in metropolitan development in the Nagoya Auto Region. Huber's comments about the strategic and mundane sectors of the economy also indirectly complement this theory. While large companies in the Nagoya Region have received guidance and support directly from the central government, the prefectures

and municipalities have assisted small businesses in their areas. Nonetheless, private firms have still had to fiercely compete against one another in the free market to succeed.

Lastly, as McKean has written, my research suggests metropolitan development in Japan has been conducted or guided via a combination of coordination, facilitation, and intervention/regulation. Similar to her description of the central government's role in the national context, prefectures in the Nagoya Region have played an important role in promoting the public interest at the metropolitan level. They have done this by using a blend of coordination and facilitation to coax municipal governments into cooperating in the name of balanced metropolitan development. Their role in this process will be addressed in Chapters 7-9 of this study.

In any case, Japan's development strategies produced steady economic growth from the early 1960's until around 1990. By then, the country's Gross National Product (GNP) had become the second largest in the world, and its GNP per capita the largest (Huber, 1994). Moreover, its income is presently more evenly distributed amongst its population than in all but a few countries (McKean, 1989; Aberbach et al., 1990; Woodall, 1992; Dore, 1994). This suggests that the context for development in Japan has been structured around economic growth, in order to improve the quality of life of all Japanese citizens.

In sum, the literature implies that Japan's Unitary Developmental State gives primacy to national development, and development is planned "from the top down." However, in some cases, local governments are more involved in the development process than is generally known. Prefectures have been especially active. In contrast, according to the scholarship concerning the U.S. Federal Regulatory State, market forces have had

primacy and development has basically been planned “from the bottom up.” While local governments and companies in Japan are asked to sacrifice for the good of the whole, in the U.S., the whole is expected to benefit from both the free market decisions of corporations, and local home rule.

This suggests that over the last three decades, the political-economic context for metropolitan development in the Detroit Auto Region, has been quite different than in Nagoya. However, to fully discern the relationship between national development policies and metropolitan development in these two regions, it is also necessary to understand the *State* context for intergovernmental relations in the U.S. and Japan.

III. The State and Intergovernmental Relations in the U.S. & Japan

III-A. Intergovernmental Relations: Defined and Described

According to Anderson (1960:3), intergovernmental relations represent “an important body of activities or interactions occurring between governmental units of all types and levels.” Graves (1964:22) describes them as inter-jurisdictional interactions, “each with its own practical and political considerations.” O’Toole (1985:1) writes that they are “how our many and varied American government units deal with each other...their relative roles, responsibilities, and levels of influence.” Nice (1987), as well as Morgan & Benton (1985), state that these activities can be as formal as a constitutional amendment or as informal as a telephone call.

Wright (1985, 1988) defines intergovernmental relations as the “structural, statutory, and fiscal relations of government levels” (Hamilton & Wells, 1990:13). He states that

they are what tie together the events, experiences, attitudes, and actions of politicians, bureaucrats, business, and citizens. He explains that they penetrate our entire political and administrative systems. He says they are current, and address critical public policy issues; but they have substantial historical roots that “have important consequences on how we cope with the future of such issues as education, the environment, health, transportation, welfare, and the like” (Wright, 1988:12).

Samuels (1983:xvii) writes that these linkages can help us understand how local government is embedded within the “broader political, social, economic, and administrative environments.” According to Graves,

there is little about government that is more important than the interrelationships between the several levels and units through which it operates. How well these units are working together at any given time, provides an index to how well the government, as a whole, is functioning (Graves, 1964:3-4).

Finally, Wright, and Anderson stress that:

There are no relationships among *governments*; there are only relations among *officials* who govern different units. The individual actions and attitudes of public officials are at the core of intergovernmental relations...and their actions are heavily influenced by how they perceive other participants’ actions and attitudes (Wright, 1988:17).

It is people in more or less official capacities who are the real actors in intergovernmental relations, whether they are relations of conflict or of cooperation... [They] are the real determiners of what the relations between units of governments will be. Consequently, the concept of intergovernmental relations necessarily has to be formulated largely in terms of human relations and human behavior under the conditions that prevail when different people represent the interests of different units and different functions of government (Anderson, 1960:4).

According to Benton & Morgan (1985:4), “implicit in the observations of Anderson and Wright,” is that a thorough understanding of policymaking and implementation in the American system “necessitates a focus on *persons*, the major governmental officials who control intergovernmental actions.”

Drawing from the scholarship just presented, intergovernmental relations in this report have been operationally defined as the interactions or interrelationships among public officials representing different governmental units within the U.S. and Japan. My particular focus is on those intergovernmental relations that influence metropolitan development (especially among municipalities). This includes, for example, land use and development planning, the formulation of development policies, and the implementation of these plans and policies.

Samuels (1983) stated that central-local relations in Japan, the U.S., and other countries are generally hierarchical and tutelary in nature. This means that central government ministries or agencies provide guidance, direction, and oversight in the local policymaking process. This involvement then, has a profound impact on how and what local policies are formulated and implemented. In other words, inter-municipal relations and metropolitan development in the Detroit and Nagoya Auto Regions can only fully be understood within the context of vertical governmental relations in the U.S. and Japan, respectively. As one step towards understanding this context, the next section reviews general English-language theories regarding national-state-local relations in each country.

III-B. Theories of National-State-Local Relations in the U.S.

Grodzins (1963, 1966, Grodzins & Elazar, 1974) viewed the American governmental system as “analogous to a *marble cake* of shared activities and services even though it is formally structured (like a layer cake) in three *planes*”(Elazar, 1966a:v-vi).

He argued that there were few activities that did not involve “the federal, state, and some local government in important responsibilities” (Grodzins, 1963:1-2). He maintained that both so-called local responsibilities– such as public education, police protection, public recreation, airport construction, and sewage treatment– and national activities– such as defense, foreign affairs, environmental protection, and social programs– require the participation, cooperation, and financial support of all levels of government for them to function properly. He stated that the mixture of responsibilities varied, but that the “larger point was [that] all levels of American government [were] involved in all functions” (Grodzins, 1963:3).

Similar to his mentor, Elazar (1966b) argued that political authority in the American system was dispersed among the three layers of government, whose functions and actions have been inseparably intertwined. He stated that because there was “no central government with absolute authority over the states in the unitary sense, but [rather] a strong national government coupled with strong state governments,” the most appropriate description for the American governmental system was non-centralized (Elazar, 1966b:3-4). Moreover, while every government level was involved in all governmental activities, each operated “from its own position of power, and [provided] a series of focal points for

the organization of the system” (ibid.:173). As a result, intergovernmental cooperation has been required, “in order to achieve common goals” (ibid.:3).

Wright (1985, 1988) offered three contrasting models of national, state, and local authority relations in the U.S. He states that although

these models, like most simple models, fall far short of displaying the complexities and realities of governance, [they form]...the basis for understanding the historical context of intergovernmental relations (Wright, 1988:1, 40).

Moreover, “by testing these hypotheses, we can discover which model best fits the U.S. political system, as it operates today” (Wright, 1985:58 & 1988:40).

In Wright’s coordinate-authority model, local units: 1) are completely dependent on their state governments; 2) may exercise only those powers expressly granted to them by the states; and 3) are “subject to creation and abolition at the unfettered discretion of the state” (ibid.:40; ibid.:58). However, states are autonomous from the national government, and each has its own respective sphere of influence. This model is similar to what Kincaid (1996) and others have called “dual federalism.”

Hierarchical relationships among the national, state, and local governments are the rule in Wright’s inclusive-authority model. According to this theory, authority is limited in total, and each government layer competes in a zero-sum game to enlarge its piece of the pie. States are seen as dependent on the policy decisions of the center, and local governments, as dependent on the state and national governments. In the extreme case, sub-national units are little more than administrative districts of the national government.

Similar to Grodzins' marble cake metaphor, and what Kincaid calls "cooperative federalism," in Wright's third model, overlapping-authority, the national, state, and municipal governments are interdependent and power is shared among them. Since "the power and influence of any one jurisdiction is significantly limited," authority is based on bargaining and exchange, and not on hierarchy. Bargaining involves assistance from the national or state government, in exchange for agreements from the local governments to implement projects and programs. According to Wright, this final model best describes the bulk of current intergovernmental activity in the U.S..

Kincaid (1996) argues that the U.S. has experienced three stages of federalism: dual, cooperative, and coercive federalism. He states that one major change from dual to cooperative federalism was the emergence of local governments as a third partner in federalism. However, intergovernmental relations in the U.S. dramatically changed after the inauguration of Richard Nixon in 1969. He writes since that time, the federal government has increasingly used mandates and conditions attached to funding to coerce state and local compliance. He claims that cities have suffered the most under coercive federalism, especially during the Reagan Administration. This is because "viewing federalism as a federal-state relationship, Reagan refused to accept local governments as a third partner....[demoting them] to 'junior partner'" (ibid.:40). Kincaid's descriptions of the current era of national-state-municipal relations are quite similar to what Hill (1990b) called "the intergovernmental dialectic of federalism and urban policy."

Finally, as mentioned earlier, Peterson (1981 & 1995) wrote that since national, state, and municipal economic development planning have been conducted independently of

one another, both cooperation and conflict have arisen among layers of governments. Part of the reason that conflict has occurred, has been that local governments have been expected to compete against one another for tax base. This has often produced an inefficient and inequitable distribution of resources. When the national government has tried to rectify this situation, through redistributive policies, or by requiring regional planning, national-local conflicts have resulted with those areas who have felt that they have been asked to sacrifice too much for the public good.

Hill's intergovernmental dialectic, and Peterson's discussions of inter-local and vertical intergovernmental relations, best describe vertical and horizontal intergovernmental relations in the Detroit Auto Region. First, inter-municipal relations in the region have been highly competitive. Second, any attempt to legislate equity or metropolitan planning has been viewed by local officials as a violation of their constitutional right to local autonomy (See Chapter 6). Lastly, the local, state, and federal governments have clearly become more independent of one another over the last 30 years, at least in the Detroit Auto Region. Nonetheless, Wright's model of overlapping authority clearly still applies, although as Hill and Kincaid wrote, vertical intergovernmental relations have become more competitive.

III-C. Theories of National-Prefectural-Local Relations in Japan

Muramatsu (1986:305) writes that:

The attempts of the national ministries to centralize power have been repeatedly chosen as research subjects and critically discussed by Japanese political scientists. However, the strategies localities have adopted vis-à-

vis the center, have rarely been studied. This imbalance has given central-local relations an image of “vertical control” by the national bureaucracy.

According to Samuels (1983) and Muramatsu (1975, 1986 & 1997), the vertical administrative control model derives from the conventional assumptions among scholars that Japanese society is vertically stratified, and its governmental system is highly centralized.

Muramatsu (1986:307) states that there are four major components to the theory of vertical control. First, major policies are initiated by central government bureaucrats, and politicians are not considered influential. Second, it is assumed that sub-national governments are to remain obedient to their superior government. Third, when it comes to financial resources and policymaking wherewithal, local governments are totally dependent on help from above. Prefectures are also seen as partners of the central government, rather than their municipalities, and are expected to guide and supervise municipalities to ensure that they implement national policies. Finally, central administrative control has been maintained through “vertical compartmentalization” (ibid.:306), “bureaucratic sectionalism” (van Wolferen, 1989:116), or what Samuels (1983:245) called “sectional centralism.”

Similar to what Nice (1987, 1998) and Nice & Fredericksen (1995) described as picket fence federalism, these terms all represent the idea that vertical ties among functional specialists are stronger than horizontal ties within the same layer of government. In Japan, this translates into a particular functional ministry of the central government having exclusive domain over its corresponding functional prefectural

government bureau. Control is then extended down to the municipal department.

According to Samuels (1983), Muramatsu, (1986, 1997), and Campbell (1989), proponents of this theory claim that Japan's fragmented central government, which is characterized by weak inter-ministry coordination, allows vertical control/sectionalism to flourish.

Steiner's (1965) analysis of intergovernmental relations in Japan best fits this theoretical description. In sum, he believed that even after post-war reforms to Japan's local government laws, prefectures and municipalities continued to have limited authority and influence on central policymaking. He argued that the various functional ministries have used legal and non-legal controls to maintain Japan's highly centralized government system. Legal controls included rigid national laws, strict limits on local financial powers, and central government agency delegated functions.³ Informal, non-legal controls included administrative guidance and supervision, a tradition of hierarchy, and peer pressure to conform from other local governments. According to Steiner, the last factor made it very difficult for local executives to disregard calls for action coming from the central government. This was because, in addition to falling into disfavor with the center, disobedience, he claimed, also resulted in censure from the prefectural governor, and from other municipalities who feared they would also be punished for the transgressions of other local leaders.

In contrast to Steiner, Reed (1982, 1986) and Samuels (1983) asserted that prefectural and municipal governments in Japan have had more influence on national policies than is commonly known. However, Reed wrote that what was key was not how much authority

local units have, but rather their effectiveness. He believed that prefectures and municipalities have had enough autonomy to both function efficiently, effectively, and democratically. He claimed that authority in Japan: 1) has not been necessarily equivalent to influence; 2) has been distributed as a result of bargaining; and 3) has not been “a major determinant of the overall bargain” (Reed, 1986:146). He stated that what has been more important has been slack or flexible resources. Prefectures with the largest budgets generally have had the most flexibility to institute their own projects, and therefore, also have had the most influence in the policymaking process.

Finally, Reed argued the single, most important factor in intergovernmental relations in Japan was not bureaucratic control, but politics. He believed that politics have continued to have a significant impact on the substance of local and national policy. Nevertheless, he wrote, “the position backed by the stronger technical arguments has a definite advantage” (ibid.:151).

According to Muramatsu (1997), Iwasaki (1985) developed another useful, but incomplete framework for comparing local government systems in decentralized nation-states. He writes that her thesis contains three typologies. Her first model, political decentralization, characterizes the government systems of federalist states as in the U.S. In these nation-states, the division of powers among governmental layers is non-hierarchical, and local governments are enabled with a high degree of financial and administrative autonomy. Her second model, deconcentration, represents the other extreme. Here, local governments are financially dependent on the national government, and authority is delegated to them only at the center’s discretion. According to

Muramatsu, France fits Iwasaki's deconcentration model. In her third model, administrative decentralization, authority is hierarchical, but unlike the deconcentration model, the center grants local governments partial financial, political, and structural autonomy from the center.

Muramatsu writes that this final model basically depicts the division of administrative authority in Japan. However, he believes, like most other theories of intergovernmental relations in Japan, Iwasaki's schemata ignore the influence of political factors.⁴ He writes that, since the late 1960's, there has been an increasing pluralization of policymaking in Japan. In particular, this change includes: 1) the simultaneous rise in influence of politicians (particularly National Diet members, prefectural governors, and big city mayors) and citizen groups in the national policymaking process; coupled with 2) a "relative decline in the power of the central bureaucracy" (Muramatsu, 1986:303). Since politics now play a greater role in policymaking than ever before, he incorporates them into his own model of intergovernmental relations.

In his lateral competition model of central-local relations, or as he later calls it, the horizontal political competition model (Muramatsu, 1986 & 1997), he argues that the three layers of governments in Japan are now interdependent, and that intergovernmental relations primarily involve and require cooperation among layers. He calls his model horizontal political competition, because competition among local areas of similar size, status, and wealth "stand out," and "because this competitive process is based on elections" (ibid.:51).

However, the interrelationships among local governments that he discusses are as much cooperative as they are competitive. Competition consists of local units constantly trying to outdo one another, to create innovative policies and programs that not only help their own local residents, but also to set the standard for others, even the central government, to copy. It almost seems more appropriate to describe his model as lateral competition marked by cooperation, because it highlights the positive and open exchanges of information, and the dissemination of policy standards and techniques that take place among neighboring local governments in Japan.

In sum, Muramatsu asserts that intergovernmental politics in Japan, now more closely resembles Grodzins' 'marble cake' "of complicated relations among governments, in which intergovernmental political connections and coalitions are often more important than the simple administrative lines of authority" (Muramatsu, 1986:321). Although he believes that due to functional centralism, Japan, administratively, remains an example of Wright's inclusive authority model, overall, he maintains that like the U.S., the country's governmental system behaves more like Wright's model of overlapping authority (Muramatsu, 1997).

My research suggests that Muramatsu's arguments are primarily on target, but there are a few notable exceptions. First, some prefectural and municipal governments in the Nagoya Auto Region have a fair amount of responsibility and authority, but many do not. This all depends on their size and wealth (See Chapter 7). Second, his lateral or horizontal competition model does match inter-regional relations between municipalities and prefectures in the Nagoya Region and other parts of Japan. These relations are

generally competitive, but they also have cooperative tendencies. However, inter-municipal relations within metropolitan areas can be best described by the term “horizontal cooperation” or “lateral interdependence,” as these interactions are mostly cooperative, though there is some competition (Again, See Chapter 7).

Third, vertical intergovernmental relations in the Nagoya Region are cooperative, but as Muramatsu stated, overall, Iwasaki’s description of administrative decentralization still seems to apply to these relations. On the other hand, these relations also remain marked by sectional centralism. The majority of local governments still directly interact only with their appropriate functional prefectural bureau. This prefectural bureau then interacts most often with its functional central ministry. A lack of coordination among central ministries still creates implementation problems for prefectures. Similarly, municipalities have difficulties as a result of prefectural inter-bureau problems.

Nevertheless, the prefectures in the Nagoya Auto Region seem to be fairly good at coordinating their efforts (See Chapters 7 and 8). Moreover, as Reed wrote, they also appear to operate effectively and democratically, as their approach seems to be comprehensive, long-range in nature, and to consider the interests of the entire prefecture first and foremost.

IV. Conclusions From the Literature Review: Important Points For Comparison

What can be gleaned from the previous literature review is that, to fully understand the relationship among political-economic context, inter-municipal relations, and metropolitan development in the Detroit and Nagoya Auto Region, requires a comparison

of the following institutional factors or influences. The factors are: 1) governmental systems or structures, including local government laws/autonomy; 2) national development policies; 3) structural support for intergovernmental relations; and 4) structural support for metropolitan planning. Such a comparison is conducted in Chapter 8 of this study.

Nevertheless, before this analysis can presented, it is essential to review metropolitan development trends and intergovernmental relations within the Detroit and Nagoya Auto Regions over the last three decades.

Chapter 2-Endnotes

1. For some discussions of these connections, see Hill (1983b, 1984c, 1990b, 1996), Darden et al. (1987), Piore & Sabel (1984), Smith (1988), Harrison & Bluestone (1988), Bowles et al. (1990), and Kleinberg (1995).
- 2 The National Land Agency is now responsible for drafting Japan's National Development Plan.
3. Steiner estimated that as much as 80% of a municipality's and a prefecture's activities involved assigned functions.
- 4 Reed also believed that theories of intergovernmental relations in Japan have ignored political factors.

Chapter 3

THE DETROIT AUTO REGION

I. Introduction: The Region as a Unit of Analysis

Jane Jacobs (1969, 1984) wrote that the “City” was the fundamental unit of analysis for understanding economic development. The “City” has also often been the unit for many studies about uneven development. Logan & Molotch (1987) believed that while state, national, and international influences were important, it was intra-city power relations (i.e., conflicts over growth) that were central to the economic and spatial organizations of cities. However, Peterson (1981) maintained that while local political alliances did impact city development, the city must be understood in its larger context. Lewis (1996) argued that any institutional analysis of urban development requires comparisons among actors within metropolitan regions.

In addition, as Marshall (1919) wrote, while large cities have often been incubators for the development phase of many industries, industrial maturation has often taken place in clusters of adjacent towns engaging in complementary work. This has especially been true of the U.S. automobile industry. In its beginnings, the industry was concentrated in the City of Detroit, but as it matured prior to World War II, it spread to a cluster of

municipalities adjacent to Detroit: Dearborn, Highland Park, and Hamtramck (Hurley, 1959). Then, after World War II, it dispersed across metropolitan Detroit (Darden et al., 1987).

The same has been true of the Japanese automobile industry, although to a lesser extent. In their comparisons of the U.S. and Japanese auto industry, Fujita & Hill (1989 & 1995) and Hill (1989a & 1989b) wrote that the Japanese auto production system resulted in much less spatial dispersion than the U.S. auto production system. However, even in Toyotaism, which they call “the most spatially concentrated” production system in the world, as the company grew, parent and supplier companies became located within a cluster of municipalities in metropolitan Nagoya, rather than in just one city.¹

This and other literature suggest that economic and spatial organization in the U.S. and Japan, especially in auto production regions, can be best understood by comparing relationships among municipalities within the same metropolitan area, rather than central cities. The rapid post-war suburbanization in the U.S. and the metropolitan expansion in Japan, lends further credence to the argument that the metropolitan region (i.e., an agglomeration of inter-connected cities and towns) is the most appropriate unit of analysis for comparisons of urban development in the U.S. and Japan (Detroit and Nagoya). Or as David Rusk (1993:5) wrote, “the real city is the total metropolitan area—city and suburb.”

II. The Historical Development of the Detroit Auto Region: 1701 to 1969 ²

II-A. The Beginning of an Auto Region: 1701-1900

In 1701... Antoine de la Mothe Cadillac established a stockade community, Fort Pontchartain, at 'la place du détroit', the strait...[He] located the fort on the one high stretch of land along the Detroit River's eighteen-mile course...Who held the Detroit River could control the vast area about the upper Great Lakes. For though the river is little more than a half-mile wide...it is the outlet for the waters of Lake Superior, Lake Michigan, and Lake Huron, and links those inland seas with the lower lakes, Erie and Ontario, and thence with the St. Lawrence (Green, 1965:193-194).

Around Cadillac's fort, the French explorers built houses and stores to accommodate traders (ibid.) "Within a decade, the settlement had become one of the most important inland trading posts on the continent" (ibid.:195)

By 1750, adjacent lands were being farmed by French settlers and Detroit had some 1,000 inhabitants. In 1763, when New France was conquered by the British, most of the French settlers remained in the area. The British held the city until the mid-1790's, even after the Continental Congress had ratified the Northwest Ordinance in 1787. In 1802, the Town of Detroit was chartered, three years before the Territory of Michigan was subdivided in 1805 (ibid.). After a fire destroyed much of the town in the summer of 1805, Michigan's Territorial Governor rescinded Detroit's charter, and rebuilt the city based on the guidelines of Judge Augustus Woodward; he promptly named one of the town's two main corridors after himself (ibid.)

By 1806, Detroit had become a city. However, as the territorial capital, it remained basically under the control of the territorial Governor and judges until 1824, when its first Common Council was elected. As the state's eastern port, the city began to grow in the

late 1820's, after the opening of the Erie Canal in 1825. By 1840, the city's population had surpassed 9,000. Thereafter, the city began to experience rapid growth.

From 1837, when Michigan was granted statehood until 1847, Detroit was its capital. After the capital was transferred to Lansing, Detroit remained the state's chief commercial center. Surprisingly, the city's chief export at that time was flour (Jacobs, 1969). However, within close proximity to these flour mills were numerous small shops which specialized in repairing mill machinery and producing new parts. In addition, "along the waterfront were small shipyards where passenger ships and ships for the flour trade were built to cross the Lakes" (ibid.:123).

During this time, Detroit was becoming a manufacturing center, producing steel, metal castings, and other food products in addition to flour (Hill, 1983a). Copper and iron discoveries in Michigan's Upper Peninsula, which prompted the construction of the Sault Ste. Marie shipping canal in 1855, induced more commercial activity in the city. The 'Soo' canal connected Lake Superior to Lake Huron, and with its completion, ships heading east to other manufacturing centers began to dock more frequently in Detroit's harbors (Green, 1965). Jacobs (1969:123-124) wrote:

Detroit shipyards were among the first in the world to build steamships... as the export work of the shipyards grew, the yards supported a growing collection of engine manufactures and parts makers, as well as suppliers of other fittings and materials for ships. By the 1860s, marine engines themselves were a major Detroit export...While the engine business was growing, it was supporting a growing collection of its own suppliers: shops that made parts and tools, others that supplied copper alloys, made from local ores, to shops where brass valves and to bits of engine brightwork were manufactured. The refineries...became so successful that between about 1860 and 1880 copper was Detroit's largest export.

As commerce grew, so did the city's population. Between 1860 and 1880 the number of city residents more than doubled. By the first U.S. Census in 1890, Detroit had swelled to more than 200,000 residents, and by the turn of the century, over 285,000 lived within the city's limits (Green, 1965).³ However, during this period, the city's employment mix shifted from exporting primary goods to producing secondary goods. Jacobs added,

In about 1880, the local ores ran out... the refineries... closed down and their proprietors built new plants in the mountain states near new mines... The loss of the copper business was not an economic disaster for Detroit because... by 1880, [it] had produced so many exports— paints, varnishes, steam generators, pumps, lubricating systems, tools, store fixtures, stoves, medicines, furniture, leather for upholstery, sporting goods— that they soon more than compensated for the loss of refineries. This was the prosperous diversifying economy from which the automobile industry emerged two decades later (ibid.:124).

The “iron and steel industries formed the city's industrial core in the 1880's. Detroit [also] had the largest railroad car and wheel factory in the nation” (Thomas, 1992:25). In 1889, Ransom Olds launched Detroit's first successful automobile assembly company. Olds looked to the city's bustling marine and metalworking industries for many of his parts. For his new car's transmission, he contracted with Henry Leland, a “precision machinist and maker of marine engines” (Green, 1965:201). To make his engines, he hired the Dodge Brothers, who had learned their trade “working in their father's machine shop” (ibid.:201).

According to Hurley (1959:1), the development of Detroit as an auto industry city was “a classic instance of how historical accident and socio-economic factors combine to determine industrial sites.” The city was

equidistant between both coasts and advantageously situated for shipment of parts to regional assembly plants in any part of the nation...Besides, the iron ore resources of the Lake Superior region, [the city was in close proximity] of steel centers such as the Chicago-Gary [and] Pittsburgh-Cleveland area[s], not to mention Akron's rubber supplies and the area's rail and water transport facilities...The early phase of [automobile] parts manufacture and primary assembling is...distinctly materials-oriented and labor-oriented, and as such, seeks out urban locations near basic suppliers and pools of semi-skilled and skilled workers... [All of these elements were] locational factors of great moment [for Detroit] (ibid.:4).

II-B. The Auto Industry Drives Urban and Regional Growth: 1900-1953

By 1900, “a pool of skilled workers had gravitated to Detroit to work for industries producing ships, freight cars, pharmaceuticals, paints, farm tools, and stoves” (Hill, 1983a:83). As a result, “the framework for rapid industrial growth was in place” (ibid.:83). Shortly thereafter, in 1902, Henry Leland formed his own auto company, Cadillac. In 1903, the Packard Motor Company moved its operations from Warren, Ohio to Detroit, to take part in the industry’s growth (Packard, 1999). By 1908, “20 companies were turning out cars,” and Detroit had established itself as the “country’s automobile center” (Green, 1965:203).

Later that same year, Olds Motor Company merged with Buick Motor Company to form General Motors (GM), headquartered in Detroit (GM, 1999b). Founded by David Buick in 1899, and run by William C. Durant since 1904, “a prominent carriage maker in Flint, Michigan,” Buick Motor had become the largest automobile producer in the U.S. in 1908 (GM, 1999a; Chandler, 1977:459, 1990). After the formation of GM, Durant gained

control of a number of other enterprises “producing and distributing cars, trucks, parts, and accessories” (Chandler, 1977:459).

In 1909, Durant purchased the Oakland Motor Car Company, based in the City of Pontiac (GM, 1999c; Bloomfield, 1978; MSPO, 1995b). “One Oakland model, the Pontiac, later became so famous for its hill climbing ability that the division was renamed for it” (GM, 1999c). He then acquired Cadillac in 1909 (Green, 1965; Bloomfield, 1978; GM, 1999c). However,

As car sales fell off in 1910 and 18 established auto makers went out of business, GM had to sell off some of its companies at a loss, and Durant was forced out. He promptly founded another company... [with] a former Buick racing driver, Swiss-born Louis Chevrolet, as his designer. By 1916, Durant was able to trade Chevrolet for a majority share of GM stock, putting himself back in the driver's seat at the company he had founded (GM, 1999c).

With Buick’s and Oakland’s success, the auto industry was also flourishing in Flint and Pontiac.

Within decades, Flint [had] changed from a small carriage manufacturing and agricultural city to a large industrial center specializing in automobile and auto parts manufacturing. Particular with the first World War, an industrial expansion took place that literally mushroomed the city’s population. Between 1910 and 1920, the population of the Flint rose from 38,550 to 91,599— an increase of 138 percent. In the meantime, the population of Genesee County as a whole rose from 64,455 to 125,668. Throughout the twenties this trend continued. Flint reached a peak of 156,492 in 1930 and the county numbered 211,641 persons in that year (Firey, 1946:8-9).

Flint, a lumber and carriage town in the past, increased twelve-fold in population from 1900 to 1930, chiefly as a result of the [GM’s] Buick, Chevrolet, A.C. Spark Plug, and Fisher Body Plants (MSPO, 1995b:3.7).⁴

Through the creation of General Motors, Buick and Flint had become connected to Detroit. With GM's purchase of Oakland Motor, the Big Three's region began its expansion northwest through Pontiac city, in Oakland County, to Genesee County (Green, 1965). GM's Buick Division also spawned another major car company in Detroit.

In 1912, Walter Chrysler became manager of GM's Buick factory in Flint (Levin, 1995). By 1919, he was head of the company's Buick division (*ibid.*). However, clashes with William C. Durant pushed Chrysler to quit GM in 1920. After he left GM, Chrysler was asked to go to New Jersey to try and save the struggling automaker Willys-Overland. "Simultaneously, he was assisting bankers in untangling the finances and operations of the Maxwell Motor Company in Detroit" (*ibid.*:8). By the fall of 1924, Maxwell, who had been building cars at their Jefferson Avenue Chalmers Plant, was almost bankrupt (Levin, 1995; French, 1999).⁵ Shortly thereafter, Chrysler incorporated the Chrysler Motor Company and "took over Maxwell Motors in 1925" (Levin, 1995:9). By 1928, he had acquired the Hamtramck and Detroit assembly and parts production plants of the late Dodge Brothers (Chandler, 1990; Levin, 1995; Bloomfield, 1978).⁶ Soon after, he began building Plymouths in Detroit (Levin, 1995).

However, it was the actions of Henry Leland's former chief engineer, Henry Ford, that were the real spark behind the emergence of the auto industry, the City of Detroit, and the Detroit Region. When Ford formed his own motor company in 1903, he began his operations by converting an old wagon shop on Mack Avenue in Detroit. He later moved to a larger building in Detroit's New Center area— the Ford Piquette Plant— at the corner of Piquette and Beaubien Streets (Ford, 1998). In the beginning, Ford built his cars and

his business through Detroit area connections. He bought all the items he needed to assemble his first car from various suppliers in the city. Like Olds, he had purchased his transmissions from the Dodge Brothers. The Dodge later expanded to make engines for Ford (Jacobs, 1969).

However, after a disagreement with Ford over the price of their parts, the Dodge Brothers decided to build their own automobile plant in the German-American farming community of Hamtramck in 1914 (Hamtramck city, 1997; French, 1999). The opening of the Dodge Main Plant brought Polish laborers in large numbers to the village for jobs. Between 1910 and 1920, Hamtramck's population grew from 3,589 to 46,615, which was the highest proportional growth of any municipality in the U.S. during that period (Hamtramck city, 1997). While Polish laborers clustered in Hamtramck, Ford's plant attracted workers from all over the world.

By 1910, the auto age had affected every facet of industrial Detroit, transforming and increasing its population and revolutionizing its cultural and political character. Automobile production, and the magic and myth of Henry Ford attracted workers from other industrial areas, both in and outside the state. Yugoslavs, Finns, and Lithuanians who had worked in the copper mines and lumber camps of Michigan's Upper Peninsula, flocked to Detroit in 1914 in pursuit of higher wages in the auto industry. Ukrainians and other Slavic Russians left the cold damp, and dangerous coal mining pits of New York and Pennsylvania...for Detroit's auto factories. Sicilians, Poles, Bulgarians and Macedonian all were drawn into Detroit's boom industry... By 1915, Henry Ford's promise of five dollars a day [had also drawn] a large influx of Black laborers from the south to Detroit...The automobile pushed Detroit ahead in the population race among industrial cities. In 1900, Detroit was the 13th largest city in the nation... By 1920 she [had] soared to fourth... In 1910, Detroit ranked sixth in plants, sixth in wage earners, and sixth in value of products. Ten years later, [the city] ranked fourth in all these categories (Thomas, 1992:24-26).

When the millionth Model T rolled out of Highland Park in 1915, it changed the world. The product of Ford's invention of the moving assembly line in 1913, it heralded the most luxuriant flowering of the Industrial Age...Detroit in 1915 was a boomtown more raucous even than Houston in the 1970's (Garreau, 1988:104)

The year 1910 was also a turning point in the spatial development of Detroit and the auto industry. By that time, Ford had opened a new plant and moved his Model T production to the neighboring Village of Highland Park. The move to Highland Park signaled the start of Ford's shift away from Detroit. By 1918, the village had incorporated into a home-rule city, protecting its boundaries from annexation into the City of Detroit.

While Detroit had become a boomtown because of Ford's promise of high wages, surpassing one million residents in the early 1920's, Ford himself had plans for a city of his own. The move to Highland Park proved to be only temporary. Just five years after the millionth Model T had rolled off Ford's Highland Park assembly line, Ford's "Industrial Colossus" the Rouge Plant was opened in the Village of Dearborn (Nevins & Hill, 1957). In 1921, "Ford Motor Company accounted for 55.7% of the passenger cars produced in the United States," and Henry Ford spent much of it on expanding The Rouge complex (Chandler, 1990:205)⁷. By 1924, "The Rouge" had its own steel mill, equipped with blast furnaces and foundries, and "was the chief reception depot for coal, iron ore, and lumber used in the company's manufacturing" (Nevins & Hill, 1957:279). Its furnaces and foundries supplied most of the iron, brass, steel, and bronze castings used by all of Ford's factories (ibid.). Henry Ford had planned for this moment as well. Over time, he had slowly weaned the company away from its Detroit suppliers by integrating

the production of parts, accessories, and replacement parts into his Highland Park complex (Chandler, 1990).

Starting in 1924 and 1925, he began to transfer large groups of workers from the Highland Park Plant to The Rouge. The Highland Park Plant's hourly employment had peaked at 63,168 in 1923. However, by 1930, there were less than 4,000 workers at the plant (Nevins & Hill, 1957:687). Meanwhile, The Rouge was becoming an industrial city of its own, employing almost 100,000 hourly workers by 1929 (ibid.:687).

As the final piece to the puzzle, Ford Motor built scores of residential districts in the City of Fordson, just west and north of The Rouge, to house the plant's factory workers (ibid.). The end product of Ford's plan occurred in 1927, when the City of Fordson and the Village of Dearborn were merged, to form the City of Dearborn (still home to Ford Motor Company). Only ten years after The Rouge had opened in 1920, Dearborn's population had grown from less than 2,500 to over 50,000 in 1930. While this was no Detroit boom, it was the beginning of the suburbanization of both Ford Motor Company and its workers.

On the other hand, the City of Highland Park was greatly affected by Ford's move to Dearborn. When Ford constructed its first building in Highland Park in 1909, the City had barely 1,000 people (City of Highland Park, 1918). However, by 1920, it had surged to over 46,000, and peaked at slightly under 53,000 in 1930. Thanks to Dodge, its neighbor Hamtramck, had followed almost the exact same growth path. The city's population also reached its apex in 1930, at just over 56,000. Although both cities temporarily stabilized

with the help of Chrysler Motor plants, after Ford shifted his car production completely from Highland Park to Dearborn, both cities' populations began steady 60-year declines.⁸

As for the City of Detroit, it continued to grow both in population and geographic size as a result of the automobile industry. Between 1900 and 1927, the city limits had expanded from 23 square miles to 139 square miles, placing its borders completely around the small cities of Highland Park and Hamtramck (MSPO, 1995b:3.7). By 1930, Detroit's population had reached 1.6 million.

The 1930's, however, proved to be a difficult time for Detroit, the auto industry and its other auto cities. From 1910 to 1930, Pontiac's population had grown from 14,532 to 64,928. However, over the next ten years, it rose by less than 1,700 people. On the other hand, Flint, which had soared from 38,550 to 156,492 between 1910 and 1930, actually saw its population decline by almost 5,000 from 1930 to 1940. As for Detroit, after picking up over half-a-million between 1920 and 1930, the city grew by only 54,790 from 1930 to 1940.

In addition, the depression of the early 1930's had resulted in massive layoffs which sparked constant labor-management conflicts in the auto industry. "The critical year was 1937" (Green, 1965:209).

The Great Depression catalyzed the growth of unions, which became a legitimate part of the auto industry when President Roosevelt pressured GM into bargaining with the United Auto Workers (UAW) and the Congress of Industrial Organizations (CIO) to end the Great Sit-Down Strike of 1936-37 in Flint" (Gilman, 1997:186).

The unions' victory in Flint inspired similar strikes at Chrysler in Detroit in 1939. From this point on, labor-management disputes became a permanent fixture in the U.S.

auto industry. In later years, these disputes greatly influenced the amount of new industrial development that occurred in both Flint and Detroit.

In the early 1940's, World War II brought scores of new residents to the region. To work in the war plants, especially Ford's Willow Run Bomber Plant, hundreds of thousands of southern Whites and Blacks came pouring into the region (Green, 1965; Kidder, 1995). Willow Run was constructed roughly 40 miles west of downtown Detroit on the Wayne County/Washtenaw County lines. "To connect Detroit to the factory, a four-lane divided expressway under construction between Detroit and Chicago was routed to the Willow Run factory...The highway [was] later to become a portion of the Interstate Highway System, I-94" (Kidder, 1995:166-167, also see Mowitz & Wright, 1962). Completed in 1942, this highway greatly increased the flow of traffic between Detroit and the factory. Ypsilanti city already was the site of some auto-related supplier plants, and nearby Ypsilanti and Van Buren townships were the home of Ford family farms. Yet, it wasn't until World War II, that the auto production region had fully expanded west to Washtenaw County (*ibid.*).

At its peak in 1943, the Willow Run Bomber Plant employed over 42,000 people, but very few poor southern residents were fully accepted by Ypsilanti city's established community. Inter-sectional biases and socio-economic class divided the city and the township. These differences fueled political conflicts between Ypsilanti city and Ypsilanti township for decades to come (see Chapter 6).

In Detroit, the war efforts led to greater overcrowding in many of the city's older residential areas. Conditions were especially poor for the city's Black population, whose

demands for housing were shunned by the White community. Competition over war-related jobs, exacerbated by a UAW strike at Ford in 1941, further exacerbated racial differences (Thomas, 1992; Thomas, 1997b). These conflicts came to a head in 1943, when an angry mob of Whites attacked a group of Blacks setting off an inter-racial riot.

Inter-racial tensions and racism provoked further White flight out of the city. Many of the blue collar workers who left the city moved to all White suburbs just outside Detroit's corporate limits— including Warren, Southfield, and Dearborn townships, and the cities of Royal Oak, Lincoln Park, East Detroit, and Dearborn. The last of these communities had a Mayor who ran on a platform of overt bigotry (Darden, et al., 1987). The wealthiest of these Whites moved to Grosse Pointe township and the City of Ann Arbor (Green, 1965). All of these areas gained more than 10,000 residents between 1940 and 1950 (Alchin, 1973).⁹ However, this was just a prelude to the rapid suburbanization that was to occur in the decades after World War II.

II-C. The Auto Industry Matures and Decentralizes: 1950-1969

In the mid-1950's, the City of Detroit's population peaked at 1.91 million inhabitants (Mowitz & Wright, 1962:81). However, the area outside the city was expanding at a much more rapid rate. A first ring of suburban cities had developed south and west of the city in Wayne County; to the north in Macomb County; and northwest of the city in Oakland County. By the late 1950's, Detroit's boundaries were almost completely blocked by a plethora of home rule cities that had incorporated in the late 1940's and 1950's.

Between 1950 and 1970, the population of the five counties of Wayne, Oakland, Macomb, Washtenaw and Genesee County, grew by roughly 1.46 million people: from 3.42 million to 4.88 million. However, while the five counties combined grew by 42.74%, the city of Detroit's population dropped by 18.28% (338,086), to 1.51 million. This represented a decline of almost 400,000 from its peak in the 1950's.

On the other hand, suburban Wayne County grew by approximately 573,000 people. The cities of Livonia, Dearborn Heights, Westland, and Taylor, as well as Redford township, all just minutes west of Detroit, each added more than 50,000 new residents between 1950 and 1970. Moreover, all but Redford incorporated as home-rule cities during this period.

Macomb County's population rose by over 441,000 during the twenty-year period. The City of Warren alone, netted over one-third of this increase, with another 68,000 going to St. Clair Shores, another 55,000 to Sterling Heights, and roughly 70,000 to the cities of Roseville and East Detroit combined. All of these cities, except Sterling Heights, were adjacent to, or within 2 miles of Detroit's northern borders. All but East Detroit had incorporated as a home rule city between 1950 and 1970.¹⁰

Oakland County's increase of almost 512,000 was the largest of any county in the State of Michigan during the two decades. Despite this rapid growth, the county's central city, Pontiac, gained fewer than 12,000 residents. On the other hand, eight municipalities, led by the City of Southfield, saw their populations rise by more than 25,000 from 1950 to 1970. Much of this growth was provoked by the construction of Northland Shopping Center in the then Southfield township, in March 1954 (Southfield city, 1983; Mowitz &

Wright, 1962). Dubbed the nation's "first regional shopping mall," Northland's opening signaled both the beginning of the end of retail development in downtown Detroit, and the creation of what would become the new locus of employment in the metropolitan region. In addition, as was the case with Wayne and Macomb County communities mentioned above, the populations of these eight Oakland municipalities were almost completely White, as of 1970.

Washtenaw County grew by just under 100,000 persons between 1950 and 1970 with slightly more than half of this accounted for by the City of Ann Arbor. Genesee County added over 174,000 residents, with 30,000 of these going to Flint city. However, after 1960, when Flint's population peaked at 196,940, the city began to steadily decline.

World War II had led to many government contracts for the Big Three automakers. These contracts served as "catalytic" agents to both the auto industry's expansion and in its spatial dispersion in and outside the Detroit Region (Hurley, 1959:9). This had much to do with the region's decentralization. As a result, a rapid decline in total and manufacturing employment took place in the five-county area between 1953 and 1962.¹¹

After 1962, area-wide employment rebounded. However, manufacturing employment never again reached its 1953 totals. In addition, while suburban areas saw increases in manufacturing employment between 1953 and 1969, Detroit and Wayne County suffered as a result of the suburbanization of manufacturing. During this period, Wayne County lost in excess of 235,000 manufacturing jobs (146,000 in Motor Vehicles and Equipment or SIC 371) and 124,000 in total employment.¹² Conversely, the four other metro Detroit auto-related counties combined to gain over 300,000 in employment, and more than

123,000 manufacturing jobs between 1953 and 1969 (43,000 in SIC 371). Nearly half of this expansion occurred in Oakland County alone (one-third of all SIC 371).

Federal urban and industrial policy also helped to fuel the decentralization of employment and population. Government programs and policies, such as the Federal Housing Administration (FHA) Loan Program and the National Highway Act of 1956, made suburban housing easily accessible to many middle class White families.

Residential growth then encouraged the development of countless regional shopping malls. On the other hand, many of these policies also discouraged inner city investment, cleared housing units that were never replaced, and promoted racial segregation. This, combined with housing discrimination produced a high degree of racial and occupational place stratification within each of the five-counties (Darden et al., 1987; Hill, 1984a; Thomas, 1997b).

The National Industrial Dispersion Program of 1951 promoted the auto industry's dispersion by offering accelerated tax amortization on capital machinery as part of the U.S. Defense Department's plan to encourage new plant construction outside of potential Soviet nuclear target zones (Hurley, 1959; Darden et al., 1987; Thomas:1990). According to Darden et al. (1987:16) and (Hill, 1983a:88), "between 1947 and 1955, the Big Three constructed some 20 new plants in suburban Detroit." As in the past, complementary metal and machinery industries clustered around these new factories. Soon after, new residential, retail, and office employment followed (Hurley, 1959; Darden et al., 1987; Hill, 1984a). At first, decentralization turned parts of the City of Detroit into "blue-collar dormitories for workers commuting to suburban plants" (Hill, 1983a:88; Darden et al.,

1987:17). However, over time, the auto industry became less dependent on Detroit's centralized labor pool, and employment among Detroit residents declined (Hurley, 1959).

While the period between 1950-69 is generally considered part of the U.S.'s post-war boom period or "quarter century of growth" (Bluestone & Harrison:1982:112), Detroit and Wayne County did not share in this boom. In many ways, the automakers were just reacting to changing conditions. For example, as the supply of iron ore in the Lake Superior region declined in the 1950s, U.S. Steel began to close some of its Upper Midwestern plants and relocate them closer to new supplies (e.g., in Venezuela). This then triggered relocations by the auto industry and machinery related shops, who wanted to cut their transport costs by being closer to steel producers. Additionally, growth in population and industry in the South and Southwestern U.S., (i.e., Dallas, Houston, and Los Angeles, etc.), led to auto plant assembly in, and relocations to, these areas.

Changes in foreign tariffs and foreign government regulations, automation, as well as technological improvements in transportation and communication, also contributed to this decentralization (Hurley, 1959). As a result of all of these factors, between 1945 and 1969, the Big Three opened plants in almost every region of the U.S.,¹³ and by 1969, only 29.38% of all the cars and trucks built in the U.S. were made in the five Detroit area counties. The home of the auto industry, the City of Detroit, now commanded just a 6.46% share of production (Ward's, 1970:41).

One of Detroit's biggest problems involved the availability of vacant land. Auto plants are generally horizontally designed and land-intensive. Although industrially zoned land was still plentiful in the city in the 1950's, large tracts could not be easily found or

assembled to accommodate new plant uses (Hurley, 1959; Thomas:1990).¹⁴ On the other hand, suburban areas such as Novi township in Oakland County– where Ford opened its Wixom plant in 1957– and Warren township in Macomb County– where GM built its Technical Center in 1953 and Chrysler began producing Dodge trucks in 1960– offered plenty of vacant land to be developed. The same was true in Washtenaw County’s Ypsilanti township, where GM opened its Willow Run Car Assembly Car Plant during this period (Ward’s, 1958, 1960).

By 1969, metropolitan Detroit:

was a thriving economy... It contained nearly 50 percent of Michigan's population. Residents... of the region were primarily white, lived in single-family homes located in suburban areas, and earned income above the state averages. But within the metropolitan area lay the central city of Detroit. During the decades following World War II this Detroit had increasingly become a segregated bastion of unemployment, underemployment, poverty, and near poverty amidst one of the wealthiest metropolitan regions in the world (Hill, 1983a:88-89).

Economic decentralization hit Detroit harder than most cities. The city’s high-wage, low-skill industrial jobs had supported hundreds of thousands of workers. These workers lost the base of their livelihood when the automobile industry began to close down its older, central city manufacturing operations. While some of these manufacturing jobs went to suburban sites in the metropolitan region, some left the state or the country completely. Simultaneously Detroit’s central business district declined, killing many retail jobs (Thomas, 1997b:6).

III. The Detroit Auto Region Defined

From its beginnings, the auto industry was centered on Detroit, the "Motor City," the largest factory town, and the auto capital of the world (Hill,1983a). Detroit was the perfect location for the auto industry's development. It was easily accessible by ship and

rail, and it was relatively close to the production and distribution centers of both raw materials and intermediate (or semi-finished) goods. Finally, it was already the center of thriving carriage and marine engine industries.

However, the roots of the auto industry were also planted firmly in Flint, Pontiac, Highland Park, and Hamtramck, from its beginning. By the 1940's, it had extended to western Wayne and Washtenaw County (Kidder, 1995). By the end of the 1960's, Detroit was still its corporate center, but the U.S.' major auto production region was now concentrated across southeastern Michigan.

Through 1970, the U.S. Census defined the Detroit "Metropolitan Statistical Area" (MSA) as the counties of Wayne, Oakland, and Macomb. In 1980, the Detroit "Standard Metropolitan Statistical Area" (SMSA) was expanded to six counties (Wayne, Oakland, Macomb, St. Clair, Lapeer, and Livingston Counties). In 1990, the Census classified the region in two new ways: 1) as the Detroit "Consolidated" MSA (CMSA), which included the six 1980 Detroit SMSA counties, the Ann Arbor MSA (Washtenaw County), and the Flint MSAs (Genesee County); and 2) as the Detroit "Primary" MSA (PMSA), which included these eight counties, plus Monroe County. In other words, depending on the year or definition, between 1970 and 1990, the Detroit Region has had anywhere from three to nine counties within it.

However, based on the historical events chronicled above, data consistency, and borrowing from Schoenberger & Harkness (1993), the *Detroit Auto Region*, for this report, was defined as the boundaries of the five Michigan counties of Wayne, Oakland,

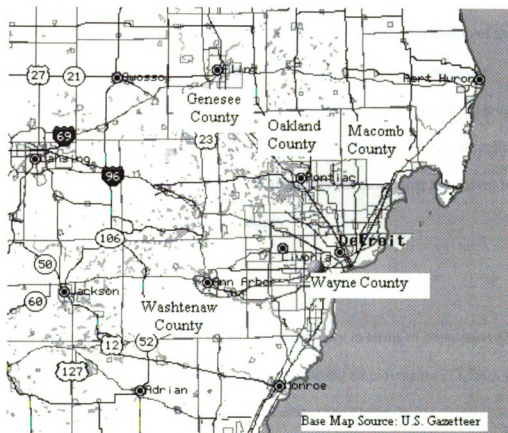


Figure 1. The Detroit Auto Region

Macomb, Genesee, and Washtenaw (See Figure 1). This was because, as Schoenberger & Harkness so aptly described, the most reliable and consistent source for historical data on private employment in the U.S. is *County Business Patterns*. This publication has supplied data for every employment sector at the county level, for the 50 U.S. states and the District of Columbia since 1953 (also see Chapter 1).

For comparative reasons, each county was defined as a separate sub-region of the Detroit Auto Region. In total, the region includes 190 municipalities in these five counties, and 192 municipal governments. Of the municipal governments, there are 89 home-rule cities, 23 villages and 42 Charter townships, and 38 General Law townships¹⁵ (See Appendix A, Table 17). Each county contains a city (or cities) that has (have) been important to the development of the auto industry.

III-A. The Wayne County Sub-region

Wayne County is the state of Michigan's largest county in terms of population (2.14 million), private employment (730,891) and manufacturing employment (173,590). It contains parts of 43 municipalities, including 33 cities (See Figure 2).

Detroit remains, by far, the state's largest city, with just over one million inhabitants.¹⁶ It also has the most employment in the state, with just over 351,000 jobs in 1996. The city is the current site of the World Headquarters of General Motors. Detroit is also home to the GM Detroit-Hamtramck Assembly Center– which produces Cadillacs– a Chrysler Jeep plant, and a Plymouth-Dodge car plant (Wards, 1997). Overall, the city had almost 56,000 manufacturing jobs in 1995, which was the highest in the region in that year.

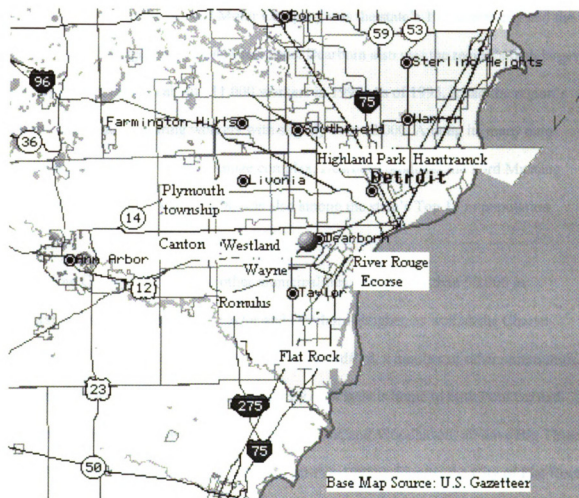


Figure 2. The Wayne County Sub-region

Livonia, with 105,099 persons, was the state's eighth largest city and the region's sixth largest in population, as of 1996. The city was also seventh in terms of employment in the region in 1996, with 101,000 jobs. It also was seventh in manufacturing employment with about 19,000 workers in 1995.

Dearborn, the home of Ford Motor Company was the state's 10th largest city and the region's eighth biggest with 91,418 residents. Dearborn also was the region's fifth largest employer in 1996, with about 111,000 workers in 1996. As of 1995, it had the region's second most manufacturing workers with slightly over 42,000. Among its many auto facilities, including the famous Rouge complex, Dearborn produces the Ford Mustang. The City of Westland, with 90,798, was also among the state's Top 15 in population (11th).

Wayne County also had four other municipalities with greater than 50,000 in population in 1996: the cities of Taylor and Dearborn Heights, as well as the Charter townships of Canton and Redford. In addition to Redford, a number of other communities also have auto-related factories. The small city of Wayne is home to both Ford car and truck plants. Plymouth township, Trenton, Romulus, and Woodhaven, all have Big Three related parts plants (Wayne County, 1998b; MSPO, 1995b). Finally, the City of Flat Rock is home to an Auto Alliance International Incorporated plant. This plant produces the Ford Probe, Mazda MX-6, and Mazda 626 (Mazda, 1997). Ford currently owns close to a one-half equity share in the Hiroshima, Japan based, Mazda Motor Corporation.

Several other municipalities in Wayne County are home to a growing number of Japanese automaker related facilities. Plymouth township, in particular, is a veritable

agglomeration of Japanese auto-related suppliers and technology centers. Among its 8,500 manufacturing jobs are 12 or so Japanese auto-related facilities. This includes an Isuzu Motors Technical Center and a branch of Toyota Motor's U.S. Technical Center in Ann Arbor township.¹⁷ The City of Plymouth has a few others. Livonia, which has automotive components and related firms from the U.S. (Ford and GM), Sweden (including Volvo), France, Great Britain, Brazil, and Canada, as well as with Plymouth and Canton townships, form an international auto Research & Development corridor along Interstate-275 (Wayne County, 1998a).

II-B. The Oakland County Sub-region

Oakland County, is the state's second largest county in terms of population (1.16 million), private employment (699,090), and manufacturing employment (128,241). It contains parts of 61 municipalities, including 30 cities (See Figure 3). Oakland's largest city is Farmington Hills. The state's 12th largest municipality had just less than 80,000 people (79,918) in 1996. Troy, was just behind it with 79,120 (13th in the State), followed by Southfield with 76,184 (15th). Waterford Charter Township, the cities of Pontiac, Rochester Hills, and Royal Oak, as well as West Bloomfield township, also had populations of greater than 50,000 in 1996.

Troy, with 121,000, and Southfield, with 113,000, had the region's third and fourth most employment in 1996. Troy's 21,500 manufacturing jobs, was the region's sixth most in 1995. Both Pontiac and Farmington Hills also had more than 50,000 workers in 1996. With 16,000, Pontiac had the region's eighth most manufacturing jobs.

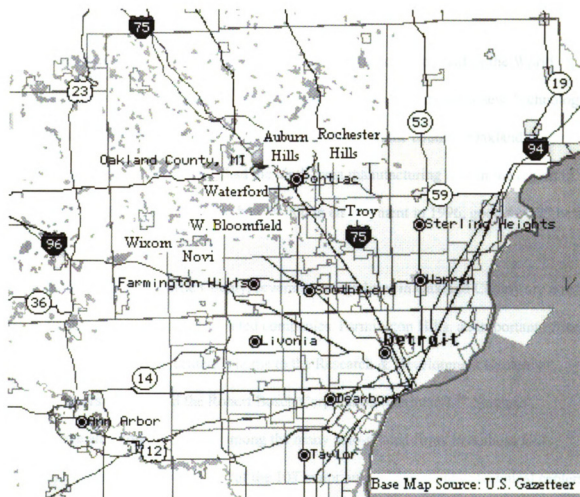


Figure 3. The Oakland County Sub-region

In addition, there are numerous other auto-related plants in Oakland County, including the Ford Wixom Lincoln-Mercury Plant, the GM Orion Township (Oldsmobile) Plant, and two Pontiac GM Truck Assembly Plants (MSPO, 1995b; AAMA, 1997). In 1996, Pontiac produced almost 80% of the GM trucks made in Michigan (Ward's, 1997).

Oakland County's fast growing City of Auburn Hills hosts one-half of the World Headquarters for DaimlerChrysler. The city also was home to Chrysler's new Technology Center and to the second fastest growing industrial park in the country, Oakland Technology Park.¹⁸ Auburn Hills had the ninth most manufacturing jobs in the region in 1995, with just over 13,000. It also had 39,000 in employment in 1996, good for 12th best in the region.

Finally, similar to Wayne County, several municipalities in Oakland County are now home to numerous foreign auto-related companies. Farmington Hills, an important office, manufacturing, and retail center, is home to the Research & Development Centers of Nissan Motors (Japan) and the Robert Bosch Corporation (Germany).¹⁹ Siemens Automotive and Volkswagen are among the many auto-related firms in Auburn Hills (Oakland County, 1997). Overall, "of the 107 major automotive supplier technical centers in the United States, 57 are located in Oakland County, [including] 23 foreign company centers" (ibid.: inside flap).

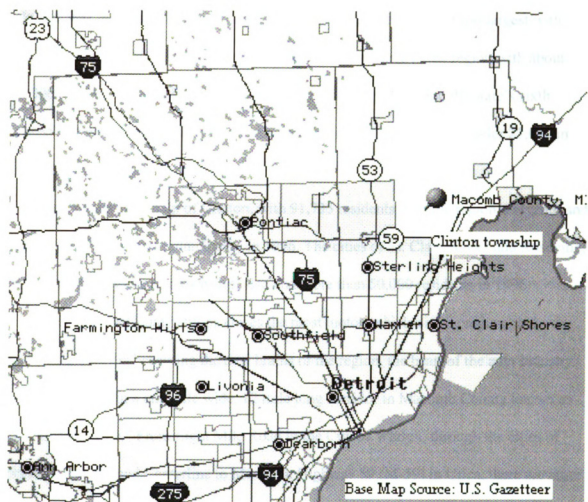


Figure 4. The Macomb County Sub-region

III-C. The Macomb County Sub-region

Macomb County is the state's third largest county in terms of population (734,625), private employment (320,662), and manufacturing employment (106,263). It contains parts of 27 municipalities, including 12 cities (See Figure 4). Macomb's largest city, Warren, was the region's second largest city in 1996, and the state's third largest with 138,078 people. It also had the fourth most industrial workers in the region with about 37,000 in 1995. Sterling Heights was the region's fourth largest and the state's sixth largest city with 118,698. In 1995, it stood fifth in the region, with just under 23,000 in manufacturing employment.

The Charter Township of Clinton, with 91,735 residents, was the region's seventh and the state's ninth largest municipality in 1996. The cities of St. Clair Shores and Roseville, as well as Shelby Charter township, also had more than 50,000 residents in 1996.

While Wayne County still produces the most motor vehicles in the region, and Oakland County is becoming the new brains of the region, the heart of the auto industry perhaps, resides in a one mile wide, 12 mile long corridor in Macomb County known as the "Golden Mile." From Eight Mile Road in the City of Warren, through the cities of Sterling Heights and Centerline to Michigan Highway 59 (M-59) in Utica, there are more than 20 auto-related facilities (Macomb County, 1992). Along the Golden Mile, there can be found several GM Division Headquarters, the Chrysler Dodge City/Warren Truck Assembly Plant, Chrysler's Sterling Heights Assembly Plant (Plymouth-Dodge Cars), two Ford parts plants, and the GM Technology Center (ibid.). Warren, with over 106,000 employees, was one of seven cities in the Detroit Auto Region with more than 100,000

jobs in 1996. Sterling Heights, with roughly 66,000, was also among the top 10 in employment in the region.

III-D. The Washtenaw County Sub-region

Washtenaw County, is the state's sixth largest county in terms of population (295,149), private employment (142,140) and manufacturing employment (35,414). It contains parts of 28 municipalities, including four cities (See Figure 5). Washtenaw's largest city, Ann Arbor, was the region's fifth biggest city in 1996, and the state's seventh largest with 108,758 people. Ann Arbor was also the region's second largest employer in 1996, with roughly 125,000 jobs. Both Ann Arbor city and Ann Arbor township are home to several auto-related Research & Development firms, including: Mazda; and the Toyota Tech Center. The Hyundai (Motors) American Technical Center is located in Pittsfield township. A fair amount of the employment in the cities of Ypsilanti, Saline, and Milan, Ypsilanti township, as well as the Village of Dexter, is also connected to the auto industry.

III-E. The Genesee County Sub-region

Genesee County, is the state's fifth largest county in terms of population (436,128), private employment (153,416), and manufacturing employment (39,137). It contains parts of 33 municipalities, including 11 cities (See Figure 6). Flint was the region's third biggest city and the state's fourth largest in 1996, with 134,881 people. Flint, which remains the home of Buick, was the region's eight largest employer in 1996, with roughly

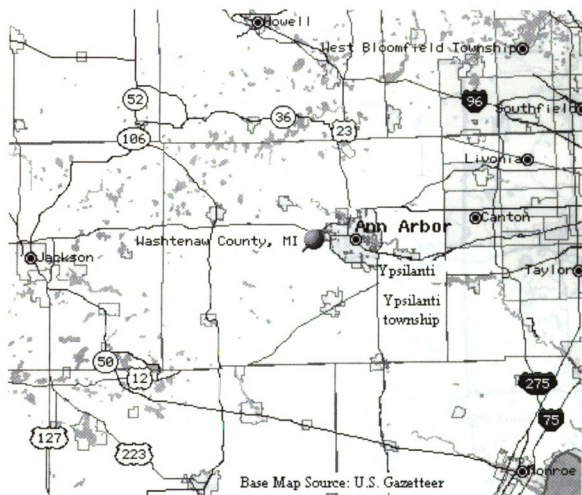


Figure 5. The Washtenaw County Sub-region

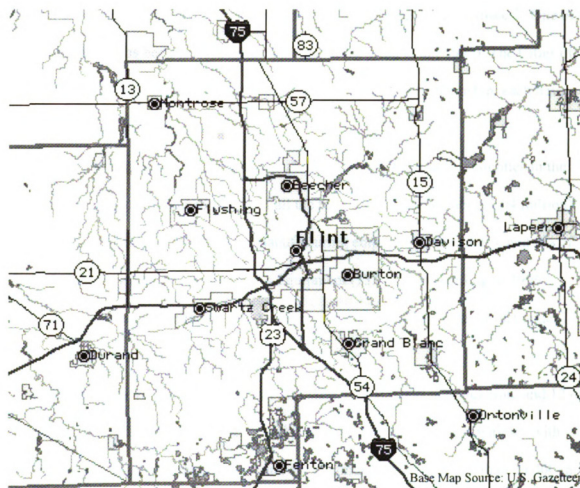


Figure 6. The Genesee County Sub-region

83,000 jobs. As of 1995, the city had over 38,000 manufacturing workers, good for third best in the Detroit Auto Region.

Flint is known for its one-mile long GM Buick City Plant. In 1996, Flint plants produced Buicks, Oldsmobiles, and GM trucks (AAMA, 1997). General Motors even has its own university in the city, the GMI Engineering and Management Institute.²⁰ One of GMI's purposes has been to train future GM engineers (Flint et al., 1997). The Cities of Grand Blanc, Swartz Creek, and Burton, as well as Mount Morris township, each have a GM related plant (ibid.).

Overall, according to County Business Patterns, as of 1996, the five counties in the Detroit Auto Region contained 54.5% of all the total private employment (2.04 million) in the State of Michigan, 50.7% of its manufacturing employment (482,645), and 9% of the U.S.'s employment in Transportation Equipment (133,582). According to 1996 U.S. Census estimates, the region also was home to 4.77 million people, or just under 50% of Michigan's population.

As of 1996, the region contained six cities with over 100,000 in population, and 12 of the state's 15 largest municipalities. In addition, the region had 11 municipalities with more than 50,000 in total employment, and six communities with greater than 20,000 in manufacturing employment.

Chapter 3-Endnotes

1. See Hill (1989a:470), (1989b:178) and Fujita and Hill (1989).
2. Unless otherwise cited, the population figures quoted in this section come from the U.S. Bureau of the Census, 1950, 1960, 1970, 1980 & 1990 Census of Population and Housing, various volumes, Census Estimates of the Population of Minor Civil Divisions (1997), and Revised 1996 Population Estimates (1998a & 1998b). Employment data in this section at the county level comes U.S. Bureau of the Census, 1953, 1962, 1969, & 1996 County Business Patterns, and the 1967 Census of Manufacturers; SEMCOG (1980 & 1998); and GCMPC (1994b).
3. Source for 1900 population was the 1970 Census of Population.
4. The car body building company, Fisher Brothers of Cleveland, joined GM in 1926 (Bloomfield, 1978)
5. This was Chrysler's old Jefferson Avenue Plant which was torn down in 1991. The plant had been built by the Chalmers Motor Company in 1907. Chalmers later became a part of Maxwell Motors (French, 1999).
6. This included the Dodge Main Plant, whose land was later partially used for the now famous Detroit-Hamtramck "Poletown" Plant (See Note 14 below).
7. He also purchased the Lincoln Motor Company in 1922 (Ford, 1998).
8. For a period after the shift to Dearborn, Ford built some buses and tractors at the Highland Park Plant. The factory was used for parts-distribution until 1974 and then was sold by Ford in 1981 (French, 1999).
9. Grosse Pointe township, in the 1940's, included the villages of Grosse Pointe Farms, Grosse Pointe Park, Grosse Point Shores, and Grosse Pointe Woods. The villages of Allen Park and St. Clair Shores, as well as Gratiot township (Harper Woods) gained more than 8,000 people during this decade. The 1970 Census of Population was also a source for these figures.
10. East Detroit had incorporated in 1929. The city changed its name to Eastpointe in 1992 (State of Michigan, 1998a).
11. This time period basically represents the end of the Korean War and the beginning of the Vietnam. The peace between these wars contributed to Detroit's decline, as even after World War II, the city and the area remained a vital part of the U.S. war industry.
12. SIC stands for Standard Industrial Classification.

13. Some of these plants were: in the Northeast (Mahwah & Metuchen, NJ, Wilmington, DE, and Framingham, MA); North Central (Lorain & Lordstown, OH); Midwest (Kansas City, KS and St. Louis, MO); Southeast (Atlanta, GA and Louisville, KY); the West (Freemont, Los Angeles, & San Jose, CA); and in the Southwest (Dallas and Arlington, TX) (see Hurley, 1959; Ward's, 1956, 1962, 1970).

14. The only way Detroit was able to get a new plant was to sacrifice a neighbor to get one. In the 1980's, GM's "Poletown" plant (Detroit-Hamtramck Assembly Center) was constructed through the displacement of 3,500 people and some 1,500 homes in a stable multi-ethnic, racially integrated area (See Darden et al., 1987), Ingrassia & White, 1994, and Feagin & Parker, 1990). In fact, according to Bluestone & Harrison (1982:3), GM told the city that the only way they would build a factory in Detroit was if the city tore down a neighborhood to create enough space for a new facility.

15. There are 190 municipalities if you do not include Lake township in Macomb County and Grosse Pointe township in Wayne County. Neither of these two municipal units have a population, but together they supervise Grosse Pointe Shores village. Even though they have autonomous administration and may have home rule charters, in Michigan, villages remain technically under the supervision of their township in an almost dual government structure. In addition, the sum of the five county's municipal government totals is 194. However, as just described, Grosse Pointe Shores village is partially in Macomb and Wayne Counties. Also, the City of Northville is in both Oakland and Wayne County. This makes the total 192. Subtracting out Lake and Grosse Pointe townships, results in the total of 190 municipalities with populations.

16. The 15 largest municipalities in Michigan, according to 1996 U.S. Census estimates were: 1) Detroit with 1,000,272, 2) Grand Rapids with 188,242, 3) Warren 138,078, 4) Flint 134,881, 5) Lansing 127,916, 6) Sterling Heights 118,698, 7) Ann Arbor 108,758, 8) Livonia 105,099, 9) Clinton Charter township 91,735, 10) Dearborn 91,418, 11) Westland 90,798, 12) Farmington Hills 79,918, 13) Troy 79,120, 14) Kalamazoo 77,460, and 15) Southfield 76,184 (SU-96-8). Only Grand Rapids, Lansing, and Kalamazoo were not in the Detroit Auto Region. Lansing's estimate was revised in July 1998.

17. Toyota has its main U.S. Technical Center in Ann Arbor, where most of its R & D activities take place. Located in Plymouth Township's Metro West Industrial Park, the Toyota Technical Center-Plymouth, is where model prototypes are built.

18. According to the City of Auburn Hills, Research Triangle Park, in North Carolina, was the fastest.

19. According to Nikkei Weekly (1999a), Bosch is the world's third-largest maker of auto parts. GM's Delphi Division is the largest automotive parts supplier.

20. Within the past year, GMI changed its name to Kettering University.

Chapter 4

THE NAGOYA AUTO REGION

I. Introduction

In an effort to analyze regional development in Japan, Glickman (1979:24) defined a “set of *functional urban economic regions*” that related central cities to their surrounding areas. He called these areas “Regional Economic Clusters” (RECs), and said there were 80 of them in Japan in 1975. Glickman defined his regions “on the basis of several criteria, including commuting patterns, level of urbanization, and employment distribution” (ibid.24). He wrote that “these regions cut across prefectures and are similar to the American Standard Metropolitan Statistical Areas” (ibid.:24). Glickman said these RECs also belonged to larger Standard Consolidated Areas, or agglomerations of three or more regional economic clusters, and represented Japan’s major metropolitan regions similar to New York, Chicago, and Detroit.

However, while Glickman’s work provides an excellent starting point for configuring economic regions in Japan, one very important consideration was not given enough emphasis in his study. That aspect was historical connections among communities. While U.S. regions can be effectively defined based almost solely upon journey to work data,

and agglomerations of urbanization, history must be more heavily incorporated into such determinations in Japan.

For example, the historical interactions among the cities of Kariya, Anjō and Toyota, which stretch back to their days in Japan's feudal period, clearly were overlooked when Glickman configured his Nagoya city and Toyota city Regional Economic Clusters. While Toyota Motor's strong affiliations with these cities were just evolving in 1975, the data year he used to create his regions, Kariya, Anjō, and Toyota all have been closely connected since their days in the old feudal state of Mikawa (Allinson, 1975). In the early 20th century, they were connected by the textile industry. However, for some reason, Glickman placed Kariya and Anjō in his Nagoya Cluster rather than his Toyota zone.

While it would have been impossible for Glickman to review the history of all 80 of his regions of Japan, a brief study of history is necessary to understand metropolitan development in Japan. Thus, before the Nagoya Auto Region can be appropriately defined, some historical background of its development is necessary.

II. The Historical Development of the Nagoya Auto Region: 1600 to 1969¹

II-A. From Castle Town to Commercial City: 1600-1868

Nagoya city "is located in the southeastern corner of the Nobi Plain" (Eyre, 1982:4), which "was created by the three rivers of the Kiso district— Kiso, Nagara, and Ibi" (Nagoya city, 1997:6). This lowland area, which is one of Japan's largest, "measures only 40 kilometers east-west and 45 kilometers north-south" (Eyre, 1982).²

Nagoya and the Nobi Plain owe a share of their historical importance and current high level of development to their location within the core of Japan, the Tōkaidō Megalopolis– named for the almost continuous stretch of urbanization that extends along the old Tōkaidō Highway between [Japan’s eastern and western capitals], Tōkyō and Kyōto” (ibid.:9).

Nagoya was originally settled around two castles. The first was built by the Imagawa feudal clan in the 1500's. After the Imagawa lords were ousted by the forces of Nobunaga Oda, a second larger castle was built by the new leader (DeMente, 1995; Nagoya city, 1989). The city, however, didn't truly develop until 1610, when the entire Town of Kiyosu, then the center of politics in central Japan, moved to the top of Nagoya Hill, to build a new castle in honor of Yoshinao Tokugawa, the seventh son of Japan's first Shogun, Ieyasu Tokugawa (Eyre, 1982; Nishio, 1989).

The primary purpose of “Nagoya Castle,” which took almost four years to complete, was to act as a military base for the Shogun, to aid in his efforts to control the feudal lords (*daimyo*) in the western part of the Tōkaidō Region (Aichi-ken, 1997c; DeMente, 1995; Kodansha, 1993; Eyre:1982). Yoshinao and his descendants ruled the Nagoya or Owari feudal state (Owari no kuni) without interruption for the next 250 years (Eyre, 1982).³

For its first century, Nagoya functioned primarily as a castle town, comprised mainly of *samurai* and the artisans and merchants who served their needs (ibid.). However, as the city's non-military population grew, large expansions occurred to the west and the south of the castle. In the west, Hori River, which had been excavated to transport materials for the castle's construction, served as the base for a burgeoning lumber industry. Five miles south of Nagoya Castle, on the west coast of Ise Bay, tourism and small shipping/ferry enterprises flourished in the port town of Atsuta.

During the 18th century, Nagoya became a regional commercial center, whose influence spread beyond Owari. Improvements made to the Tōkaidō, and Nakasendō highways– the latter was a northern route that ran from Kyōto to Edō (Tōkyō) through Owari and the feudal state of Mino– attracted new merchants and artisans to the area (ibid.). As lumber, pottery, foodstuffs, and paper trades expanded, as well as enough luxury items to reduce the area's dependence on Kyōto artisans, a wealthy merchant class grew; one that the daimyo and samurai classes became more and more dependent on. By the mid 18th century, Nagoya's population had grown to about 75,000, with another 15,000 in Atsuta. The combination of the Hori River area's merchant class, and Atsuta's booming amusement quarters, gave the Nagoya area a reputation for being the most thriving community between Kyōto and Edō (ibid.)

However, during the early and middle 19th century, serious flooding and other natural calamities in the Nobi Plain, dramatically reduced the local rice crop. This, along with other domestic problems and new foreign conflicts (i.e., Admiral Perry's black ships landing in 1853), fostered depressed local economic conditions and put an end to Shogunate rule in Japan.

II-B The Meiji Restoration through World War II : 1868-1945

At the time Japan's Shogun returned power to the emperor in 1868 (the Meiji Restoration), and the country was opened to western trade, Nagoya's population was approaching 120,000, and the Owari fief had grown to nearly 700,000 (Eyre, 1982:22; Hanley & Yamamura, 1977:52). During the restoration period, the new central

government vigorously imported Western technology to the country in an effort to modernize and rebuild Japan's economic, political, and military systems (Morishima, 1982).

One of the first efforts towards modernization was the abolishment of the feudal states (*kuni*) and their smaller domains (*han*) in 1869, and the creation of a civil prefectural government system in 1877 (Kishimoto, 1977). Five feudal states governed the territories studied for this report: Owari, Mikawa, Mino, Ise, and Tótoumi.

Owari and Mikawa encompassed the present day Aichi Prefecture (or ken). These states had a combined 12 feudal domains (Aichi-ken, 1997b).⁴ In 1869, the two Owari domains (northeastern Aichi) were divided into two provinces Nagoya and Inuyama (*ibid.*). In 1871, they officially became prefectures. The Inuyama settlement had actually predated Nagoya. Constructed in 1537, Inuyama Castle has the oldest donjon in Japan (Aichi-ken, 1997c).

East of Owari, the 10 Mikawa han had ruled the central and eastern parts of Aichi Prefecture. After a series of reorganizations, in November 1871, the Mikawa area merged with the Chita Peninsula area of the former Owari state to form Nukata Prefecture (*ibid.*).⁵ Nukata, one of Japan's 75 prefectures at the time, had Okazaki Castle, in the center of the present day Okazaki city, as its Capitol. About a week later, Inuyama Prefecture was incorporated into a larger Nagoya Prefecture. In April 1872, Nagoya Prefecture's name was changed to Aichi. Then in November 1872, Nukata Prefecture was abolished and became part of Aichi-ken, whose capital was Nagoya (*ibid.*). At that time, the new Aichi Prefecture had a population of about 1.2 million (Hanley & Yamamura, 1977:52)

The feudal state of Ise was located southwest of Aichi on the west side of Ise Bay in the present day Mie Prefecture. In 1871, the northern part of Ise, north of Mie's capital City of Tsu, was merged with the former feudal state of Iga, to create Anoutsu Prefecture (Sasayama et al., 1995). Iga had ruled the northwestern mountainous area of Mie-ken. In the same year, southern Ise was consolidated with the feudal state of Shima (the most eastern section of central Mie), and an eastern portion of the feudal state of Kii to form Watarai Prefecture. In 1876, Anoutsu and Watarai were merged to form the current Mie Prefecture (Foreign Press Center, 1997). The Shima-kuni had ruled Ise Bay's southern coastline. As of 1872, these areas had a combined population of about 800,000, with about 586,000 in Ise (Hanley & Yamamura, 1977:52).

In the northern part of the Nobi Plain, the feudal state of Mino was incorporated as Kasamatsu Prefecture in 1871. The prefecture's name was changed to Gifu-ken later that year (Gifu city, 1997). In 1872, this area had a population of about 661,000 (Hanley & Yamamura, 1977:58). The castle town, Gifu, was designated as the prefectural seat in 1873 (Gifu city, 1997). Three years later, the former feudal state of Hida was added to Gifu to form the prefecture's current boundaries (Foreign Press, Center, 1997).⁶ This added about 100,000 more people to Gifu's population (ibid.:52).

East of Aichi, the former Tótoumi-kuni became Hamamatsu-ken in 1871. In 1876, Hamamatsu was added to Shizuoka Prefecture, along with the former feudal state of Izu, to form that prefecture's present borders (Foreign Press Center, 1997).⁷ Hamamatsu-ken had encompassed the Lake Hamana Area in western part of the current Shizuoka Prefecture. In 1872, this area had a population of about 415,000 (Hanley & Yamamura,

1977:52). Overall, Shizuoka's three former fiefs had about 933,000 people in that year (ibid.:52).

By 1876, Japan had been consolidated into 38 prefectures (Aichi-ken, 1997b). Two years later, in 1878, three local government laws were introduced by Japan's central government which established the foundation for the country's modern local government system: the Municipalities Formation Law, the Prefectural Assembly Law, and the Local Tax Law (Kitazaki & Ogawa, 1997, Kishimoto, 1988). The Municipalities Formation Law divided prefectures into *Gun* (districts or counties) and *Shi* (cities).⁸ The *Gun* were then further subdivided into *Chō and Son* (towns and villages) (Kitazaki & Ogawa).⁹

In 1888, the Municipal Government Act was promulgated. This law allowed local residents, for the first time, to elect their own municipal assemblies. However, since Japan's system of local government was modeled primarily after the Prussian system, town and village mayors were indirectly elected from among these assembly members (ibid.). On the other hand, city mayors were appointed by the central government from a list of three candidates submitted to them by each City Assembly (Steiner, 1965). It was also during this year that Japan was reorganized into its current number of prefectures, 47.¹⁰ In addition, between 1888 and 1890, the number of towns and villages were reduced from roughly 80,000, to just less than 15,000 (Kishimoto, 1977:136).

In July 1889, and then later in October in 1889, Gifu (population 25,780), and Nagoya (pop. 157,000), became the first cities in their respective prefectures (Gifu city, 1997; Nagoya city, 1997).¹¹ A year later, the Prefectural Government and the District Government Acts were introduced. These laws determined the official responsibilities of

the prefectures and gun governments (Kishimoto, 1988). In doing so, it “established a unitary, rather than federal system of government” in Japan (McNelly, 1959: 154). Thus, the prefectural Governor and officials were appointed by the central government, and the district or gun chief executive and his officials were appointed by the Governor.

While the local government system was being established, industry and new technology were given high priority in an effort to catch up with the west. The national government took a leadership role in building and promoting new industries. As a result, railroads, ports, and telegraph lines were improved to cater to foreign trade. The ship building and textile industries were targeted as strategic industries (Eyre, 1982). However, Nagoya, with an already depressed economy, initially received little of the central government industrial related investments. Most of these funds were targeted towards Tōkyō and Ōsaka, and “the booming international ports of Yokohama and Kōbe” (ibid.:24).

However, in 1871, the Nagoya area finally gained some of the national governments attention. During this time, jails, schools, and public offices were built, creating a local construction boom. However, a major problem still existed for Nagoya and other former castle towns; how to assimilate and employ the many de-classified and unskilled *ex-samurai* who did not fill public office?

The Aichi Prefectural Government took a leadership role towards solving this dilemma. In 1877, they established a cotton weaving factory which employed almost exclusively the wives of ex-samurai (ibid.). In addition, private samurai-run textile mills were subsidized by the prefectural government. Workshops were also opened in the

1880's to train samurai in cotton reeling and in lacquer work. The development of cotton was a natural, as the old feudal governments had closely protected and regulated local cotton growing, along with the cotton spinning and weaving industries (ibid.). A successful pottery industry also developed during this period, northeast of Nagoya city, in and around the Town of Seto (ibid.). Like textiles, ceramics had a long established history in the Owari state. National subsidies also helped to establish other local private industries.

However, it was not until the late 1880's and 1890's that substantial industrial and commercial development occurred in the area. In 1888, Gifu Station was opened on the Tōkaidō Railway Line (Gifu city, 1997). A year later, a Nagoya city station was also completed.¹² This linked both cities to the port facilities in Tōkyō-Yokohama and Ōsaka-Kōbe stimulating economic growth in the 1890's (Eyre, 1982). As a result, foodstuffs, cement, woodworking, lace, and small machinery works, along with larger textile mills gradually emerged in the area (ibid.).

During this period, Yokkaichi, on the eastern side of Ise Bay in Mie Prefecture, grew large enough by 1897, to be recognized as the area's third city (Yokkaichi-shi, 1997). Yokkaichi actually means "Fourth Day Market." The City got its name from the fact that during the 16th century, markets were held in the area every 10 days, beginning on the fourth day of every month (Yokkaichi-shi, 1998). The city's growth had been spurred by major improvements to Yokkaichi Port, and the 1896 completion of a Kansai Railway line (now JR Kansai), which connected Nagoya to Ōsaka by way of Yokkaichi. This made the city a center of land and sea transportation (Yokkaichi-shi, 1997).

In 1898, the construction of an electrified trolley system attracted multiple commercial and financial related enterprises to Nagoya city. A flurry of growth was also provoked by the Russo-Japanese War in 1904-05. To support the war efforts, the first large scale national government investment occurred when several munitions plants were built in the Town of Atsuta (Eyre,1982). For the first time, serious attention was now being paid to development of Nagoya's port facilities. To expedite these efforts, a large area south of the city, including Atsuta, was annexed into Nagoya in 1907. Thereafter, the port was renamed Nagoya Port (Eyre,1982; Edgington,1990).

Industrial growth in and around the city had been greatly stymied by the lack of adequate port facilities to handle bulk shipments of coal. In addition, Nagoya was further removed than Ósaka and Tōkyō from Japan's supplies of coal in northern Kyūshū and Hokkaidō. The combination had produced higher than normal energy costs in the area, which severely inhibited the growth of heavy industry (Eyre, 1982; Edgington, 1992 & 1996). This situation was eventually rectified by the local development of hydro-electric power, through the use of dams along the main rivers in the mountainous parts of the region.

This enabled the Nagoya city's railroad line (Meitetsu) to be widely expanded in 1909, including an extension to Atsuta's port facilities. By 1920, the Meitetsu line had spread north and northeast to the towns of Seto and Komaki in Aichi's Higashi (East) Kasugai-gun, and to the old castle town of Inuyama, in Niwa-gun (Eyre, 1982). This facilitated industrial and population growth throughout northern Aichi Prefecture.

Japan's involvement in World War I spawned the development of an aircraft engine manufacturer at the Atsuta Arsenal facility in Nagoya city. Parts for these engines were supplied by local Nagoya subcontractors:

With European sources of manufactured goods cut off by World War I, Japanese industry forged ahead on a wave of expansion, especially in heavy industry. Markets in southeast Asia temporarily cut off from European suppliers provided an outlet for Japanese goods (ibid.:30).

At the same time, private capital investment from Tōkyō and Ōsaka began to appreciably rise in Nagoya. This resulted in the construction of many new factories in the city, producing ferrous metals, castings and machinery, industrial chemicals, and rubber goods. Small manufacturers began to cluster together in industry specific districts throughout the city, stimulating innovation and new work. The area now had definite locational advantages for industrial development. It had abundant supplies of factory space, ground water, hydro-electric power, cheap labor, and a relatively low cost of living. In addition, an excellent transportation system was now in place. As employment soared, so did the city's population. By 1920, Nagoya city had just under 430,000 people.

However, the flood of capital from Tōkyō and Ōsaka also produced a wave of land speculation, which dramatically drove up the price of land in the city (ibid.). This induced some local industries to relocate in other parts of the Nobi Plain to take advantage of even cheaper land. This acted as a catalyst for new residential and commercial growth in these areas. As industrial growth and urbanization spilled over into the urban fringe, Nagoya city acted quickly by undertaking a series of territorial annexations. In 1921, alone,

Nagoya annexed all or part of 16 towns and villages towns into its corporate limits. This propelled the city's population to 616,000 in 1921 (ibid.:31).

In addition to suburban Nagoya, other parts of the region had also grown during this period. North of Nagoya, in the old Mino part of Gifu-ken, Gifu city's thriving textile industry pushed its population over 62,000 in 1920. Its northwestern textile neighbor, the Town of Ógaki, became a city in 1918, and had a 1920 population of 28,000 (Ógaki, 1998). Southwest of Nagoya, Yokkaichi's population exceeded 35,000 by 1920. The Ise Bay city now served as the regional import center for textile raw materials (Óta, 1980; Edgington, 1990).

East of Nagoya, in the western part of the old Mikawa kuni, Okazaki incorporated as a city in 1916. Its population topped 38,000 in 1920. Further east in Mikawa, Toyohashi became the region's fourth city in 1906 (Aichi-ken, 1997b).¹³ By 1920, the city had over 65,000 residents. Finally, in western Shizuoka, Hamamatsu city was incorporated in 1911, and in 1920, had a population of slightly less than 65,000 (Hamamatsu-shi, 1996). All told, the Nagoya-Tōkai Region had well over 2.5 million people by 1920.

In 1921, the region's first large steel plant was opened in Nagoya city. This signaled to local businessmen that it was safe to invest in local industrial development (Eyre, 1982.). A year earlier, a large Mitsubishi Aircraft factory was opened in 1920 to handle post-war military demands. Twenty years later, this plant was responsible for building the famous Zero fighter planes used by *kamikaze* pilots in World War II (ibid.). This facility was also where the region's first effort to mass produce automobiles took place.

In 1917, the Mitsubishi "Model-A" had become Japan's first attempt at mass production (MMC, 1998a).

The "Model A" was produced at an internal-combustion engine factory within the Mitsubishi Ship Building Company's facilities at Kōbe Shipyard. In 1920, as soon as the Mitsubishi Internal Combustion Engine Co., Ltd. was founded, the Model A's production was moved to Mitsubishi's Nagoya [Aircraft] Plant, and production continued there until August of the following year, 1921. The total number of vehicles produced came to about 30 (ibid.).

[Mitsubishi's] car business was suspended in 1921, but vehicle production resumed in 1932 with the Fusō bus. The company was renamed Mitsubishi Heavy Industries in 1934, and merged with Mitsubishi Aircraft to produce large trucks and military vehicles (Shimokawa, 1994:124).

An earthquake that devastated the Tōkyō-Yokohama Area further focused Nagoya's economy around heavy industry production, especially with regard to war materials (Eyre, 1982). Japan's military expansion into Manchuria in the early 1930's completely transformed Nagoya into an arsenal city, as a main supplier of military aircraft. Rapid growth followed, as large new plants, many financed by the national government, were now churning out steel, aluminum, chemicals, and other war related products (ibid.).

Aichi Prefecture's industrial economy also grew rapidly during the pre-war period. The number of factories and manufacturing jobs in the prefecture nearly doubled between 1933 and 1941 and industrial production quadrupled (Allinson, 1975). Many of these new plants were located in small towns beyond Nagoya's city limits and immediate suburbs. Spurred by the war efforts, the prefecture's employment and industrial output also shifted dramatically from textiles into heavy industry. However, while Nagoya plants built airplanes and munitions, Aichi towns focused on the machinery and metals sectors (ibid.).

By 1934, Nagoya city's population had surpassed one million residents and topped out at 1.38 in 1941 (Nagoya city, 1992:8, Edgington:1990:9). As of 1940, Aichi-ken had 3.17 million people, 1.33 in Nagoya, and another 400,000 in its then five other cities: Toyahashi, Okazaki, Ichinomiya, Seto, and Handa. In addition, the cities of Hamamatsu and Gifu each had well over 150,000 residents.

However, the final years of World War II were perhaps the worst in the region's long history as a famous site of warfare. As the Allied forces cut off Japan's supply of raw materials from the Western Pacific, industrial activity rapidly declined. Then, two severe earthquakes hit the city. The first, ironically, occurred on Pearl Harbor Day 1944. This was followed almost a week later by the beginning of regular allied bombings. Over 500,000 local citizens were either injured or killed, and many more were evacuated. By the end of the war, the city's population was down to about 669,000 persons (Eyre, 1982:34). The industrial powerhouse that was at the forefront of the military's territorial expansion lay in ruins; whatever factories were still standing were now dormant.

On the brighter side, an important event had occurred in the Aichi Prefecture, Nishi (or West) Kamo-gun Town of Koromo in 1933. It all began in 1898, when an inventor, by the name of Sakichi Toyoda, opened a textile mill in Nagoya city. That young man, from the small village of Yamaguchi, in Shizuoka Prefecture's Hamana-gun, built his business around his newly invented steam-powered looms (Toyota, 1988). A year later, Toyoda signed on with the large conglomerate, Mitsui Corporation, to sell his looms. Mitsui then opened their own factory in Nagoya to produce and sell these looms.

The looms became so successful, that the inventor opened his own loom manufacturing company, Toyoda's Loom Works, in Nagoya city, in 1907 (ibid.). Four years later, he opened another textile mill in the city to develop his own automatic looms. By November 1925, with the help of his younger brother Kiichirō, Toyoda perfected an automatic loom for mass production. This resulted in the creation of the Toyoda Automatic Loom Works, Ltd., and the construction of a foundry, an iron works, and a woodworking shop in the Town of Kariya, in Aichi-ken's Hekikai-gun in 1927 (ibid.).

Unfortunately, the founder prematurely died in 1930. At that time, the Toyota Group was just beginning to take shape, as a number of affiliated companies set up around the companies core industries in Nagoya.¹⁴ In addition, Toyoda's brother, Kiichirō, was cultivating his own dream, the building of the company's first automobile. Inspired by a tour of American and European auto plants, Kiichirō first began to conduct research and development on creating a gasoline engine. Encouraged by the Ministry of Commerce and Industry's new policy towards promoting the production of a national auto industry, Toyoda followed Nihon Sangyō (Nissan), Mitsui, and Mitsubishi, into the auto business by creating an automobile division within Toyoda Automatic Loom Works in 1933 (ibid.).

In 1934, the company began building a pilot auto plant and a complementary steel mill in Kariya. A year later, Hinode Motors of Nagoya became the company's first car dealership. Also in 1935, the Japanese government passed the Automotive Manufacturing Industries Law (Shimokawa, 1994). This effectively put an end to Ford and GM's efforts to develop integrated production plants in Japan (Toyota, 1988). In 1936, only two

companies, Toyoda Automatic Loom Works and Nissan Motor Company, were granted licenses to produce automobiles in Japan. Within the month, Toyoda's first auto assembly plant began operations in Kariya.

Construction of the Kariya Assembly Plant moved ahead rapidly: 50,000 square meters of land was acquired near the Toyoda Automatic Loom Works, and an assembly plant with a monthly production capacity of 150 trucks was completed in May 1936. This, together with the previously constructed steelworks and casting plant, constituted a complete automobile plant in Kariya. Parallel to these developments, in December 1935, Toyoda purchased about two million square meters of land in Koromo-chō, some 30 kilometers east of Nagoya. At the time, the site was virgin property, covered with red pine and various other trees. It was later developed and became the hub of the Toyota Group. Subsequently, Koromo-chō underwent great changes and was eventually renamed Toyota City (ibid.:66).

On August 28, 1937, the independent company, *Toyota Motor Company*, was established (ibid.:66-67). However, it wasn't until November 3, 1938, when the company's Koromo Plant, the present day Honsha (Main) Plant, was opened, that the founding of Toyota Motor Company was officially commemorated (ibid.:71). By the time the Koromo Plant had opened, most of Toyota's operations had been moved from Kariya, in preparation for the company's initiation of its new "just-in-time" production system (ibid.).

By the end of World War II, Toyota Motors had six plants in Aichi Prefecture: two Koromo plants, including its Honsha truck and bus plant; the Kariya automobile plant; and three aircraft plants in Nagoya, acquired when the company absorbed Chūō Spinning & Weaving Company in 1943. Additionally, it had four affiliated companies in Kariya: including Toyoda Automatic Loom, which became the center of the region's textile

industry; Toyoda Steel, Toyota Machine Works (machine tools) and Tokai Hikōki (aircraft tools and engines) (Toyota, 1988; Fujita & Hill, 1993; Allinson, 1975).¹⁵ What had started with Sakichi Toyoda's first invention, the wooden weaving loom in 1891, had been transformed into what was soon to become Japan's largest auto producer.

II-C. The Postwar Period: Reconstruction and Rapid Growth: 1945-1969

As Allied military munitions orders grew during the Korean War (1950-53), many sections of Japan shifted their economies back into heavy manufacturing. Propelled by heavy industries such as machinery, electricity, airplanes, chemicals, and steel, Nagoya city grew into a modern industrial city in the 1950's and 1960's (Nagoya city, 1992, 1997). Between 1955 and 1970, the proportion of Nagoya's manufacturing production value that was accounted for by heavy industry grew from 44.7% to 62.4% (Eyre, 1982:44).

According to Eyre (1982), this transition was brought about, primarily, by four factors: 1) the expansion in national and international markets for Japanese products; 2) the emergence of the automobile industry around Nagoya; 3) local investment by large national corporations in modernization and new technological development in the city's large factories; and 4) the creation of a new heavy industrial zone, including Nagoya's first integrated steel complex, on reclaimed land south of the city's main port (ibid.:44).

Political pressure from the U.S., backed by loans from the World Bank, greatly influenced Japan to develop heavy and chemical industries in the late 1950's. These loans, and a cooperative agreement among Fuji Steel, Daidō Steel, Toyota's Aichi Steel Works, and Toyota Motor Corporation, netted Nagoya its huge iron and steel complex in 1958

(Miyakawa,1990; Eyre,1982). These same loans also helped Toyota to import machines and tools to start the mass production of automobiles (Miyakawa, 1990). In addition, after the Aircraft Manufacturing Law took effect in 1952, Japan's aircraft industry, grounded by the Allied Occupation, was revived. In 1953, when the commercial carrier Naka Nippon Airlines was established, with its home base in the Nagoya's suburb Komaki. Nagoya city and other parts of the region's economy were greatly affected. With the Aircraft Manufacturing Enterprise Act in 1954, and the creation of Japan's Self-Defense Forces in 1955, Nagoya's regional airport in Toyoyama-chō, adjacent to Komaki, became a hub for both commuter and military air service (Miyakawa,1990).¹⁶ While Toyoyama had the airport itself, Komaki city grew into an aircraft production and air cargo center. Between 1950 and 1970, Komaki grew from a town of 18,000 to a city of almost 80,000.¹⁷ Its neighbor, Kasugai, saw its population go from 48,000 to 162,000 during this period.

As a result of this employment growth and growth in other communities nearby, Nagoya city rapidly re-populated after World War II. With the help of returning evacuees and other new migrants, Nagoya's population returned to over one million in 1950, and surpassed its pre-war peak of around 1.4 million in 1956 (Nagoya, 1992). Under Japan's post-war Local Autonomy Law, Nagoya was given the special distinction as a "Designated City."¹⁸ Thereafter, Nagoya city was divided into administrative wards (*ku*) to provide better local service delivery (Alden & Abe, 1994).

In 1957, the city's opened its first 2.6 kilometers of subway line, only the third such system in Japan (Eyre, 1982).¹⁹ In addition, after incurring heavy damage during World

War II, Nagoya Castle was rebuilt in 1959, in preparation for the celebration of the city's 350th anniversary (ibid.). By 1960, Nagoya's population had surpassed 1.5 million, on its way to 2.04 million in 1970.

Nagoya and Komaki weren't the only cities thrust into heavy industry. In the 1960's, Yokkaichi city became the home to a cluster or kombinat of Japan's largest steel and petrochemical factories. When the city's petrochemical combine began full-scale operations along northern Ise Bay in 1960, it was the largest complex of its kind in the Asia-Pacific Region (McCormack, 1996). As a result of its industrial growth, Yokkaichi grew from 63,000 people in 1940, to more than 229,000 in 1970, and became Mie Prefecture's largest city.

While these cities were growing based on heavy industries, other parts of the region were experiencing their initial economic revivals based on light industry and consumer goods (i.e., textiles, ceramics, especially chinaware, sewing machines, bicycles and watches) (Eyre, 1982). For example, while between 1946 and 1954, as Aichi Prefecture's manufacturing employment rose from 192,884 to 424,438, textile industry employment grew from 18% of all factory employment to 41% (Allinson, 1975:145). Conversely, the proportion of machines and metals employment was almost cut in half from 53% in 1946 to only 27% in 1954 (ibid.:145). Due to its growth in textile mill employment, Ichinomiya city grew from 71,000 to 219,000 between 1950 and 1970. Gifu, a textiles & apparel center went from about 212,000 in 1950, to almost 386,000 in 1970. Finally, Okazaki's textile related growth pushed its population from 96,000 in 1950, to 210,000 in 1970.

For the first decade after World War II, textile production was also the lifeblood of the newly incorporated cities of Kariya and Koromo, the two cities that had the bulk of Toyota Motor's factories (Toyota, 1988; Allinson, 1975). However, starting in the late 1950's, this began to change. In August 1959, Toyota opened its Motomachi plant in Koromo. Motomachi was the company's first plant designed to mass-produce passenger cars (Fujita & Hill, 1993; Toyota, 1988).

Before 1956, Toyota Motor Company's domestic production of passenger cars never exceeded 10,000 vehicles in a year (Toyota, 1988:461). In fact, for its first 30 years of production, it produced more commercial vehicles (truck and buses) per year than cars. However, by 1969, Toyota was producing almost 1.5 million vehicles a year (ibid.:461).

Observing Toyota's progress, the municipal authorities of the city of Koromo drew up plans to become an automobile industry city centered around Toyota Motor Corporation (TMC). Toyota, for its part, recognized the need for unifying its production with affiliated industries and began recommending that its suppliers move to Koromo. In line with these developments, Koromo was renamed Toyota City [in 1959] (ibid.:146)

Between 1950 and 1970, Koromo was transformed from a town of 32,000 to the city of 197,000. Most of the city's growth came after its name change; Toyota grew by 150,000 people between 1960 and 1970. Manufacturing employment also increased from 14,846 in 1960 to 66,255 in 1969. This was direct a result of the Motomachi plant, Japan's first factory designed exclusively for passenger-car production (Cusumano, 1985). Although its initial capacity was the same as the original Koromo plant, 60,000 cars a year, Motomachi was designed so that it could be easily expanded (Toyota, 1988). Over the next few years, two new machine tool shops, a second painting line, stamping and

plating shops, welding machines, and a second assembly line were added (Cusumano, 1985). Thus, within a short period of time after Motomachi opened, a new urban core in the region had developed in and around Toyota city (Miyakawa, 1993).

A year after the Motomachi Plant was completed, Honda Motor's Suzuka Factory was established in 1960, as Honda's third motorcycle manufacturing facility. At that time, it was the largest motorcycle factory in the world (Honda, 1999b). Honda began producing automobiles at its Suzuka plant in 1967 (*ibid.*). The company already had a significant presence in Hamamatsu city, where the company was founded in 1947 (Honda, 1999a).

In addition to Honda, Yamaha and Suzuki were producing motorcycles in and around Hamamatsu in the 1960's. Founded in the village of Hamamatsu in 1909, Suzuki Loom Manufacturing began producing motorcycles in 1952 (Shimokawa, 1994). However, prior to World War II, Suzuki Loom was building compact cars in Hamamatsu (Suzuki, 1999). In 1954, the firm was renamed Suzuki Motors and marketed the mini-four-wheel Suzulite car in 1955 (Shimokawa, 1994). Like Toyota, Hamamatsu was a textiles center which was transformed by transportation equipment (see Óta, 1980). Then during the 1960's, Hamamatsu became the center of the world's motorcycle industry. Riding on the back of the motorcycle industry, manufacturing employment in the city roared from 4,700 in 1960, to over 91,000 in 1969. Moreover, between 1950 and 1970, Hamamatsu's population soared from 152,000 to 432,000. The net result was the establishment of another transport related urban core in central Japan.

In sum, the traditional industries of textiles and pottery fostered growth in many parts of the region, in the first decade after World War II. However, in the second decade,

thriving transport equipment machinery and heavy industries spurred rapid growth.

Transport related production, centered around Toyota city (Aichi Prefecture's Nishi Mikawa Region), Hamamatsu (Shizuoka Prefecture's Enshū Region), and Suzuka (Mie's Hokusei Region), transformed metropolitan Nagoya from a region centered on Nagoya city, to a thriving polycentric metropolis.

III. The Nagoya Auto Region Defined

Metropolitan Nagoya is also known as *Chūkyō*, meaning "between capitals" or "Middle Capital." This name is appropriate because of the area's geographic location between Japan's largest eastern (Tōkyō) and western (Ōsaka) regions, and its key role as the locus of national industrial production.

Nagoya city, Japan's fourth largest, is also the political, economic, and cultural center of Japan's Pacific Coastal *Chūbu* (Central) Region. The Chūbu Region encompasses five prefectures (*or ken*): Nagano, Gifu, Shizuoka, Aichi, and Mie (Ministry of Construction, 1997; National Land Agency, 1987). As was chronicled in the last section, the region's principal industries are automobile production, aerospace, general machinery, petrochemicals, textiles & apparel, and ceramics (Ministry of Construction, 1997). "Its economic strength is so great in fact, it is said to be on the scale of an entire major industrialized nation elsewhere" (Ministry of Construction, 1997:24).

Most of Chūbu's population and economic activities are concentrated in five areas within a 60-mile radius of Nagoya city: 1) the Nobi Plain of northwestern Aichi and southwestern Gifu Prefectures (i.e., Mino and Owari); 2) the Okazaki Plain of eastern

Aichi Prefecture (i.e., the Yahagi River area of Nishi Mikawa); 3) Toyohashi Plain of southeastern Aichi (i.e., the Toyo River area); 4) the coastal areas of Ise Bay in Mie Prefecture; and 5) the Lake Hamana Area of western Shizuoka Prefecture.

These five clusters of development have sometimes been referred to as the Tōkai Economic Zone. Each area contains many cities which play important roles in central Japan's industrial production.

The [Nagoya or Chūkyō] economic sphere consists of a small group of three prefectures: Aichi, in which Nagoya is located, Mie to the southwest, and Gifu to the north and west... An alternative name for this bloc that is used in some economic publications is the Tōkai Economic Sphere, named after the historic Tōkaidō Region in which it is located. Geographical studies of the extent of Chūkyō, as measured by commercial interaction, port services, telephone calls, capital flows, and other phenomena, show that Nagoya influences do not coincide exactly with the 3-prefecture bloc. They extend a short distance eastward to Hamamatsu in Shizuoka Prefecture and northeast to Iida in Nagano Prefecture. In a reverse situation, northern Gifu, centered on Takayama, is oriented away from Chūkyō toward Toyama Prefecture. Tōkyō interests hem in Chūkyō on the east; the Ōsaka sphere solidly commands...points west (Eyre, 1982:136, 138).²⁰

For the purpose of this study, the *Nagoya Auto Region* has been defined as the 163 cities, towns, and villages, that are located within the above mentioned, five sub-areas of Tōkai. Almost all of these municipalities, 146, comprise the Census defined “Chūkyō Major Metropolitan Area” (MMA) and “Hamamatsu Metropolitan Area” (MA) (See Figure 7 and Appendix B, Table 18). The largest proportion of this group, 124 in all, comprises the Chūkyō MMA in which Nagoya is its central city. Of the remaining 39 municipalities, 22, constitute the Census' Hamamatsu MA centered on Hamamatsu city.²¹

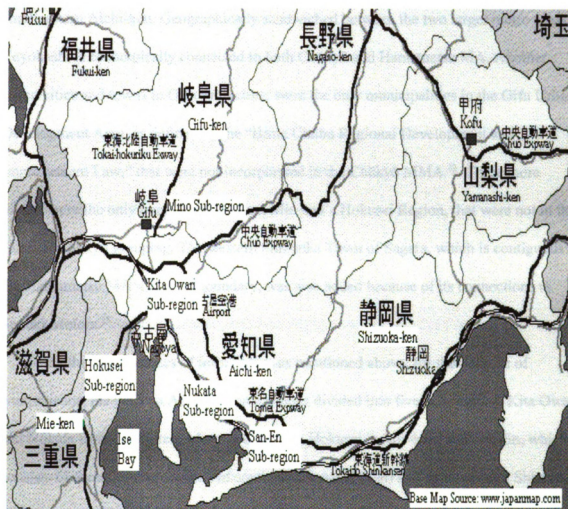


Figure 7. The Nagoya Auto Region

After a thorough review of numerous national, prefecture, and municipal planning documents and maps, historical literature on the region, and discussions with Nagoya area officials, 17 other municipalities were added to form the Nagoya Auto Region. Six of these comprise what is generally referred to as the Toyohashi Urbanized Area in southeastern Aichi-ken. Geographically sandwiched between the two larger metro areas, Toyohashi is economically connected to both Chūkyō and Hamamatsu MA. Another seven cities and towns in Gifu Prefecture, were the only municipalities in the Gifu Urban Development Area, as defined by the “Basic Chūbu Regional Development and Improvement Law,” that were not incorporated in the Chūkyō MMA.²² Three more towns, were the only municipalities from Mie-ken’s Hokusei Region, that were not in the Census’ Chūkyō grouping. The western Shizuoka Town of Sagara, which is contiguous to the Hamamatsu MA’s eastern boundary, was also added because of its connections to Suzuki Motors.²³

Using the same sources of information as mentioned above, for the purpose of comparisons, the Nagoya Auto Region has been divided into five sub-regions: Kita Owari and Nukata from Aichi-ken; Mino in Gifu-ken; Hokusei in Mie-ken; and San-En, which consists of the adjoining sections of southeastern Aichi (San) and southwestern Shizuoka-ken (En). Although some modifications were necessary to represent the flows of industrial production in the region, these sub-regions basically conform to prefectural defined administrative regions. They are also quite similar in territorial area to the five 1871 prefectures of Nagoya (Kita Owari), Anoutsu (Hokusei), Kasamatsu (Mino), Nukata (Chita and western or Nishi Mikawa), and Hamamatsu (western Shizuoka or Enshū).

Of the 163 municipalities in the Nagoya Auto Region, 78 come from Aichi Prefecture, 44 from Gifu-ken, 23 from Shizuoka-ken, and 18 from Mie. In all, there are 55 cities (*shi*), 101 towns (*chō* or *machi*), and 6 villages (*son* or *mura*).²⁴ These municipalities combine to create several industrial commodity chains, the largest of which is involved in automobile manufacturing.

As of 1996, these 163 municipalities were responsible for almost two-thirds of the Chūbu Region's population and employment, and slightly more than two-thirds of its manufacturing employment. In addition, these communities hosted over 13% of Japan's manufacturing employment and more than one-third of its employment in transport equipment manufacturing.

III-A. The Kita Owari Sub-region

To help facilitate comprehensive development planning at the prefectural and metropolitan levels, prefectures in the Nagoya Auto Region have divided their municipalities into administrative regions, broader administrative metropolises, and city planning areas.²⁵ Aichi-ken has divided its 88 municipalities into three administrative regions: Owari (the Kiso and Shōnai River districts), Nishi Mikawa (the Yahagi River/Okazaki Plain district) and Higashi Mikawa (the Toyo River/Toyohashi Plain area). These regions have been further subdivided into 14 broader administrative metropolises, and 20 city planning areas (Aichi-ken, 1997a, 1998a & 1998c; Kariya-shi, 1997). The Owari Region has 50 municipalities and the latter two have 19 each. An administrative

metropolis in Aichi, generally, has five to seven municipalities, while city planning areas generally have between three and five communities (Aichi-ken, 1998a).

In the Owari Region, there are seven administrative metropolises. The six of these that were once in the former Nagoya Prefecture: Nagoya, Ama-Tsushima, Owari Chūbu, Owari Hokubu, Owari Seibu, and Owari Tōbu, comprise the Kita Owari Sub-region of the Nagoya Auto Region.²⁶ Since the manufacturing sector of the seventh metropolis, Chita, is focused more towards the cities of Toyota and Okazaki than Nagoya, it was included with these first two cities in the Nukata Sub-region of the Nagoya Auto Region (to be described below).

Centered on Nagoya city, Kita Owari is the largest sub-region in terms of population (3.41 million), private employment (1.6 million), and manufacturing employment (645,631) in the Nagoya Auto Region. Located in the Nobi Plain, and the northern part of the old feudal state of Owari (i.e., the Kiso-Shōnai River districts), this sub-region contains 40 municipalities, including 14 cities (See Figure 8 and Appendix B).

The Nagoya Administrative Metropolis consists solely of Nagoya city. As of 1995, Nagoya was slightly larger than Wayne County, Michigan, in population (2.15), but twice as large in employment (with over 1.58 million workers in 1996). In addition, the city had 237,349 manufacturing jobs in 1996, about 57,000 more than Wayne County in the same year. Of its industrial employment, almost 26,000 was in transport equipment, the third largest amount in the Nagoya Auto Region. Almost 78% of these jobs were in Motor Vehicle, Parts and Accessories, including Mitsubishi, Nissan, and Toyota Motor related factories.²⁷



Figure 8. The Kita Owari Sub-region

In terms of volume of cargo handled, Nagoya's port was the busiest of any in Japan (Nagoya city, 1997). This was an improvement from second in 1991 (Nagoya city, 1992).²⁸ Transportation equipment accounted for 62.4% of the port's exports in Fiscal Year 1996, down from 70.8% in 1991 (Nagoya city, 1992:73, 1997:73).

West of Nagoya city, in Ama-Tsushima, a group of small towns and villages comprise a machinery district. Tsushima city hosts a Yamaha affiliated motorcycle parts supplier plant (Yamaha, 1999). Northeast of Nagoya-shi, in the Owari Hokubu Metropolis, is a heavy industrial district, which includes the cities of Kasugai, Komaki, and the ancient castle town, Inuyama city. Kasugai was the Nagoya Auto Region's eighth largest city in 1995, with a population of 277,589. This city employed 113,000 people in 1996, which was the ninth most in the region. Almost 35,000 of these jobs were in manufacturing, including several suppliers of fabricated metals and machinery.

Spurred by Mitsubishi Heavy Industries and its location at the intersection of three of Japan's major expressways— the Meishin, Tōmei, and the Chūō Motor Highway— Komaki city has become a major distribution center for trucking and air cargo. The city had 137,165 in population in 1995, and over 97,000 in employment in 1996. Its employment ranked 10th highest in the region in that year. Almost 40,000 of these workers were in manufacturing. Nagoya's International Airport is situated adjacent to both Kasugai and Komaki, in the Owari Chūbu Metropolis Town of Toyoyama.

Ichinomiya city, whose speciality is woolen textiles, has, over the last few years, begun to diversity its manufacturing base into electric and general machinery (Ichinomiya city, 1998). With 267,362, it is the largest city in the Owari Seibu Metropolis, and the

ninth largest in the Nagoya Auto Region. It employed over 117,000 people in 1996, which was eighth best in the region, and over 32,000 in manufacturing.

The ceramics city Seto, in Owari Tōbu, is the fifth city in the Kita Owari Sub-region, with over 100,000 in population (129,393 in 1995). Of its over 52,000 employees, almost 20,000 are in manufacturing.

III-B. The Hokusei Sub-region

Southwest of Nagoya city, in northern Mie Prefecture, is the Hokusei Sub-region. The sub-region contains only 18 municipalities, including all 17 municipalities in Mie's Hokusei Administrative Region, and one town Kawage, in suburban Yokkaichi, which is actually a part of Mie's Chūsei or Central Ise Region (See Figure 9 and Appendix B). Hokusei, which gets its name from its location in the northern part of the old feudal state Ise, is the smallest sub-region in the Nagoya Auto Region, with roughly 800,000 people. The sub-region has only four cities. However, among its 403,000 jobs as of 1996, 132,000 were in manufacturing. About 18,000 of these were in transportation equipment.

Mie's Hokusei Administrative Region has three broader administrative metropolises: Kuwana-Inabe, Suzuka-Kameyama, and Yokkaichi (Mie-ken, 1997).²⁹ The core area of Hokusei consists of the Ise Bay coastal districts and cities and towns near Suzuka River.

The cities of Suzuka, where Honda Motors has a significant presence, and Yokkaichi, a major center of Japan's petrochemical industry, form two manufacturing districts that support the region's auto industry production.



Figure 9. The Hokusei Sub-region

[In] Honda's Suzuka factory...automobiles such as the Civic, Integra, CR-V, and StepWagon models are produced, while the Today and Acty series are produced nearby at one of Honda's associated companies, Yachiyo Kōgyō Co., Ltd.'s Yokkaichi factory. The Suzuka factory is equipped with... a uniform, integrated production system [which] encompasses every phase of production, from raw materials to the finished product, enabling both the simultaneous mass production of a large number of models and the maintenance of high quality. Local production kits are also produced here for Honda factories overseas, which contributes to local production activities worldwide for sale in Japan (Honda, 1999b).

Yokkaichi, was the Nagoya Auto Region's seventh biggest city with a population of 285,779 in 1995. With 164,000 workers, the city also had the region's fifth most employment in 1996, almost 44,000 of which, was in manufacturing. Suzuka had 179,800 people in 1995, and almost 82,000 workers. Of its almost 29,000 manufacturing jobs, over 13,000 were in transport equipment, the seventh highest in the region.

Kuwana, a growing city, which only a few years ago passed 100,000 in population (103,044 in 1995), is known for its machine parts, and along with the neighboring towns in Inabe and Kuwana-gun, form a suburban bedroom district to Nagoya city. Kuwana had just less than 50,000 workers in 1996, almost 14,000 of which were in manufacturing.

Kawage, which is in the Tsu-Hisai Metropolis of Mie's Chūsei Administrative Region, was included in the Hokusei Sub-region of the Nagoya Auto Region because it is a part of the Chūkyō MMA. Three communities, Kameyama-shi, Seki-chō, and Fujiwara-chō, from Mie-ken's Hokusei Region, which are not included in the Chūkyō MMA, were included in this sub-region, because of their historical relationships with the cities of Kuwana, Yokkaichi, and Suzuka. Fujiwara's Inabe-gun neighbor, the Town of Daian, had

almost 5,000 transport equipment jobs in 1996 (Mie-ken, 1998). Roughly 4,500 of these were employed at the Densō's Daian Works auto parts complex (Densō, 1997).

III-C. The Mino Sub-region

There are 13 cities and 44 total municipalities in the Mino Sub-region of the Nagoya Auto Region. Centered on the "Core City" of Gifu, these municipalities are located in southern Gifu-ken, primarily in the northern part of the Nobi Plain, adjacent to the Kita Owari Sub-region (See Figure 10 and Appendix B).³⁰ The sub-region had almost 1.76 people in 1995 and nearly 846,000 in employment in 1996. In addition, over 254,000 of these workers were employed in the manufacturing sector, and about 25,000 of these were in transportation equipment.

The Mino Sub-region comprises parts of four of Gifu-ken's six administrative regions and seven of its nine broader administrative metropolises: the Ibi and Ōgaki Metropolises from Gifu's Nishi Mino Region; the Chūnō (or Central Mino) and Gifu Metropolises from Gifu's Mino Region; The Kamo Metropolis in the Mino Kisogawa Region; and the Nakatsugawa-Ena and Tōnō Seibu Metropolis from the Higashi Mino Region (Gifu-ken, 1997, 1998b).³¹

Thirty kilometers to the northwest of Nagoya, at the foot of Mt. Inaba on the Nagara River, is the city of Gifu, an important center of textiles and apparel (DeMente, 1995). Gifu-shi is Gifu-ken's largest city with 407,134 persons and the Nagoya Auto Region's third largest city. It had the third most workers in the region in 1996, 227,000. More than 32,000 of these jobs were in manufacturing.



Figure 10. The Mino Sub-region

To the east of Gifu city, and also in the Gifu Metropolis, is the aircraft manufacturing city of Kakamigahara. The city had 131,955 people in 1995 and employed over 57,000 workers. About 21,000 of these were in manufacturing, with about 40% of these in transport equipment. Its largest company is Kawasaki Heavy Industries, with over 3,400 employees (Kakamigahara-shi, 1998).

Just to the west of Gifu city is the City of Ógaki. Historically known for its textiles and machine parts industries (Eyre, 1982), Ógaki has recently transformed itself into a growing electronics and high technology center. Home to the high-tech multi-media Research & Development Center, Softopia Japan, the city added almost 3,200 new electronics related jobs between 1991 and 1996. Overall, Ógaki had just under 150,000 people (149,759) in 1995. It also had more than 87,000 in employment in 1996, of which almost 26,000 was in manufacturing.

The Tōnō Seibu Metropolis' biggest city, Tajimi, with 101,270 people, forms the northern end of a ceramics district that extends south to Seto-shi in Aichi-ken. With technological advances in heat resistance and durability, the ceramics industry has begun to play a greater role in supplying parts for the region's transport industries.

Due to its proximity to several major highways, the rapidly growing Kani city, (86,367) in the Kamo Administrative Metropolis, has become an important transport equipment and general machinery producing city, over the last fifteen years. With about 40,000 workers, 4,500 of which are in transport equipment, factories in Kani have been involved in recent advances in numerically controlled machine tools. Minokamo, a city of 46,000, is another center for machine tools and the mechatronics industry.³²

As was mentioned, the 44 municipalities in the Mino Sub-region comprise the Gifu Urban Development Area, as defined by the current Basic Chūbu Regional Development and Improvement Plan (Nagoya city, 1997; Gifu-ken, 1998a). However, only 37 of these are within the Census' Chūkyō MMA. The following municipalities which were not in Chūkyō, were included in the Nagoya Auto Region: Ibigawa-chō in the Ibi Metropolis; Seki-shi, Mino-shi, and Mugegawa-chō, in the Chūnō Metropolis; Takatomi-chō, in the Gifu Metropolis; Tomika-chō in Kamo; and Nakatsugawa-shi in Nakatsugawa-Ena.

Of these seven, Seki, known for its cutlery, is also an important producer of other types of fabricated metals. It has over 71,000 people and roughly 36,000 jobs, of which about 15,000 are in manufacturing. Nakatsugawa has almost 12,000 manufacturing jobs among its roughly 29,000 in total employment. However, its industrial mix has changed over the last few years. The city netted more than 1,300 transport jobs between 1991 and 1996, and is a growing motor vehicle related supply city.

With the exception of Mino city, with 26,000 people, the remaining places are small towns. Nevertheless, since the Chūbu's Regional Plan and Gifu Prefecture saw fit to consider these municipalities as a part of the same urban development area as all its other municipalities included in the Chūkyō MMA, this was evidence enough to include these communities in the Mino Sub-region.

III-D. The Nukata Sub-region

Similar to the former Nukata Prefecture, the Nukata Sub-region of the Nagoya Auto Region encompasses the Yahagi River (Nishi or Western Mikawa) and the Chita

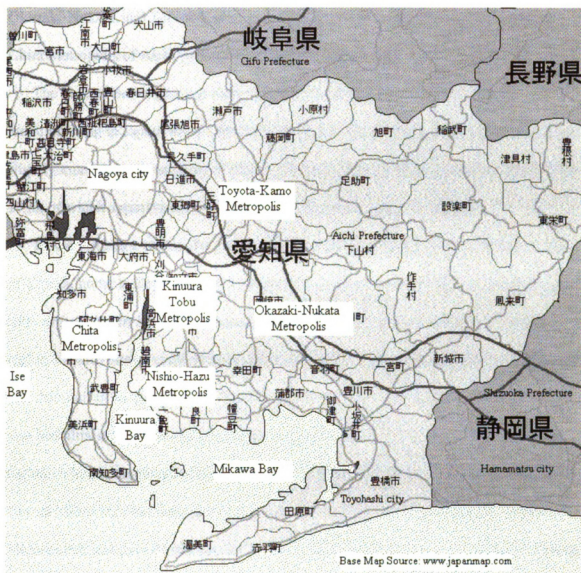


Figure 11. The Nukata Sub-region

Peninsula Areas of Aichi Prefecture. This sub-region contains 27 municipalities, of which there are 13 cities. Seventeen municipalities come from the four administrative metropolises in Aichi-ken's Nishi Mikawa Region: Kinuura Tōbu, Nishio-Hazu, Okazaki-Nukata, and Toyota-Kamo. The remaining 10 belong to the aforementioned Chita Metropolis of Aichi's Owari Region (See Figure 11 and Appendix B).

The Nukata Sub-region can best be described as the center of automobile manufacturing in Japan. As of 1995, the sub-region had 1.9 million people and employed slightly more than one million in 1996. It also had almost 420,000 manufacturing jobs in 1996, of which approximately 167,000, were in transportation equipment.

To the southeast of Nagoya city, in the Toyota-Kamo Metropolis, is the "Core City" of Toyota, home to Toyota Motor Corporation. Toyota city is the Nagoya Auto Region's fifth largest city. In 1995, it had a population of 341,079. It is also happens to be the region's fourth largest employment center, with slightly more than 200,000 workers. Just less than half of its employment, 98,000, was in manufacturing (second best). The city also had almost 68,000 transport equipment related jobs in 1996, by far the most in the region. A large percentage of these were in Toyota Motor's seven plants within the city. Toyota Motor also has three factories in the Toyota-Kamo Town of Miyoshi. While Miyoshi had less than 40,000 people, in 1996 it had 24,000 in employment and 13,000 in manufacturing. Roughly half of its manufacturing was in transport equipment (Aichi-ken, 1998d).

A Toyota assembly plant is also located in the City of Hekinan, in the Kinuura Tōbu Metropolis. Of Hekinan's 35,000 manufacturing jobs in 1996, about 6,000 were in motor

vehicle related employment. Toyota's affiliate companies and supplier network (i.e. Densō, Aisin Seiki, Toyota Machine Works, etc.) are concentrated in the contiguous cities of Kariya, Anjō (in Kinuura Tōbu), and Nishio (in the Nishio-Hazu Metropolis).

Anjō was Kinuura Tōbu's largest city, with 149,464 people, and Kariya had another 125,305 in 1995. However, Kariya had about 5,500 more in employment in 1996, than did Anjō (93,000 to 87,500), and 9,000 more in manufacturing workers (50,000 to 41,000). Densō, Toyota Motor's largest affiliate, has its headquarters in Kariya city. The firm employed over 11,000 people in the city, as of 1996 (Densō, 1997).³³ Densō was the major reason why the city had the fourth most transport equipment jobs in the Nagoya Auto Region in that year, 22,000. It was also responsible for about 40% of Anjō's sixth best 14,000 transport jobs. Overall, next to Toyota city, the Kinuura Tōbu Metropolis has the largest clustering of transportation related manufacturing in the Nagoya Auto Region. The metropolis had over 48,000 of these jobs in 1996. This includes about 3,600 in the city of Takahama and 2,500 in Chiryu city.

On the other hand, Nishio, with slightly less than 99,000 people in 1995, had the fifth most transport equipment jobs in 1996, with 15,000. Roughly 9,000 of these workers were employed at an over one million square meter Densō complex (Densō, 1997). In addition, the four other towns in the Nishio-Hazu Metropolis had another 2,000 transport jobs in 1996. Overall, Nishio had 55,000 jobs and close to 26,000 in the manufacturing sector.

Another cluster of Toyota related factories is within the Chita Metropolis, especially within its Chita Hokubu and Kinuura Seibu city planning areas. The auto supplier city of

Óbu, and the steel city of Tōkai, are within the Chita Hokubu City Planning. Tōkai is home to the large Aichi Steel Works (Toyota) and Toyota Steel Center plants. Handa, within the Kinuura Seibu City Planning Area, was Chita's largest city in 1995, with 106,452 people. Tōkai was not far behind with 99,738. These two cities also both had more than 50,000 in employment in 1996 (58,500 and 56,500, respectively). Like Óbu, Handa is also an auto supply city. However, the slightly smaller city of Óbu (73,096), had the most manufacturing workers in Chita in 1996, with just over 20,000. Handa and Tōkai were both a few hundred shy of 20,000. Overall, there were almost 14,000 transport jobs in the Chita Metropolis in 1996, with more than half, 7,700, in Óbu, and 2,500 in Handa. Most of these jobs are supplied by Toyota suppliers or affiliates.

While Toyota dominates most of the Nukata Sub-region, Okazaki city, in the Okazaki-Nukata Metropolis, contains several Mitsubishi Motor Corporation (MMC) related facilities (Óta, 1980). This includes a MMC assembly plant, and the company's Passenger Car Engineering Center. This second facility includes a high-tech Research & Design Center, which serves as the base for MMC's overseas design studios and other Japan-based design companies that work on export models (MMC, 1998b).

At present, the Okazaki Design Department features eight studios and two exhibition rooms; state-of-the-art computer systems, such as a numerically controlled modeling machine and CAD systems (ibid.)

Okazaki was the sixth largest city in the Nagoya Auto Region in 1995, with 322,621, and had over 153,000 in employment (seventh overall), in 1996. Among its 40,000 manufacturing jobs, the city had about 7,500 transportation equipment related jobs. Although known as a Mitsubishi town, Okazaki city's largest employer is actually a

Toyota related parts plant, Toyoda (Kōki) Machine Works (Okazaki-shi, 1998)

Okazaki's neighboring towns, Kōta and Nukata, had a combined 5,000 transport jobs in 1996. Most of these were at the Kōta Works Densō Plant, which employed roughly 4,100 people in 1996, and Densō's Nukata Test Center (Densō, 1997).

Finally, all but two of Nishi Mikawa's 19 municipalities are a part of the Chūkyō Major Metropolitan Area. Since these communities, Shimoyama-mura, and Asahi-chō, each had less than 500 manufacturing employees in 1996, and were not within the Aichi Urban Development Area, they were omitted from the Nagoya Auto Region.

III-E. The San-En Sub-region

This final sub-region of the Nagoya Auto Region encompasses the Toyo River Area in southeastern Aichi Prefecture and the Lake Hamana Area of southwestern Shizuoka Prefecture (See Figure 12).³⁴ The San-En Sub-region contains 11 cities and towns in Aichi's Higashi Mikawa Administrative Region (San) and 23 municipalities from Shizuoka's Enshū Region (See Figure 12 and Appendix B).³⁵ Among its 34 municipalities, there are 11 cities. As of 1995, this sub-region had 1.93 million people. In 1996, it had almost 959,000 in employment and about 338,000 manufacturing jobs. Included in its manufacturing employment, was approximately 84,000 transport equipment jobs.

All but one of the 11 municipalities from the Toyo River or Higashi Mikawa Region of Aichi-ken, come from its Toyohashi-Atsumi and Hoi Metropolises. The remaining city, Shinshiro, comes from the Shinshiro-Namboku Shitara Metropolis. As mentioned

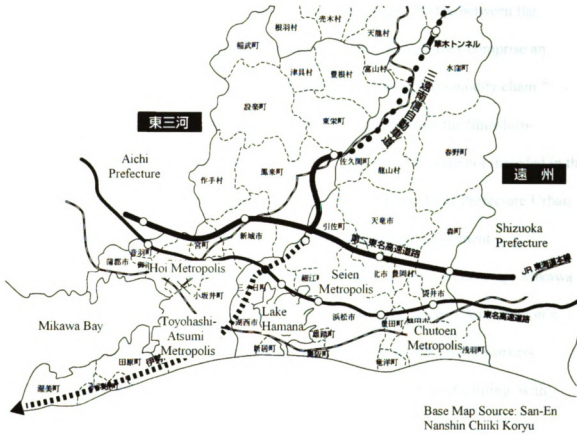


Figure 12. The San-En Sub-region

earlier, six municipalities from metropolitan Toyohashi, which were not in the Chūkyō MMA, are a part of the Nagoya Auto Region: Toyohashi city, and the towns of Tahara, Akabane and Atsumi in the Toyohashi-Atsumi Metropolis; Ichinomiya-chō in the Hoi Metropolis; and Shinshiro city. These municipalities were included for the following reasons: first, because they all are within the Aichi Prefecture's Urban Development Area (Nagoya, 1997); second, because they serve as a industrial and bridge between the Chūkyō and Hamamatsu Metropolitan Areas; and finally, because they comprise an economic zone that has clearly played a role in the region's auto commodity chain.³⁶

On the other hand, the remaining eight towns and villages from the Shinshiro-Namboku Shitara Metropolis that were not in the Chūkyō MMA, were not included in the Nagoya Auto Region. This was because: 1) they were not in the Aichi Prefecture Urban Development Area; and 2) they have very little manufacturing employment.

The Higashi Mikawa half of the San-En Sub-region is centered on the large Mikawa Bay "Core City" of Toyohashi. As of 1995, Toyohashi was the Nagoya Auto Region's fourth largest city with 352,982 people. It also had the region's fifth most workers, 173,000 jobs in 1996. Almost 46,000 of its employment was in manufacturing, with almost 6,000 in transport equipment.

The foreign automaker, Volkswagen, has its Japanese headquarters in this city. Mercedes-Benz, Rover, and Yanase all have distribution centers there. GM, Suzuki, and Peugeot also use the city's Jinno wharf area for their import and export businesses (Toyohashi City, 1997, 1998). Toyohashi Port is the nucleus of the Mikawa Port System,

which stretches from Tahara-chō on the Atsumi Bay Peninsula, west to Gamagōri-shi in the Hoi Metropolis.

One reason why this port system has become internationally known is the Toyota Motor Tahara Plant. The Tahara complex is currently Toyota's largest group of factories, at almost 1.1 million square meters (over 10 million sq. ft). It was constructed with a built-in pier to expedite the exporting of Lexus automobiles to North America (Toyota, 1988:256; Aichi Prefecture, 1996). As of March 1995, the Tahara Toyota Plant produced seven of the companies car and truck models, and employed some 6,400 workers (Toyota, 1996:4). As of 1995, the small town of 36,000 people had more than 7,300 transport jobs in all (Aichi-ken, 1998d).

In the Hoi Metropolis, Suzuki Motors has a motorcycle assembly and parts plant in Toyokawa city (Suzuki, 1999). As of 1995, the city had 114,380 residents. It also had over 59,000 in employment in 1996. This included approximately 21,000 manufacturing jobs and 4,700 transport equipment related workers. The small towns of Ichinomiya, Otowa, and Kozakai, also in the Hoi Metropolis, all had between 1,500 and 2,500 transport related jobs.

Situated around Lake Hamana and a few miles west of Japan's famous Ōi River, the Enshū half of the San-En Sub-region contains 23 municipalities from Shizuoka Prefecture's Seien (10), Chūtōen (11), Hokuen (1), and Shida-Haibara (1) Metropolises.³⁷ Like Aichi's Nishi Mikawa Region, the Enshū Region also was a historic textile machinery region, which has now transformed into an automotive related region.

Hamamatsu city in Seien, is the locus of activity in Shizuoka's Enshū Region, and the second largest city in the Nagoya Auto Region, with well over 500,000 people (561,606) in 1995. This designated "Core City" trailed only Nagoya city in employment in 1996. Among its 346,000 jobs, it had 89,000 in manufacturing employment, good for third best in the region. It also had the second most transportation equipment jobs, at 28,000. The city has traditionally been known for its musical instruments and motorcycles. However, it also has become an important hub for four-wheel motor vehicle related production.

Suzuki, Honda, and Yamaha are among its largest companies. Suzuki Motors' Corporate Headquarters is also located in Hamamatsu city (Suzuki, 1999). The company has two Research & Development Centers in the city. One is located in the Hamamatsu Regional Miyakoda Technopolis Park in the northern part of the city (ibid.). Suzuki also produces motorcycles and cars in the city (ibid.). According to local officials, Suzuki's Honsha (Main) Factory employs over 14,000 workers and primarily produces four-wheel cars (Hamamatsu-shi, 1998). Yamaha Motor manufactures automobile parts in Hamamatsu (Yamaha, 1999). Honda builds motorcycles, trucks, and auto parts in the city (Honda, 1999b).

In 1948, the Honda Technical Research Institute opened its doors in Hamamatsu. From that time on, Hamamatsu has upheld its traditions and history as Honda's birthplace, and is, at present, the only factory responsible for the manufacture of motorcycles, automatic transmissions for automobiles, and power products. The number of basic product types produced here has already passed the 140 mark. From a wide assortment of motorcycles— both off-road and on-road— to a rich selection of power products such as generator and outboard motors, the Hamamatsu Factory produces an incredible variety of Honda products. The Hamamatsu Factory also supplies automatic transmissions to the Suzuka and Saitama Factories, which produce finished automobiles (Honda, 1999b).

Several neighboring cities and towns in the Seien and Chūtōen Metropolises also have numerous transport related industries. The city of Kosai in Seien, situated between Hamamatsu and Toyohashi, forms one core of transportation equipment. In this city, Suzuki Motors has a cluster of plants including a passenger car assembly plant, several components plants, and the company's parts center (Suzuki, 1999). Interestingly enough, one of the villages that was long ago merged into the present day Kosai city, Yamaguchi, was the birthplace of Sakichi Toyoda, the founder of the Toyota Group of companies (Toyota, 1988). Although only 43,762 in population, Kosai had over 20,000 manufacturing jobs in 1996. Moreover, its roughly 9,000 transport equipment jobs were good for ninth best in the Nagoya Auto Region in 1996. Overall, although Kosai had about 29,500 in employment in 1996, it has functioned as an industrial link between the manufacturing developments of metropolitan Toyohashi (San) and metropolitan Hamamatsu (En).

In addition to Kosai and Hamamatsu, Seien's industrial corridor extends north to Hamakita (a Yamaha motorcycle area with 3,800 transport jobs), and the city of Tenryū, in the Hokuen Metropolis. The remaining seven towns in the Seien district have roughly 5,000 transport jobs.

Iwata city, formerly the center of Japan's cotton velvet and corduroy production, is now the center of a second Enshū automobile-motorcycle corridor (Foreign Press Center, 1977). In total, the Chūtōen Metropolis had almost 25,000 transport jobs as of 1996. Over 10,000 of these jobs were in Iwata, ranking the city eighth among all communities in the Nagoya Auto Region. Overall, Iwata had 85,123 people in 1995 and about 45,000 in

employment. Among these jobs, it had 20,000 manufacturing workers. The Town of Ryūyō, with 2,200, had the next most transport jobs in the Chūtōen Metropolis (Shizuoka-ken, 1998).

In addition to its Hamamatsu and Kosai plants, Suzuki Motors has a third four-wheel production plant in Iwata-shi (Shimokawa, 1994). At its Iwata Plant, Suzuki Motors makes commercial vans, trucks, and four-wheel drive vehicles (Suzuki, 1999). Iwata is also home to the Corporate Headquarters and the main motorcycle production complex of the Yamaha Motor Group (Yamaha, 1999). In addition to its numerous motorcycle plants in Iwata, Yamaha has factories in the Chūtōen towns of Toyooka, Toyoda, Mori, and Fukuroi-shi (*ibid.*). Fukuroi, known for its machine tools, also produces automobile engines for Yamaha (Foreign Press Center, 1977; Yamaha, 1999). Suzuki also produces motorcycles in the Chūtōen towns of Osuka, and automobile engines and cast parts in a plant in the Town of Sagara, in Shizuoka's Shida-Haibara Metropolis (Suzuka, 1999).

In sum, auto-related employment growth in metropolitan Toyohashi (San) has now merged with growth in metropolitan Hamamatsu (En), to create a third auto-related sub-region in the Nagoya Auto Region.

Overall, there were 21 cities in the Nagoya Auto Region with more than 100,000 people in 1995. Additionally, there were 20 cities with at least 50,000 in employment and 20 cities with more than 20,000 manufacturing employees in 1996.

The next chapter examines and compares population, employment, and income change in the Detroit and Nagoya Auto Regions since 1969-70.

Chapter 4-Endnotes

1. Unless otherwise cited, the population figures quoted in this section come from the Office of the Prime Minister of Japan, 1950, 1955, 1960, 1965, & 1970 Population Census of Japan; and the Management and Coordination Agency of Japan, 1990 Population Census of Japan. Employment data comes from: the Office of the Prime Minister of Japan, 1960 & 1969 Establishment Census of Japan, various volumes; and the Management and Coordination Agency of Japan, 1996 Establishment Census of Japan.
2. The Nobi Plain got its name from the two former feudal states it encompassed: Mino and Owari. In Japanese it is written or spelled using Mino's second syllabic character "No" and Owari's first character, which can also be read as "Bi."
3. Owari covered primarily the Shōnai and Kiso River areas (Aichi-ken, 1997b)
4. The Owari-kuni contained two feudal domains (han): 1) Owari-han, which changed its name to Nagoya in 1869; and 2) Inuyama-han. The Mikawa state had 10 han. The three in its eastern half were: 1) Yoshida-han which became Toyohashi Prefecture in 1869; 2) Hanbara; and 3) Tahara; In its western half there were seven han: 1) Nishio; 2) Okazaki; 3) Kariya; 4) Koromo; 5) Nishihata; 6) Nishiōhira; and 7) Shigehara (Aichi-ken, 1997b)
5. For the areas in each ken and precise dates of their organization, see Aichi-ken (1997b).
6. Hida-kuni had been merged with part of Shinano-kuni (now in Nagano Prefecture) to form Chikuma Prefecture (Sasayama, et al, 1995). Hida's three gun: Yoshiki, Ōno, and Mashita were transferred to Gifu-ken when Chikuma and Nagano Prefectures were merged in 1876.
7. Shizuoka at that time consisted of the former feudal state of Suruga, whose capital was Shizuoka city. From 1871-1876, Izu was part of Ashigara Prefecture, which also included the feudal state Sagami, from southwestern Kanagawa Prefecture. Ashigara's capital was Odawara now in Kanagawa (Sasayama et al., 1995).
8. Cities were originally called *Ku* (Kitazaki & Ogawa, 1997). *Ku* is now used to represent the wards of Japan's largest special cities (more on this later).
9. Gun were abolished as an official unit of government within prefectures in 1921 (Kishimoto, 1977). Steiner (1965) stated that a 1921 law, which went into effect in 1923, abolished *the Gun* as a local government body. However, the *gunchō* and his office (*gun'yakusho*) were retained until 1926. Muramatsu (1997), as well as Kitazaki & Ogawa (1997), state that the *Gun* system ended in 1921 and the *Gun* government offices were abolished in 1926.

10. There have been some small boundary adjustments since, and the Ryūkyū Islands (Okinawa), were not a part of Japan for about the first 25 years after World War II.

11. Gifu was originally settled in Japan's Kamakura Period (1192-1333), when Inaba castle was built on top of Mt. Kinka. The area was for awhile known as the Inokuchi until the castle town was conquered by Nobunaga Oda in 1564, who renamed the area and the castle Gifu (Gifu city, 1997, DeMente, 1995). Gifu Castle was later won by the Tokugawa Shogunate after the battle of Sekigahara in 1600 (Gifu city, 1997; DeMente, 1995).

12. The original Nagoya train station was built at Sasajima, a short distance south of the present Nagoya Station, mentioned in Chapter 7.

13. Toyohashi was the former castle town of Yoshida. In its more distant past, Yoshida was one of the post towns or relay stations on the old Tōkaidō Highway. These towns were called Shukuba-machi which means "Town of Accommodation" (Toyohashi city, 1997; Foreign Press Center, 1977).

14. Toyoda changed the pronunciation/spelling to Toyota for their automobile company.

15. In November 1945, Toyota decided to no longer manufacture or sell aircrafts, and many of its affiliated companies changed their names to avoid the stigma of its wartime activities. Toyoda Steel changed its name to Aichi Steel Works. Tōkai Hikōki (Aircraft) became Aichi Kōgyō (Industries) and later merged with Shinkawa Kōgyō to become a major parts maker in the Toyota Group known as Aisin Seiki (Toyota, 1988; Allinson, 1975; Cusumano, 1985). Toyota Shatai Kōgyō, now called Toyota Auto Body was established in Kariya just after the end of the War, on August 31, 1945 (Toyota, 1988:490). Finally, in 1949, Toyota's electrical components department was re-incorporated as the independent company, *Nippondensō*, which now is Japan's largest auto parts supplier (Toyota, 1988; Allinson, 1975; Cusumano, 1985). To improve its image, at least in the U.S., according to its World Wide Web home page, this last company changed its name to *Densō* in 1996 (Densō, 1996). According to Nikkei Weekly (1999a), Densō is currently the world's fourth-largest auto-parts maker. This includes a U.S. production facility in Battle Creek, Michigan, and offices in the City of Southfield.

16. Today, a small portion of Nagoya International Airport's runways, are in Komaki and its neighboring city, Kasugai.

17. Komaki became a city in 1955 (Komaki-shi, 1998).

18. Designated Cities are known as Seirei Shitei Toshi in Japan.

19. Tōkyō and Ōsaka were the first two (Eyre, 1982).

20. For other definitions of the Tōkai, Nagoya or Chūkyō Regions which encompass Nagoya and its surrounding economic sphere, see Óta (1980), Rimmer (1986), Edgington (1990, 1996), Douglass (1993), and Alden et. al. (1994). For definitions of the Nagoya “Standard Consolidated Area, and the Nagoya, Toyota, Gifu, Yokkaichi, Toyohashi, and Hamamatsu “Regional Economic Zones,” see Glickman (1979).

21. See the 1996 Establishment and Enterprise Census of Japan, Volume 1-1, Results of Establishments for Japan: All Establishments, Appendix A, Names of Shi, Machi, and Mura of 11 Major Metropolitan Areas, pp. 38, 40.

22. In Japanese, the area is called the *Gifu Toshi Kaihatsu Kuiki*, which can be translated as the Gifu City or Urban Development Area (see Nagoya city, 1997).

23. Based upon the same information cited above, the following areas were studied but not included in the Nagoya Auto Region: 1) the Minami Shinshū Region in the southern part of Nagano Prefecture, centered on Iida city; 2) The Iga, Chūsei (central Ise), Ise Shima, and Higashi (East) Kishū Regions of Mie Prefecture; 3) the Hida and Oku Mino Regions of northern Gifu Prefecture, as well as those municipalities in Gifu’s Higashi Mino and Nishi Mino Regions which were not included in the Gifu Urban Development Area; 4) the mountainous areas of the Higashi Mikawa and Nishi Mikawa Regions of Aichi Prefecture which were neither in Aichi Prefecture’s Urban Development Area nor the Chūkyō MMA; 5) the municipalities in the Hokuen and Chūtōen Metropolises of Shizuoka’s Enshū Region that were not in the Hamamatsu MA; 6) with the exception of Sagara-chō, Shizuoka Prefecture’s Suruga Region centered on Shizuoka city.

24. There are 31 cities, 42 towns, and five villages from Aichi-ken. There are 13 cities and 31 towns from Gifu Prefecture; seven cities, 15 towns, and one village from Shizuoka; and four cities and 14 towns from Mie. Mori-machi, Shuchi-gun in Shizuoka-ken, is the only *machi*. Also, all the villages in the region are known as *mura* rather than *son*.

25. These names were translated from the Japanese, *chiiki* (administrative regions), *kōiki gyōsei ken* (broader administrative metropolises), and *toshi keikaku kuiki* (city planning areas).

26. Owari Chūbu is translated as central Owari. Owari Hokubu refers to northern Owari. Owari Seibu means western Owari and Owari Tōbu, eastern Owari. All of these areas were in the former Nagoya-ken. Inuyama city in Owari Hokubu was briefly in its own prefecture before rejoining the others in Nagoya, and then Aichi-ken (Aichi-ken, 1997b).

27. According to Nikkei Weekly (1999b), Nissan Motor currently assembles its Serena and Largo sport utilities vehicles at its affiliate Aichi Machine Industry’s Minato Plant in Nagoya city. However, production of these vehicles will be shifted to another Nissan

plant outside the region in the year 2001. Thereafter, the Aichi Machine plant will be used to manufacture and design manual transmissions (ibid.).

28. This position improved to first as a result of the 1995 Kōbe earthquake, which devastated that city's port facilities.

29. As was mentioned earlier, Mie formerly was two prefectures, Anoutsu and Watarai. Prior to that, it was three feudal states (kuni): Ise, Iga, Shima, and the eastern part of a fourth, Kii (Sasayama et al., 1995; Hanley & Yamamura, 1977). It is now divided into five administrative regions: Hokusei and Chūsei, which were in Ise; Iga; Ise Shima/Nansei, which was in Shima; and Higashi (or East) Kishū in Kii (Mie-ken, 1996, 1997; 1996 Establishment Census of Japan). Mie has nine broader administrative metropolises: Kuwana-Inabe, Suzuka-Kameyama, and Yokkaichi in Hokusei; Tsu-Hisai and Matsusaka-Kisei in Chūsei; Ise-Shima; Iga; and Owase and Kumano in Higashi Kishū (Mie-ken, 1997).

30. See Chapter 7 for a definition of a "Core City" in Japan.

31. Nishi (or West) Mino Region is also known as Seinō Region. Chūnō can be translated as Central Mino. Tōnō Seibu represents Higashi (or East) Mino's western part. Higashi Mino is also commonly referred to as the Gifu Tōnō Region. Gifu-ken was formerly divided into two feudal domains: Hida and Mino. Its remaining two administrative regions are Hida and Oku Mino. The latter means the deep interior of Mino. Five of the six regions, with the exception of Hida, were in the former Mino-kuni. The prefecture's remaining broader administrative metropolises are Mashita and Hida in the Hida Region and Gujō in the Oku Mino Region (Gifu-ken, 1997, 1998b).

32. "Mechatronics is a combination and integration of mechanical, electrical engineering and computer science." It uses computer design and/or electronics to automate normally mechanically controlled devices. Examples include high-tech robotics, computer controlled/numerically controlled machine tools and self-guided airplanes (University of Linz, Austria, 1999).

33. Kariya is home to Toyota Motor's largest affiliate Dens, which has almost 57,000 employees world wide as of 1997 (Densō, 1997).

Densō dates back to 1936 when Kiichirō Toyoda established another shop in Toyoda Automatic Loom to make electrical parts. He later built a factory in Kariya to produce starters, electrical motors, distributors, spark plugs, and coils, and then in 1943 a plant for radiators. The two facilities became the nucleus of Nippondensō when Kiichirō incorporated it separately in 1949 (Cusumano, 1985:249).

34. Lake in Japanese is *ko*. As a result, many English maps in Japan call Lake Hamana, Lake Hamanako. However, in Japanese it is simply called Hamanako, thus Lake Hamana is the most appropriate English translation. The same can be said for Toyo River. River in Japanese is pronounced *kawa* and sometimes *gawa*. Therefore, the Toyogawa is appropriately translated as the Toyo River, and not the Toyogawa River as it is sometimes written. What is interesting is that the City of Toyokawa, uses the same Japanese characters as the Toyogawa, but for some reason is pronounced slightly differently.

35. Higashi (or East) Mikawa contains three Japanese Kanji characters. The second character, representing Mikawa's "Mi" is also used to connote the number three. Three in Japanese is read "San." Generally, when Higashi Mikawa is associated with Shizuoka's Enshū Region, the grouping is called San-En. One example of this is the San-En Nanshin Highway project with Nagano-ken's Minami Shinshū Region (See Chapter 7).

36. Glickman (1979:83) included Toyohashi, Shinshiro, and the towns of Kozakai, Mito, Tahara, and Kosai in his Toyohashi Economic Zone. Kozakai and Mito, which are within Aichi-ken's Hoi Metropolis, are already a part of the Chūkyō MMA. Kosai, now a city, is part of the Census' Hamamatsu MA.

37. The Ōi River was the historic dividing line between Eastern and Western Japan. Seien, Hokuen, and Chūtōen represent West, North and Central-East Enshū, respectively. As was mentioned, Tótoumi, Suruga (now central Shizuoka), and Izu (now in eastern Shizuoka), were the names of three Japan feudal states that were eventually merged to become Shizuoka Prefecture. In addition to Seien, Hokuen, and Chūtōen, Shizuoka's six other metropolises are: Fuji, Shida-Haibara and Seiseian (from old Suruga), Izu and Atami-Ito (from Izu), and Suntō-Tagata. The southern part of this last sub-region, Tagata was in Izu, and the northern part Suntō (or East Suruga) was in Suruga (Shizuoka-ken, 1994, 1997).

Chapter 5

A COMPARISON OF METROPOLITAN DEVELOPMENT IN THE DETROIT AND NAGOYA AUTO REGIONS: 1969-1996

I. Introduction¹

While both regions vary in size, a comparison of population, employment, and income change since 1969-1970, clearly illustrates how unevenly the Detroit Auto Region, and how relatively balanced the Nagoya Auto Region, have grown over the last three decades.

II. Population Trends

Population shifted significantly from the center of the Detroit Auto Region, to its suburban fringe between 1970 and 1996. Although the region as a whole lost just under 2.5% of its inhabitants during this period, population change was very unevenly distributed among its municipalities and counties (See Table 1).

Led by the City of Detroit's decline of almost 514,000 people, Wayne County lost about 20% of its population between 1970-1996. At the other end of the spectrum, Oakland and Washtenaw Counties had population increases of greater than 25%. The region's traditional auto-producing cities: Detroit, Flint, Highland Park, Hamtramck,

Table 1. Population Change: Detroit Auto Region, 1970-1996

	1970	1996	Change 1970-1996	% Change 1970-1996
Detroit Auto Region	4,884,135	4,765,416	(118,719)	(2.43%)
Genesee County	445,589	436,128	(9,461)	(2.12%)
Macomb County	626,204	734,625	108,421	17.31%
Oakland County	907,871	1,162,212	254,341	28.02%
Washtenaw County	234,103	295,149	61,046	26.08%
Wayne County	2,660,368	2,137,302	(533,066)	(19.96%)
 Detroit city	 1,514,063	 1,000,272	 (513,791)	 (33.93%)
 Michigan	 8,875,083	 9,537,948	 662,865	 7.47%

Sources: 1970 & 1980 U.S. Census, plus Estimates for 1996 (including revised counts)

Pontiac and Warren, and most of its inner ring cities— St. Clair Shores, Eastpointe, River Rouge, Ecorse, Harper Woods, and Redford township— all lost more than 20% of their population during the period. In contrast, new manufacturing centers— Sterling Heights and Troy— and growing satellite employment areas— Clinton and Canton townships, plus the cities of Rochester Hills, Novi, and Farmington Hills— experienced population booms (See Table 2). Canton, incidentally, had both the largest population gain between 1970 and 1996 (58,803), and the highest proportional increase (533%) among the Detroit Region's 190 municipalities.

Table 2. Top & Bottom 15 in Population Change: Detroit Auto Region 1970-96

Rank	Municipality	County	Change
1	Canton township	Wayne	58,803
2	Sterling Heights city	Macomb	57,333
3	Rochester Hills city	Oakland	42,895
4	Clinton township	Wayne	42,870
5	Troy city	Oakland	39,701
6	Novi city	Oakland	33,966
7	West Bloomfield township	Oakland	31,421
8	Farmington Hills city	Oakland	31,224
9	Shelby township	Macomb	26,671
10	Macomb township	Macomb	25,571
11	Chesterfield township	Macomb	19,211
12	Ypsilanti township	Washtenaw	14,909
13	Brownstown township	Wayne	13,896
14	Pittsfield township	Washtenaw	13,283
15	Independence township	Oakland	13,207

Rank	Municipality	County	Change
190	Detroit city	Wayne	(513,791)
189	Flint city	Genesee	(58,436)
188	Warren city	Macomb	(41,182)
187	St. Clair Shores city	Macomb	(24,028)
186	Royal Oak city	Oakland	(21,296)
185	Dearborn Heights city	Wayne	(18,565)
184	Redford township	Wayne	(16,117)
183	Highland Park city	Wayne	(15,656)
182	Pontiac city	Oakland	(14,808)
181	Eastpointe city	Macomb	(13,117)
180	Dearborn city	Wayne	(12,781)
179	Lincoln Park city	Wayne	(10,817)
178	Garden City city	Wayne	(9,528)
177	Allen Park city	Wayne	(9,324)
176	Wyandotte city	Wayne	(9,258)

Sources: 1970 & 1996 U.S. Census of Population and 1996

In the Nagoya Auto Region, population grew by slightly less than 2.32 million people, or 28.03%, from 1970 and 1995. Remarkably, all five of the previously defined sub-regions grew by between 22.18% and 43.57%. (See Table 3).

Table 3. Population Change: Nagoya Auto Region, 1970-1995

	1970	1995	Change 1970-1995	%Change 1970-1995
Nagoya Auto Region	8,275,129	10,594,669	2,319,540	28.03%
Hokusei Sub-region	609,723	800,786	191,063	31.34%
Kita Owari Sub-region	3,419,187	4,177,517	758,330	22.18%
Mino Sub-region	1,389,455	1,755,831	366,376	26.37%
Nukata Sub-region	1,347,691	1,934,815	587,124	43.57%
San-En Sub-region	1,509,073	1,925,720	416,647	27.61%
Nagoya-shi, Kita Owari	2,036,053	2,152,184	116,131	5.70%
Chūbu Region	13,735,012	16,741,682	3,006,670	21.89%

Sources: 1970 and 1995 Population Census of Japan

While Nagoya city saw its population rise by only by about six percent between 1970 and 1995, its population still managed to expand by more than 116,000 people. This was a relatively healthy increase in comparison to the City of Detroit's decline. Nagoya's gain was also the third most among all municipalities in the region, following only the auto manufacturing related cities of Toyota and Hamamatsu, each the largest city in its respective sub-region (See Table 4).

Table 4. Top & Bottom 15 in Population Change: Nagoya Auto Region 1970-96

Rank	Municipality	Sub-region	Change
1	Toyota-shi	Nukata	143,886
2	Hamamatsu-shi	San-En	129,385
3	Nagoya-shi	Kita Owari	116,131
4	Kasugai-shi	Kita Owari	115,754
5	Okazaki-shi	Nukata	112,106
6	Toyohashi-shi	San-En	94,435
7	Suzuka-shi	Hokusei	58,615
8	Kani-shi	Mino	58,132
9	Komaki-shi	Kita Owari	57,559
10	Yokkaichi-shi	Hokusei	55,845
11	Anjō-shi	Nukata	55,157
12	Kakamigahara-shi	Mino	53,846
13	Ichinomiya-shi	Kita Owari	48,088
14	Nisshin-shi	Kita Owari	38,825
15	Chita-shi	Nukata	38,368
Rank	Municipality	Sub-region	Change
163	Tenryū-shi	San-En	(3,603)
162	Tokoname-shi	Nukata	(3,314)
161	Minami Chita-chō	Nukata	(2,859)
160	Nishi Biwajima-chō	Kita Owari	(2,490)
159	Yaotsu-chō	Mino	(2,073)
158	Asuke-chō	Nukata	(1,856)
157	Kasahara-chō	Mino	(1,515)
156	Tatsuyama-mura	San-En	(1,398)
155	Sekigahara-chō	Mino	(1,383)
154	Shinkawa-chō	Kita Owari	(1,341)
153	Kusu-chō	Hokusei	(1,327)
152	Atsumi-chō	San-En	(1,253)
151	Fujiwara-chō	Hokusei	(628)
150	Mino-shi	Mino	(452)
149	Sunomata-chō	Mino	(432)

Sources: 1970 and 1995 Population Census of Japan

Inter-municipal variations were exactly opposite of those in the Detroit Auto Region. Large cities grew the most in total population, while the suburbs nearest to the region's largest cities, had the most rapid proportional growth. There were no real concentrations of decline, as both the Top 15 and Bottom 15 in population change, were scattered throughout the region. There were at least two, and no more than five, municipalities from either the Top 15 or the Bottom 15, in any one sub-region. In direct contrast, in the Detroit Auto Region, a combined 11 of the Top 15 in population change were in Oakland and Macomb Counties. Moreover, nine of the Bottom 15 were in the region's central County of Wayne.

Finally, also unlike the Detroit Region, the Nagoya Region's population remained centralized. In 1970, the City of Detroit comprised 31.00% of its region's population, and Wayne County held a 54.47% share. However, by 1996, these totals had each fallen by roughly 10 percentage points, to 20.99% and 44.85%, respectively. By comparison, between 1970 and 1995, Nagoya city's share of its auto region's population dropped roughly four percentage points, from 24.60% to 20.31%. In addition, its sub-region, Kita Owari, saw its proportion fall by less than two percentage points, from 41.32% to 39.43% of the region.

Overall, Nagoya's population growth, since 1970, has clearly been more balanced than that of the Detroit Auto Region. A final illustration of this phenomenon can be viewed in Table 5. This table presents the mean real population change, its standard deviation from the mean (STD), the standard deviation as a proportion of the mean, and the range of population growth rates (percent change) for both regions.

Table 5. Mean Population Change, Standard Deviation & Range by Auto Region

	Detroit Auto Region	Nagoya Auto Region
Mean Real Change	(625)	14,230
Standard Deviation from the Mean (STD)	39,228	24,259
Standard Deviation as a Proportion of the Mean*	62.781	1.705
Range:		
Largest Percentage Increase	533.31	240.11
Largest Percentage Decline	(240.11)	(49.79)
Number of Municipalities	190	163

* Equal to the absolute value of the STD divided by the Mean. The larger the proportion, the more uneven the variations in population change are. Conversely, the lower the proportion, the more closely bunched the change rates are to one another. A figure of zero would be equivalent to totally balanced population change.

The most compelling indicator is the standard deviation as a proportion of the mean. This figure, which represents how closely bunched changes in municipal population were in comparison one another, clearly demonstrates how extremely uneven Detroit's variations in population change have been in relation to Nagoya's.

Population change for every municipality in the Detroit and Nagoya Auto Regions since 1970, can be found in Appendices C and D, Tables 19 and 20. These tables also present employment and per capita income change for these places.

III. Trends in Total and Manufacturing Employment

Total Private Employment grew by almost 479,000 (30.55%) in the Detroit Auto Region between 1969 and 1996. However, in terms of manufacturing employment, the region lost more than 258,000 jobs, or 34.89%, during this period. Again, growth and

decline were very unevenly distributed throughout the region. While Wayne County has lost 23.57% of its private employment since 1969, and 58.72% of its manufacturing sector, Oakland County saw its employment rise by 191.35%, and its manufacturing jobs increase by 23.39% (See Tables 6 and 7).

Table 6. Total Employment Change: Detroit Auto Region, 1969-1996

	1969	1996	Change 1969-1996	% Change 1969-1996
Detroit Auto Region	1,567,378	2,046,199	478,821	30.55%
Genesee County	146,272	153,416	7,144	4.88%
Macomb County	154,825	320,662	165,837	107.11%
Oakland County	239,950	699,090	459,140	191.35%
Washtenaw County	69,997	142,140	72,143	103.07%
Wayne County	956,334	730,891	(225,443)	(23.57%)
Detroit city, Wayne County	631,405	351,377	(280,028)	(44.35%)
Michigan	2,552,050	3,758,060	1,206,010	47.26%

Sources: 1969 & 1996 County Business Patterns; SEMCOG 1980 & 1998. All employment is by Place of Work and does not include Government Employees

Again, the largest gains were in suburban cities, while the greatest decline was in Detroit, its adjacent inner ring suburbs, and in the older auto-cities of Flint and Pontiac. In terms of both total and manufacturing employment, once again, Detroit had the largest real declines. The city lost an estimated 280,000 total jobs, and more than half as many manufacturing jobs between 1969 and 1996. Conversely, during this same period,

Oakland, Macomb, and Washtenaw County municipalities combined to more than double their total private employment (gaining over 697,000), while adding slightly less than 34,000 manufacturing jobs. However, this gain didn't shelter the City of Pontiac (Oakland County) and Ypsilanti township (Washtenaw) from GM plant closings.

Table 7. Manufacturing Employment Change: Detroit Auto Region, 1969-1996

	1969	1996	Change 1969-1996	% Change 1969-1996
Detroit Auto Region	741,323	482,645	(258,678)	(34.89%)
Genesee County	84,775	39,137	(45,638)	(53.83%)
Macomb County	94,857	106,263	11,406	12.02%
Oakland County	103,930	128,241	24,311	23.39%
Washtenaw County	37,225	35,414	(1,811)	(4.87%)
Wayne County	420,536	173,590	(246,946)	(58.72%)
Detroit city, Wayne County*	209,700	55,701	(153,999)	(73.44%)
Michigan	1,198,536	952,875	(245,661)	(20.50%)

Sources: 1969 & 1996 County Business Patterns; SEMCOG 1980 & 1998; 1967 Census of Manufactures. All employment is by Place of Work and does not include Government Employees. * Detroit city figures are for 1967 and 1995.

Pontiac, where GM closed its last car factory in 1988, lost about 8,600 jobs and about two-and-half times as many manufacturing jobs (21,000). Due to the closing of GM's Willow Run Plant, Ypsilanti township's employment dropped by almost 15,000, with more than 10,000 of these in manufacturing.

Suburban Wayne County gained about 55,000 jobs during this period: however, its manufacturing employment retracted by about 90,000. Over 60% of this decline was in five communities adjacent to the City of Detroit: Dearborn, Redford, Hamtramck, Ecorse, and Highland Park. All of these areas have had some connection with the auto industry.² Also, as a result of the downsizing policies of General Motors, the City of Flint's total employment fell by almost 22,000. However, the city actually had a net gain of nearly 20,000 non-manufacturing jobs between 1969 and 1996. This is quite remarkable, considering that in 1980, Flint had an unemployment rate of over 20 percent; which was said to be the highest of any U.S. city that year, with more than 100,000 people (Schoenberger & Harkness, 1993).³ On the other hand, suburban Genesee County gained roughly 29,000 in employment, although it suffered a small net loss in manufacturing.

As for other inter-municipal variations, the cities of Troy, Southfield, Ann Arbor, and Farmington Hills all gained more than 50,000 new jobs (See Table 8). Troy easily led the way, with a gain of roughly 95,000 in employment between 1969 and 1996. Auburn Hills had the highest proportional rate of growth during this period among communities with more than 10,000 employees in either 1969 or 1996. This city grew by the incredible rate of almost 1,600%, while adding more than 36,000 new jobs.

Almost all of the region's Top 15 in employment change were within a 20-30 minute freeway drive of Detroit, in its second and third ring of suburbs. One growth area has been northwest of Detroit, along Interstate (I)-75 in Madison Heights, Troy (second ring), and Auburn Hills (third)(See Figure 13).

Table 8. Top & Bottom 15 in Employment Change: Detroit Auto Region, 1969-96

Rank	Municipality	County	Change
1	Troy city	Oakland	95,158
2	Southfield city	Oakland	62,295
3	Ann Arbor city	Washtenaw	62,163
4	Farmington Hills	Oakland	57,401
5	Sterling Heights city	Macomb	47,649
6	Livonia city	Wayne	38,706
7	Auburn Hills city	Oakland	36,740
8	Clinton township	Macomb	25,616
9	Novi city	Oakland	25,404
10	Taylor city	Wayne	21,772
11	Romulus city	Wayne	19,829
12	Waterford township	Oakland	19,664
13	Rochester Hills	Oakland	19,509
14	Madison Heights city	Oakland	17,995
15	Royal Oak city	Oakland	17,073

Rank	Municipality	County	Change
190	Detroit city	Wayne	(280,028)
189	Flint city	Genesee	(21,821)
188	Highland Park city	Wayne	(21,168)
187	Ypsilanti township	Washtenaw	(14,945)
186	Ecorse city	Wayne	(14,663)
185	Oak Park city	Oakland	(13,065)
184	Hamtramck city	Wayne	(12,828)
183	Redford township	Wayne	(8,873)
182	Pontiac city	Oakland	(8,664)
181	River Rouge city	Wayne	(6,839)
180	Ferndale city	Oakland	(4,682)
179	Dexter village	Washtenaw	(3,427)
178	Dearborn Heights city	Wayne	(3,179)
177	Riverview city	Wayne	(2,716)
176	Melvindale city	Wayne	(2,579)

Sources: SEMCOG (1980 & 1998); 1970 U.S. Census Journey to Work; GCMPC (1994b); State of Michigan, MESC (1998b); All employment is by Place of Work and does not include Government Employees.

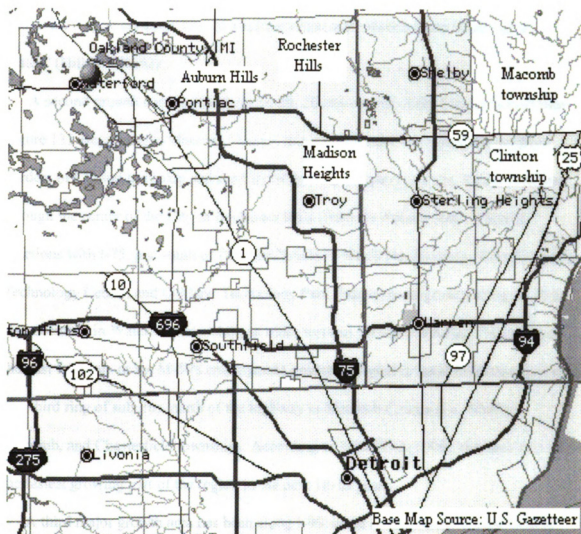


Figure 13. The I-75 and M-59 Corridors

This stretch of highway is known as the heart of *Automation Alley*, because it has been considered the world technology center for automated manufacturing (Oakland County, 1995). Automation Alley, a “high-tech corridor that runs through Detroit’s western suburbs” (Hill & Negrey, 1991:399), earned its moniker from the fact that it “hosts the largest concentration of machine vision and robotics firms in the United States” (Hill, 1990b:52).

A second growth corridor has been M-59, 20 miles north of the City of Detroit (See Figure 13). Beginning in Macomb County, this corridor runs west along the northern borders of Clinton township and the City of Sterling Heights (second). It then continues through the center of the City of Rochester Hills (third) to Auburn Hills, where it junctions with I-75, just south of DaimlerChrysler’s World Headquarters, Chrysler’s new Technology Center, and Oakland Technology Park. Employment growth along M-59 has also occurred in Waterford township, an older western suburb of Pontiac. Finally, over the past ten years or so, M-59’s employment growth has spurred rapid residential growth in a third ring of suburbs, north of the highway in Macomb County (i.e., Shelby, Macomb, and Chesterfield townships. According to SEMCOG (1998), this area will be the fastest growing part of the region in the next 10-15 years.

A third major growth area has been along I-96, in the northwestern Wayne County communities of Livonia city (second) and Plymouth township (third) (See Figure 14). The Edsel Ford Freeway (I-94) has been a fourth major growth area (See Figure 14). This corridor extends south and then west of Detroit, from Dearborn (first), through Taylor and Romulus (second), to where it intersects with Michigan Highway 14 (M-14) at the eastern

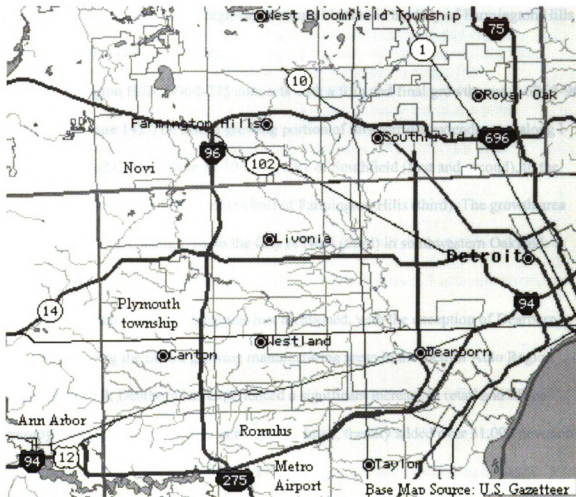


Figure 14. The I-94, I-96, I-275, and I-696 Corridors

edge of the Washtenaw County City of Ann Arbor (fourth). As a result of I-275, the growth along I-96 and I-94 has now converged. Highway I-275 intersects with I-94 in Romulus, near Detroit's Metropolitan Airport. It then travels north, through Canton township (third), and merges with I-96 in Plymouth township. I-96 and I-275 then continue north together as one highway, through Livonia to the City of Farmington Hills (second/third) in Oakland County.

In Farmington Hills, I-96/I-275 connects with a fifth and final growth area, I-696/I-96 West (See Figure 14). The fastest growing portion of this corridor extends west along I-696, in Oakland County, from M-10 in the City of Southfield (first and second), to the junction of I-96/I-275 in the northern half of Farmington Hills (third). The growth area then continues west, along I-96, to the City of Novi (third) in southwestern Oakland County.

All of the suburban municipalities just mentioned, with the exception of Dearborn, have been among the fastest growing manufacturing areas in the Detroit Auto Region since 1969. Still, Dearborn has experienced a significant increase in retail and office employment since 1969 (Darden et al., 1987). In all, the city added over 31,000 new non-manufacturing jobs between 1969 and 1996.

On the other hand, among those areas with more than 10,000 employees, Highland Park lost the greatest percentage of its jobs, roughly 74% (or 21,000) between 1969 and 1996. Many were transplanted to Chrysler's new operations in Auburn Hills and Sterling Heights. Ecorse, Hamtramck, River Rouge, and Oak Park also lost over half of their jobs

and more than 70% of their manufacturing employment. Again, like Highland Park, all of these cities have borders adjacent (inner ring suburbs) to the City of Detroit.

Ecorse and River Rouge are part of a group of 16 southeastern Wayne County municipalities, which have often been referred to as Detroit's Downriver Communities.⁴

Downriver is collection of blue-collar communities nestled against one another along the Detroit River, south and west from the central city of Detroit... [The area] is one of Michigan's oldest industrial regions and [has been] an integral part of Michigan's auto production system... [Its communities] first grew with the steel industry. At the turn of the century Downriver became a steel supplier to the auto industry and later a plant location for car builders and parts suppliers in search of large plots of cheap land fronting waterway (Hill & Indergaard, 1988:235; Hill et al., 1989:72).

However, this area was devastated in the late 1970's and early 1980's by the global restructuring of the U.S. steel and auto industries. As a result, 11 of the 16 communities suffered employment decline between 1969 and 1996. Only two, Taylor and Southgate, gained more than 2,000 new jobs.

As for the City of Detroit, even though the region gained over 737,000 non-manufacturing jobs from 1969 to 1996, the city lost about 125,000. Office and Retail sector growth has been so rapid in places like Troy, Southfield, Farmington Hills, and later, Auburn Hills, that eastern Oakland County has displaced Detroit as the region's center for white-collar employment.

Contrary to the Detroit experience, as has been the case for population, employment change was rather balanced among Nagoya's sub-regions between 1969 and 1996. The region as a whole, gained slightly less than 2.18 million jobs, an increase of 62.02% from 1969. Its proportional increase was very similar to that of the Chūbu Region (58.87%),

and Japan as a whole (64.45%). All five of its sub-regions grew by between 54.89% and 89.61% (See Table 9).

Table 9. Total Employment Change: Nagoya Auto Region, 1969-1996

	1969	1996	Change 1969-1996	%Change 1969-1996
Nagoya Auto Region	3,513,005	5,691,837	2,178,832	62.02%
Hokusei Sub-region	251,885	403,098	151,213	60.03%
Kita Owari Sub-region	1,603,583	2,483,828	880,245	54.89%
Mino Sub-region	538,901	845,696	306,795	56.93%
Nukata Sub-region	527,626	1,000,431	472,805	89.61%
San-En Sub-region	591,010	958,784	367,774	62.23%
 Nagoya-shi, Kita Owari	 1,144,969	 1,580,201	 435,232	 38.01%
 Chūbu Region	 5,532,406	 8,789,319	 3,256,913	 58.87%

Sources: 1969 & 1996 Establishment Census of Japan. All employment is by Place of Work and includes Government Employees.

As for variations among its municipalities, once again, unlike Detroit, Nagoya city remained the employment center of the region. The city grew at a slightly lower rate (38%) than the region as a whole. However, it gained over 435,000 new jobs between 1969 and 1996. This easily out-distanced the region's second largest municipal increase, Hamamatsu, by over 300,000 jobs. In addition, inter-municipal growth and decline was well distributed within each sub-region. Of the Top 15 municipalities in employment change, there were no more than five, nor less than two, in any one sub-region.

Table 10. Top & Bottom 15 in Employment Change: Nagoya Auto Region, 1969-96

Rank	Municipality	Sub-region	Change
1	Nagoya-shi	Kita Owari	435,232
2	Hamamatsu-shi	San-En	105,922
3	Toyota-shi	Nukata	105,348
4	Kasugai-shi	Kita Owari	73,657
5	Okazaki-shi	Nukata	71,312
6	Komaki-shi	Kita Owari	67,373
7	Toyohashi-shi	San-En	61,839
8	Gifu-shi	Mino	59,776
9	Anjō-shi	Nukata	50,329
10	Yokkaichi-shi	Hokusei	43,277
11	Suzuka-shi	Hokusei	41,345
12	Kariya-shi	Nukata	36,605
13	Kakamigahara-shi	Mino	31,715
14	Kani-shi	Mino	31,009
15	Toyokawa-shi	San-En	29,388
Rank	Municipality	Sub-region	Change
163	Shinkawa-chō	Kita Owari	(2,332)
162	Kisogawa-chō	Kita Owari	(1,418)
161	Kasahara-chō	Mino	(1,224)
160	Maisaka-chō	San-En	(730)
159	Kusu-chō	Hokusei	(688)
158	Fukude-chō	San-En	(298)
157	Sekigahara-chō	Mino	(279)
156	Sunomata-chō	Mino	(144)
155	Tatsuyama-chō	San-En	(114)
154	Kaneyama-chō	Mino	(14)
153	Saori-chō	Kita Owari	576
152	Akabane-chō	San-En	582
151	Hachikai-mura	Kita Owari	614
150	Tatsuta-mura	Kita Owari	732
149	Kawashima-chō	Mino	794

Sources: 1969 & 1996 Establishment Census of Japan. All employment is by Place of Work and includes Government Employees.

The Bottom 15 were also scattered across the sub-regions; however, none of the Bottom 15 were in the Nukata Sub-region thanks to the growth of Toyota Motor (See Table 10).

As for manufacturing employment in the Nagoya Auto Region, declines in the 1990's eliminated over half of the region's gains between 1969 and 1991. Structural pressures in the early 1990's, such as the rapid rise in the value of the Yen, high land prices, chronic labor shortages, and slow growth in Japan, have prevented some companies from expanding as rapidly as they would otherwise (Edgington, 1990, 1994c). Those firms that did expand located their new plants in different regions of Japan or overseas. Some opened plants outside because labor was available and cheaper (Steven, 1991). Others did so because it was the most prudent way they could expand their sales in these foreign markets (Florida & Kenney, 1991).

Toyota, Honda, Suzuki, and Mitsubishi Motors have all expanded their North American operations over the last 10 years (Reid, 1991; Florida & Kenney, 1991; Kenney & Florida, 1993; Shimokawa, 1994; Suzuki, 1999). "They have done so to both gain access to the huge U.S. market, and to circumvent growing American protectionism (Florida & Kenney, 1991:93). Many of the automakers' first-tier suppliers later followed. As was described in Chapter 3, a fair share of these have located in the Detroit Auto Region.

Nevertheless, on the whole, the region's manufacturing sector still gained 92,000 in employment, or 5.76% between 1969 and 1996 (See Table 11). This was still more favorable than the Detroit Auto Region's loss of over 258,000 industrial employees. There was some inter-municipal unevenness, mainly due to inter-industry variations.

Table 11. Manufacturing Employment Change: Nagoya Auto Region, 1969-1996

	1969	1996	Change 1969-1996	%Change 1969-1996
Nagoya Auto Region	1,599,327	1,691,432	92,105	5.76%
Hokusei Sub-region	122,061	132,470	10,409	8.53%
Kita Owari Sub-region	645,631	547,573	(98,058)	(15.19%)
Mino Sub-region	248,849	254,217	5,368	2.16%
Nukata Sub-region	311,531	419,534	108,003	34.67%
San-En Sub-region	271,255	337,638	66,383	24.47%
 Nagoya-shi, Kita Owari	 367,995	 237,349	 (130,646)	 (35.50%)
 Chūbu Region	 2,288,677	 2,499,513	 210,836	 9.21%

Sources: 1969 & 1996 Establishment Census of Japan. All employment is by Place of Work and includes Government Employees.

Transport cities grew most rapidly and textile cities, generally saw their manufacturing employment decline. Toyota-shi led all places with a gain of over 32,000, and all but two of the Top 15 in manufacturing change had some connections with the auto industry.

The largest industrial sector in seven of Nagoya Region's Bottom 15 in manufacturing change had been textile mills in 1969. As in many parts of Japan, a significant number of these textile jobs left the region for developing markets in East and Southeast Asia, especially between 1969 and 1981 (Edgington, 1996; Dicken, 1992). Nagoya city's manufacturing employment declined by 35.5%, with a loss of 130,646 jobs. The city lost 83.43% (22,498) of its textile mill employment between 1969 and 1996, its largest sectoral decline. Almost 16,000 of this loss was between 1969 and 1981.

Nevertheless, Nagoya city, and all but one of these textile areas, Kisogawa-chō, replaced their manufacturing loss with more than enough employment in other sectors, to experience a net increase in total employment between 1969 and 1996. After 1969, Nagoya city's wholesale and retail employment rose by a combined 203,000, and its services sector grew by more than 263,000. Finally, only two of the Bottom 15 in manufacturing change suffered a population loss over the past three decades to go along with their decline in manufacturing employment.⁵

Interestingly enough, the key to many of the fastest growing areas in the region was that they transformed their textile machinery into auto-related machinery, prior to Japan's auto production boom of the 1970's and 1980's (Allinson, 1975). In all, the Nagoya Auto Region gained roughly 150,000 transportation equipment jobs (or an estimated 75%), and Japan, over 200,000 (21.54%), between 1969 and 1996.⁶ By comparison, the U.S. lost more than 499,000 transportation equipment jobs (24.70%) and the Detroit Auto Region dropped over 156,000 (or 53.93%) during the period.⁷

Clusters of small and medium size firms play an important role in the Nagoya Auto Region. For example, in 1996, about 80% of all companies in Aichi Prefecture employed between one and nine people, and 90.94% had less than 20 workers. This has especially been true in the Nukata Sub-region cities of Toyota, Kariya, Anjō, and Nishio. As if taken right from the pages of Alfred Marshall's (1890 & 1919), Jane Jacobs' (1984) and Charles Sabel's (1989) descriptions of industrial districts, through competition, cooperation, and innovation, firms in this area, have for the most part, stemmed the flow of manufacturing jobs out of the region.⁸

In sum, as was the case with population over the past three decades, while employment remained centralized in the Nagoya Auto Region, it decentralized considerably in the Detroit Auto Region. In addition, Nagoya Region grew at a much more balanced rate as compared with Detroit. In the latter, nine of the Top 15 in employment growth between 1969 and 1996, were in Oakland County. Among the Bottom 15, nine of these were in Wayne County. Those that were not in Wayne were either adjacent to Detroit, or suffered as a result of downsizing in the American auto industry. In addition, in 1969, Detroit city's employment was 40.28% of the Detroit Auto Region, while Wayne County held a 61.01% share. However, by 1996, these totals had fallen by 23.11 and 25.29 percentage points, respectively, to 17.17% and 35.72%. On the other hand, Nagoya city's proportion of its region's employment dropped less than five percentage points between 1969 and 1996, from 32.59% to 27.76%. Meanwhile, Kita Owari's share declined by two percentage points, from 45.65% to 43.64%.

Overall, Nagoya's employment growth since 1969, has clearly been more balanced than that of the Detroit Auto Region. This can again be evidenced in Table 12, which presents the average real employment change, its standard deviation from the mean, the standard deviation as a proportion of the mean, and the range of employment growth rates (percent change) for both regions. As was the case with population, the standard deviation as a proportion of the mean demonstrates that Detroit's variations in employment change were much more unevenly distributed in comparison to Nagoya's.

Table 12. Mean Employment Change, Standard Deviation & Range by Auto Region

	Detroit Auto Region	Nagoya Auto Region
Mean Change	2,520	13,367
Standard Deviation from the Mean (STD)	24,106	37,098
Standard Deviation as a Proportion of the Mean*	9.565	2.775
Range:		
Largest Percentage Increase	3,186.00	1,355.13
Largest Percentage Decline	(73.79)	(20.67)
Number of Municipalities	190	163

* Equal to the absolute value of the STD divided by the Mean. The larger the proportion, the more uneven the variations in employment change are. Conversely, the lower the proportion, the more closely bunched the change rates are to one another. A figure of zero would be equivalent to total balanced employment change.

IV. Per Capita Income Changes

Two phrases from a 1995 Oakland County promotional pamphlet succinctly describe the uneven distribution of income in the Detroit Auto Region: 1) “Welcome to Oakland County, The Third Most Affluent County on the Map”; and 2) “Residents of Oakland County have experienced an increase in average Per Capita Income (PCI) to more than \$21,000 per year. [This means the County’s PCI] is 52% higher than the average PCI for the entire state.” Oakland County municipalities are among the richest in America. Ten of the Detroit Region’s Top 15 municipalities in Per Capita Income in 1989, were from Oakland County. Of the region’s Top 15 in PCI change between 1969 and 1989, ten were also from Oakland County. On the other hand, seven of the region’s lowest in PCI in 1989, including #3 Detroit, and eight of the Bottom 15 in PCI change, between 1969 and 1989, were in Wayne County. Common themes among these cities were that: 1) their

total and manufacturing employment has declined; 2) they have declining populations; 3) a large proportion of their population was minority; and 4) they are concentrated in and around the City of Detroit

As for the Nagoya Auto Region, Nagoya-shi continued to be among the leaders in PCI; it had the third highest PCI its region in 1990. Very dissimilar to the Detroit Auto Region, the center areas and traditional auto-related cities in the region, had the largest increases in PCI. On the other hand, most rural parts of the region grew the slowest in PCI. However, slow growth areas were scattered throughout the sub-regions; therefore, there were no real concentrations of low incomes in the region.

The differences in evenness of income in Detroit and Nagoya Auto Regions can clearly be evidenced by a comparison of the highest and the lowest in municipal PCI change, between 1970 and 1990 in both regions. According to the U.S. Censuses of 1970 and 1990, the City of Bloomfield Hills, in Detroit's northwest suburbs, saw its PCI increase by \$57,452 between 1969 and 1989. At the low end, the City of Highland Park had its PCI increase by only \$4,230 during this period. This means that Bloomfield Hills experienced an increase in PCI that was more than 13 times greater than that of Highland Park (\$53,000 or ¥8.5 million at 1990 exchange rates). Conversely, in the Nagoya Auto Region, the largest increase in municipal PCI was in Nisshin-chō, which grew by roughly ¥1,656,000 (or \$10,379 at 1990 exchange rates). The smallest change was in Tatsuyamamura, which had an increase of approximately ¥707,000 (or \$4,431). This means Nisshin's PCI gain was only slightly more than two times greater than that of Tatsuyama (¥949,000 or less than \$6,000). If we then compare the two regions, we find the

difference between the top and the bottom in Detroit was over seven times greater than the gap in the Nagoya (\$47,000 or ¥7.5 million at 1990 exchange rates).

Another clear demonstration of how relatively balanced incomes in the Nagoya Auto Region are, and how uneven they are in the Detroit Auto Region, can be evidenced by comparing the differences between the highest and lowest PCIs in each region in 1970 and 1990 (or the disparity gap).

Table 13. Difference Between the Highest and Lowest PCI: Detroit Auto Region

Detroit Auto Region 1969

PCI Rank	Municipality	County	PCI (US \$)	PCI (¥en)
Highest	Bloomfield Hills city	Oakland	20,496	7,378,560
Lowest	Richmond city	Macomb	2,784	1,002,440
	1969 Detroit Disparity Gap		17,712	6,376,120
	Regional Mean PCI*		4,386	1,579,138
	Standard Deviation from the Mean		2,439	878,041
	Standard Deviation as a Prop. of the Mean		.556	.556

Detroit Auto Region 1989

PCI Rank	Municipality	County	PCI (US \$)	PCI (¥en)
Highest	Bloomfield Hills city	Oakland	77,948	12,436,603
Lowest	Highland Park city	Wayne	7,241	1,155,301
	1989 Detroit Disparity Gap		70,707	11,281,302
	Regional Mean PCI*		18,924	3,019,400
	Standard Deviation from the Mean		10,330	1,648,102
	Standard Deviation as a Prop. of the Mean		.546	.546

*Equal to the non-weighted average of all municipal PCIs for that year.⁹

Sources: 1970 and 1990 U.S. Census of Population; Yen rate source: Oanda, Inc.¹⁰

Table 14. Difference Between the Highest and Lowest PCI: Nagoya Auto Region**Nagoya Auto Region 1970**

PCI Rank	Municipality	Sub-region	PCI (US \$)	PCI (¥en)
Highest	Nagoya-shi	Kita Owari	777	280,000
Lowest	Atsumi-chō, Atsumi-gun	San-En	219	79,000
	1970 Disparity Gap		558	201,000
	Regional Mean PCI*		491	176,914
	Standard Deviation from the Mean		98	35,250
	Standard Deviation as a Prop. of the Mean		.199	.199

Nagoya Auto Region 1990

PCI Rank	Municipality	Sub-region	PCI (US \$)	PCI (¥en)
Highest	Nisshin-chō, Aichi-gun	Kita Owari	11,890	1,897,000
Lowest	Tatsuyama-mura	San-En	5,177	826,000
	1990 Disparity Gap		6,713	1,071,000
	Regional Mean PCI*		7,831	1,249,362
	Standard Deviation from the Mean		1,048	167,284
	Standard Deviation as a Prop. of the Mean		.134	.134

*Equal to the non-weighted average of all municipal PCIs for that year.

Sources: Nihon Marketing Kyōiku Center (1972 & 1992). Yen rate source: Oanda, Inc.

According to the 1970 U.S. Census, the difference between highest municipal PCI, and lowest in Detroit Region, was \$17,712 in 1969 (See Table 13). This is compared to a 1970 disparity gap of \$558 in Nagoya, at 1970 exchange rates (See Table 14). In other words, in 1970, the disparity gap in Detroit was about \$17,000 greater than it was in Nagoya. By 1990, while the PCI disparity gap had grown in Detroit to \$70,707, yet only to \$6,713 in Nagoya, this difference between the two regions had grown to almost

\$64,000 in 1990, or roughly ¥10 million, based upon 1990 exchange rates (See Tables 13 and 14). While the disparity gap grew by almost \$53,000 in the Detroit Auto Region from 1969 to 1989, it rose by only around \$6,100 in the Nagoya Auto Region between 1970 and 1990 (See Table 15).

Table 15. Change in the Disparity Gap in the Detroit and Nagoya Auto Regions

Auto Region	PCI (US \$)	PCI (¥en)
Detroit 1969 to 1989	52,995	4,905,182
Nagoya 1970 to 1990	6,135	870,000

Sources: 1970 and 1990 U.S. Census of Population; Nihon Marketing Kyōiku Center, (1972 & 1992). Interbank Yen rate source: Oanda, Inc.

Even after the tremendous economic gains the Nagoya Auto Region has experienced over the last three decades, its income has remained relatively evenly distributed across its municipalities. Conversely, incomes have become more uneven in the Detroit Auto Region since 1969. Overall, Nagoya's per capita income growth since 1970, has clearly been more balanced than that of the Detroit Auto Region. A final illustration of this point can be seen in Table 16, which presents the average real PCI change, its standard deviation from the mean, the standard deviation as a proportion of the mean, and the range of PCI change for both regions. As was the case with population and employment, the standard deviation as a proportion of the mean demonstrates, once more, that Detroit's PCI change was much more unevenly distributed relative to Nagoya's.

Table 16. Mean Per Capita Income, Standard Deviation & Range by Auto Region

	Detroit Auto Region	Nagoya Auto Region
Mean Per Capita Income Change (U.S. Dollars)*	14,522	6,728
Standard Deviation from the Mean (STD)	8,696	889
Standard Deviation as a Proportion of the Mean**	.599	.132
Range:		
Largest Increase (\$)	57,452	10,379
Smallest Increase (\$)	4,230	4,431
Number of Municipalities	83	163

* Equal to the Non-Weighted Average of all municipalities between 1970 and 1990.

** Equal to the absolute value of the STD divided by the Mean. The larger the proportion, the greater the inequality, or the more uneven the variations in PCI change are. Conversely, the lower the proportion, the more closely bunched the change rates are to one another. A figure of zero would be equivalent to total income equality.

Now that it has been clearly documented that the Nagoya Auto Region has experienced much more balanced metropolitan development over the last three decades than has the Detroit Auto Region, the next two chapters explore intergovernmental relations in these two regions over the past three decades.

Chapter 5-Endnotes

1. The sources for U.S., population and income data in this section are: the U.S. Bureau of the Census, 1970, 1980 & 1990 Census of Population, various volumes; Estimates of the Population of Minor Civil Divisions (1997), and Revised 1996 Population Estimates (1998a & 1998b). U.S. employment data in this section comes: SEMCOG (1980 & 1998); GCMPC (1994b); the U.S. Bureau of the Census, 1969, 1970, & 1996 County Business Patterns, various volumes; 1967 and 1972 Census of Manufacturers; 1969 & 1992 Census of Retail Trade; 1967 & 1992 Census of Service Industries; 1967 & 1992 Census of Wholesale Trade; 1970 & 1990 Census of Population and Housing, MSA Census Tracts, various volumes.

For Japan, population data in this section comes from: the Office of the Prime Minister of Japan, 1970 Population Census of Japan; and the Management and Coordination Agency of Japan, 1990 & 1995 Population Census of Japan. Employment data comes from: the Office of the Prime Minister of Japan, Establishment Census of Japan (1970a, 1970b, 1971, & 1982); and the Management and Coordination Agency of Japan, Establishment Census of Japan (1992a, 1992b, 1998a, 1998b, & 1998c). Income data comes from Nihon Marketing Kyōiku Center (1972, 1992, & 1997).

2. Ecorse has been primarily a steel city. The other four have Big Three plants. In the past, Ecorse's steel plants have been major suppliers of "flat rolled steel and tin plate products to auto producers" (Hill & Indergaard, 1988:250).

3. This figure was 23.1%, according to the Michigan Employment Security Commission (See State of Michigan, 1998b).

4. In addition to Ecorse and River Rouge, Downriver includes: Allen Park, Brownstown township, Flat Rock, Gibraltar, Grosse Ile township, Lincoln Park, Melvindale, Riverview, Rockwood, Southgate, Taylor, Trenton, Woodhaven, and Wyandotte.

5. Tokoname-shi and Shinkawa-chō have suffered population declines since 1970. Shinkawa declines may be related to the fact that it is located not far from two Nagoya-shi refuse incinerators plants that were built during this period (Yamada in Nishi-ku was built in 1985 and, Tomida in Nakagawa-ku in 1989 (Nagoya city, 1997:45). Although probably totally unrelated, the planned New Chūbu International Airport, which is scheduled to open in 2005, is being constructed on an island in the Ise Bay, just off the shore of Tokoname city.

6. The Establishment Census of Japan does not report manufacturing employment for specific sectors for towns and villages. It only began reporting these sectors for Census Blocks (regions) in 1975. Until 1986, it only reported Owari, Nishi Mikawa, and Higashi Mikawa in Aichi-ken. It now defines its Census Blocks by Aichi's broader administrative metropolises. The Census of Manufactures did report sectors by town and village in 1969,

but this publication only reported establishments with four or more employees. That omits about 10% or more of all manufacturing employment in most places. Since there was no way to know what specific industrial sector these employees belonged to, the 150,000 figure was estimated based on available city and prefectures totals.

7. A lot of this can be attributed to the fact that Toyota Motor's vehicle output was about 1.7 million vehicles greater in 1995 than it was in 1969 (Toyota, 1988:461, 1996:3). On the other hand, roughly 520,000 fewer cars were built in the Detroit Auto Region in 1996 as compared to in 1969 (Ward's, 1970, 1997).

8. Also see Piore & Sabel (1983 & 1984), Friedman (1988), and Hill (1991).

9. For 1969, the U.S. Census reported municipal PCI for only those cities and villages with populations greater than 2,500 in 1970. Therefore, Detroit's 1969 Regional Mean PCI only includes 83 cities and villages.

10. In 1970 the Japanese Yen was fixed at $360 = 1$ US Dollar. On Sunday, April 1, 1990, the Interbank Rate median price was one U.S. Dollar = 159.550 Japanese Yen. Figures rounded by the source.

Chapter 6

INTERGOVERNMENTAL RELATIONS IN THE DETROIT AUTO REGION

I. Introduction

The central purpose of this chapter is to interpret and explain intergovernmental relations in the Detroit Auto Region. During the first section, vertical intergovernmental relations over the last three decades will be discussed. This is done in order to provide the setting for inter-municipal relations in the Detroit Region. In the sections that follow, horizontal intergovernmental relations are described. To fully explore the dynamics of inter-municipal relations in the region, interactions between the City of Detroit and its suburbs, between suburban cities, and among suburban cities, townships, and villages, are purposely presented in separate sub-sections. A final sub-section briefly discusses how inter-municipal relations have impacted inter-county relations in the region.

While scholarship on the Detroit Metropolitan Area has primarily addressed Detroit's relationships with its suburbs, inter-suburban relations have often been ignored. Despite their lack of study, these exchanges have also had an important influence on how the region has developed over the last three decades. For example, changes to Michigan's Charter Township statutes in 1979, have profoundly affected suburban inter-local

relations over the last two decades. This has made regional cooperation on development issues more difficult than ever before. Suburban relations have also significantly impacted county-county relations in the region. Finally, suburban interactions have also demonstrated how distinctly different the political-economic context for inter-municipal relations in the Detroit Auto Region, and in the State of Michigan, have been from almost any other part of the United States.

II. Vertical Intergovernmental Relations in the Detroit Auto Region

II-A. National-Local Relations

As mentioned in the literature review section, after the inauguration of Richard Nixon in 1969, vertical intergovernmental relations (federal-state-local) in the U.S. were transformed from cooperative to competitive. According to scholars, this competition was most pronounced during the Reagan Administration. Hill (1990b) wrote that federal-urban relations became especially competitive under Reagan, as his administration's strategies towards economic growth were in direct contradiction with policies that would help revitalize urban areas.

Nice and Fredericksen (1995:238) stated that

The Reagan Administration attached the label of New Federalism to [their] effort to return the federal system, in large measure, to a configuration that existed prior to 1933 (the New Deal). George Bush continued the devolution of program responsibility to the local level but evidenced a greater faith than did Reagan in government at all levels to serve the needs of the public.

On the other hand, they claimed that “the Clinton Administration’s domestic agenda and emphasis upon innovative policy development more closely resembled a modified version of the cooperative or marble cake federalism (i.e., Grodzins, 1963), which had “emerged in the late 1950's but reached full flower in the 1960's (ibid.:8, 238; Nice, 1987:7).

The Nixon, Reagan, and Clinton Eras provide the outline for federal-local relations in the Detroit Auto Region over the last three decades, as national partisan politics have been reproduced in the federal-municipal relations in the region. In other words, since some municipalities in the region are predominantly Republican, these communities have benefitted most when a Republican President has been in the White House. Similarly, Democratic municipalities have had more cooperative relations with the federal government under Democratic Regimes.

For example, the Nixon Administration signaled the end of the War on Poverty, the Model Cities program, and several other urban programs introduced during the Democratic Presidential Administration of Lyndon Johnson. During these programs, the City of Detroit, like many other large cities of the North Central and Northeastern U.S., had relatively cooperative relations with the federal government. However, under Nixon, federal-urban ties with predominantly Democratic cities in the region, such as Detroit, Flint, and Pontiac, were loosened. Nonetheless, Nixon did help to create the Federal General Revenue Sharing Program in 1972, which attempted to lessen fiscal disparities between wealthy and non-wealthy communities in the U.S. (Rafuse, Jr., 1996).

According to many local informants, Detroit's closest connection to the Republican White House was not a elected politician, but rather a private industrialist, Max Fisher. Fisher had supported the Nixon campaign and, as a result, he was able to secure some federal funds for Detroit revitalization projects. His active support also won the city redevelopment money during the Reagan Administration (see Darden, et al, 1987).

During the late 1970's, the City of Detroit had a very cooperative relationship with the federal government. Coleman Young, Detroit's Democratic Mayor, had strong political ties to President Carter, which helped "channel several discretionary grants to the city" (Thomas, 1997b:154). Using its expected Community Development Block Grant as collateral, Young was also able to convince the Carter Administration to lend the city \$38 million to help build Joe Louis Arena in downtown Detroit (ibid.:157). Thus, close federal-local ties were able to prevent the city from losing, to the suburbs, the economic benefits and prestige it enjoyed from having a professional hockey team, the Detroit Red Wings; the city did, however, lose its professional football and basketball teams to Oakland County, during Republican administrations.¹

However, it was during the Reagan years that the greatest presidential impact was felt over the last three decades, not only in federal-local relations, but also in inter-municipal relations in the Detroit Auto Region. "The loss of Carter as president hurt Detroit and cut the ties that had once provided so much financial lifeblood to the struggling city" (Darden et al., 1987:218). In addition, as Reagan attempted to break all past Democratic coalitions, the City of Detroit's relationship with the federal government soured and city-suburban relations became more competitive. To say that Coleman Young and Ronald

Reagan had quite different views of where federal monies should be spent, would be an understatement. Young became well known for his outlandish statements about Reagan, calling him “prune face,” and suggesting he lacked any compassion whatsoever for urban residents and the poor (ibid.:218).

Reagan’s attack on labor unions also affected federal relations with the region, especially, the City of Flint, a United Auto Worker stronghold. The election of a Democratic Governor in Michigan, James Blanchard (1983-1990), put the region further on the wrong side of partisan politics, as the national government funneled its money away from the state and towards Republican strongholds in the Sunbelt.

The federal government spent less per capita in Michigan in the late 1980's than it did in all but two states... Between 1981 and 1986, the proportion of federal expenditures allocated in Michigan fell nearly one-quarter...For the entire decade, despite overall growth in federal revenues, \$10 billion in federal payment to the state were lost from individual agency and program accounts (Browne et al., 1995a: 49)

Much of this loss was in the form of federal transfer dollars that had been targeted for social programs in the region’s cities (ibid.). Conversely, emerging Republican communities in northern Macomb and northwestern Oakland County benefitted from Reagan’s domestic policies. Reagan’s promotion of tax abatements as an economic development tool and other changes to the federal tax codes greatly favored wealthy suburban areas (Luger, 1984). Such policies also further strained federal relations with older Democratic cities in the region, as well as inter-municipal relations within the region.

Reagan's elimination of Federal General Revenue Sharing and massive cuts in Urban Development Action Grants (UDAG) and other urban aid programs, forced the region's older cities into deeper fiscal distress and heightened inter-municipal competition over development to pay for urban services.

The Community Development Block Grant was reduced by 20 percent between 1980 and 1987. Moreover, the targeting of federal grants shifted from distressed to relatively prosperous urban areas...Detroit lost \$305 million [in direct federal aid] annually, falling from \$456 million in 1981 to \$151 million by 1986 (Judd & Swanstrom, 1998:336).

Some scholars described Reagan-Bush urban policies as Social Darwinism, because they promoted a survival of the fittest-like competition among municipalities (ibid.). About Reagan's policies towards cities Judd & Swanstrom (1998) wrote, "cities would survive if they could manage to regenerate their local economies. Otherwise, they would be allowed to die" (ibid.:236).

Finally, Reagan "dismantled or weakened many of the intergovernmental institutions that were established in earlier decades" to promote federal-local relations (Kincaid, 1996:43). In the mid-1980's, he substantially cut aid for a number of programs that supported inter-local cooperation, in particular, sub-state regional planning commissions and councils of governments (Hamilton & Wells, 1990). Other intergovernmental programs were abolishing completely. For example, the A-95 Review Process and federal regional councils (A-95 units) were eliminated in the early 1980's (Kincaid, 1996; Hamilton & Wells, 1990).

According to Hamilton & Wells (1990:184), the A-95 Review "was the most serious effort at coordinating federally assisted programs with one another and with state and

local plans.” This process had evolved out of the Intergovernmental Cooperation Act of 1968. The act’s purpose was to facilitate metropolitan coordination. However, it was the Office of Management and Budget’s (OMB) circular A-95, which had detailed how this process was to function. A-95 mandated states to establish sub-state regional planning councils as vehicles for metropolitan coordination. Metropolitan councils were then responsible for reviewing local grant applications for federal funds, to assure that projects receiving funding were consistent with regional development plans (Wright, 1988; Hamilton & Wells, 1990; Browne & VerBurg, 1995).

SEMCOG and the Genesee County Metropolitan Planning Commission were the designated federal regional councils for the Detroit Auto Region. According to U.S. Advisory Council for Intergovernmental Relations (ACIR, 1977), in the early 1970's, SEMCOG had a positive influence on the planning for regional services through its A-95 powers. Browne & VerBurg (1995:318) wrote that “during the 1970's and [early] 1980's SEMCOG thrived on federal grants to conduct studies and administer the A-95 review process for federal grant proposals.”

However, Reagan’s policies promoting fierce inter-regional and inter-municipal competition in the name of economic growth, such as the use of tax abatements, and his elimination of the A-95 Review process, seriously discouraged local support for SEMCOG. Many local planners felt the elimination of A-95 Review ended whatever chance there might have been for regional planning in the Detroit Region. In the words of some Detroit area professionals, Reagan’s policies also greatly reduced SEMCOG standing in the eyes of many local communities. Most now see the agency as merely a

“fine source of data on the region.” However, while local planners felt the A-95 review process was a positive step towards metropolitan cooperation, according to the ACIR, A-95 Review really never gained the support of the Detroit Region’s local politicians.

A significant urban initiative under the Clinton Administration that has greatly impacted federal-local relations, has been the Empowerment Zones/Enterprise Communities Program. This program was created under “Title XIII of the Omnibus Budget Reconciliation Act of 1993” (Thomas, 1997a:144; Judd & Swanstrom, 1998:244). According to Thomas (1997b) and Judd & Swanstrom (1998), with its community participation requirements, in many ways, this program resembles President Johnson’s Model Cities Program.

Another event that seems to have improved Detroit’s current relations with the federal government was the election of Dennis Archer as Mayor in late 1993. According to Thomas (1997b), Archer brought all the right people together to draft a strategic plan for Detroit’s Empowerment Zone application, and drew praise from Clinton Administration officials. After garnering \$1.9 billion in private sector pledges (*ibid.*), Detroit’s Empowerment Zone received an award of \$100 million from the federal government in December 1994 (HUD, 1999; Judd & Swanstrom, 1998).

In contrast to Detroit’s close relations with the Clinton Administration, several local governments in the Detroit Auto Region have never been very interested in having a close relationship with the federal government, no matter who was the President. These officials have believed that federal agency officials are too far removed from local issues

to understand their needs. Others have felt federal funds come with too many strings attached to them.

For example, some area officials argued that the liability laws of the Federal Environmental Protection Agency (EPA), regarding site cleanup have made it near to impossible for certain communities to redevelop their older industrial areas. They claim these regulations have not only discouraged cleanup of these sites, but have also encouraged developers instead to seek greenfields in places like Auburn Hills. Other communities stated they had stopped applying for certain federal funds because federal requirements had made these programs too expensive to monitor. One official felt that the wage requirements of the Community Development Block Grant Program (Davis-Bacon standards), which requires that local governments pay contractors wages and benefits comparable to private construction workers in the area, have favored the redevelopment of non-unionized areas in the Sunbelt. He said, small local contractors in union areas either could not afford or were unwilling to take on block grant redevelopment projects because high wages had made the projects unprofitable.

In sum, national partisan politics, over the past three decades, have done little to encourage inter-municipal cooperation, in the Detroit Auto Region; this has been especially true regarding urban core-suburban relations. Moreover, the policies of the Reagan Administration, in particular, greatly encouraged inter-municipal competition and similarly discouraged inter-municipal cooperation and metropolitan/regional planning. Therefore, perhaps the best way to describe the federal government's relationship with the Detroit Auto Region over the past three decades, is by borrowing Hill's (1990)

concept of the “intergovernmental dialectic.” In other words, federal-local relations have been competitive, and national and municipal policies have neither been well coordinated or consistent.

II-B. State-Local Relations

Perhaps the best way to describe state-local relations in the Detroit Auto Region is by the term “competitive independence.” According to Browne & VerBurg (1995:297),

state government has the legal authority to control and manage local governments, but Michigan’s conglomeration of local governments [cities, townships, villages, school districts, and special districts], is far from planned. Rather, it is the result of political bargaining– negotiations between the state and local governments as well as negotiations among local governments themselves.

They also wrote that “relations between the state and local governments...are both competitive and cooperative. [However,] these relationships are often stressful as governments compete for power and financial resources” (ibid.:323). Finally, they stress that Michigan was founded on the combination of Jacksonian– amateur, not technocratic local politicians– and Jeffersonian Democracy– which emphasized local control of small republics/units of government (ibid.; also see Fino, 1995). In other words, for most of its history, the State of Michigan has taken a non-interventionist approach towards local governments which has allowed municipalities to act as if they are independent of the state.²

Political ideology, sometimes irrespective of party lines, has often dictated which municipality, county, or even what kind/type of municipality, has had closer ties to the

state. Governor William G. Milliken (1969-1982), however, was one of the few state leaders in Michigan's history who tried to break the state's tradition of partisan-based policies and non-intervention. He advocated an "active state government administered by a non-partisan, professional bureaucracy" (Fino, 1995:79). This meant state relations with Democratic areas were sometimes cooperative, sometimes cooperative with Republican areas, and state-local relations were competitive.

For example, Detroit's Democratic Mayor Coleman Young generally "enjoyed good relations" with Milliken, who was a moderate/progressive Republican whose urban policies favored Detroit's redevelopment (Thomas, 1997b:154). Milliken's Administration worked with Young to convince General Motors to build its Detroit-Hamtramck (Poletown) plant. However, when Milliken supported the creation of regional planning authorities, complete with bylaws and elected officials, Young and other urban leaders opposed him (ACIR, 1977). In 1974, when he introduced a bill to the State legislature that would have established a regional government in metro Detroit, it failed to gain support from Mayor Young, Republican suburban governments, and the Democratic controlled state legislature (Darden et al., 1987). Neither the City of Detroit nor its suburbs were willing to cooperate on such a plan which would have required them to give up some of their powers to a regional authority.

Like Milliken, moderate Democratic Governor Blanchard, also encouraged state supported economic development in the City of Detroit (Browne & VerBurg, 1995). Nevertheless, perhaps not favoring his other policies, Young's relations with Blanchard "were less friendly than might be expected from a fellow Democrat" (ibid.:320).³ As a

result, Young offered little support for Blanchard in his 1990 bid for re-election. Without the Detroit Mayor firmly behind him, Blanchard lost to conservative Republican challenger John Engler.

Since the beginning of Engler's term in 1991, growing municipalities in Oakland County, which has a conservative Republican County Executive, areas north of 14 Mile Road in Macomb County, home to the extremely conservative State Representative David Jaye, Jr. (of Utica city), and townships in Washtenaw County, have generally had the most favorable relations with the state house. In the case of Genesee County, (while Flint city and county officials had cooperative relations with moderate governors Milliken and Blanchard), conflict stemming from ideological differences has been the rule during the Engler Administration.

City-township politics have greatly affected relations between Detroit municipalities and the state legislature. Through the 1970's and much of the 1980's, when the Democrats controlled the Michigan Legislature, legislation often supported urban issues (Browne et al., 1995b). More recently, as Republicans and township residents with anti-urban attitudes have gained more seats in the legislature, the influence of the Michigan Township Association has increased, while that of the Michigan Municipal League has waned (See Browne & VerBurg, 1995). As a result, townships in Washtenaw, Oakland County, Macomb and western Wayne County have had closer ties to the legislature.

Overall, local non-elected officials in the Detroit Auto Region have been both pleased and displeased with state-local relations over the past three decades, but most often the latter. On one extreme, certain officials felt the state has lacked quality leadership for

most of the last three decades. These planners felt that the state's total lack of economic and land use policy has helped promote uneven growth in the region. One opined, "planning and development have not been well coordinated." Others suggested that the state should have taken a more aggressive role in coordinating inter-local relations. The state's lack of involvement in annexations and incorporations was most often mentioned. Planners felt the delegation of these responsibilities to the counties encouraged excessive fragmentation, inter-municipal competition, and inter-county animosity. Interestingly, both officials in wealthy suburban areas and urban core areas expressed similar frustrations and offered similar commentary regarding many of these issues.

According to both suburban and urban planners, Michigan's state government since the 1950's has generally encouraged flight to the suburbs, by providing tax breaks for new facilities and not placing enough emphasis on urban revitalization or the adaptive re-use of older structures in urban areas. In particular, several mentioned State Act 198, which allowed communities to offer up to a 12-year, 50% tax abatement to companies if they were to locate in their city. Others felt urban sprawl in the region was directly related to the state's lack of support for regional planning, although there was some disagreement on this issue.

For similar reasons, some officials believed that the region was overbuilt and overzoned for commercial development, which has created excessive competition for retail development. Many also felt it was over-zoned for industrial uses, as almost every community has built an industrial park in an attempt to lure high-tech companies. A few progressive minded officials argued that the state's lack of unified local development

standards, such as Concurrency Laws, had resulted in the creation of a terribly inefficient infrastructure and facilities systems region-wide (i.e., the underutilization of infrastructure in certain and overcapacity of it in others).

For example, as roads in the suburbs have become choked with cars, traffic volume on the miles of roads in older urban areas has declined. As schools have been closed in some areas, new ones have been built in neighboring school districts, which has in some cases been in the same city.⁴ The State of Florida is one of the few states with strict Concurrency Laws. Under Florida Law, new developments are assessed impact fees which are spent on, among other things, local infrastructure improvements. In addition, before approving any new large scale projects, local officials must evaluate and describe in writing how a particular project will affect adjacent areas (State of Florida, 1998c). This issue will be discussed in more detail in Chapter 9.

In contrast to those who wanted a more pro-active state government, several local government officials wanted less state interference in local affairs. As was the case with the federal government, environmental legislation was at the forefront of this discussion. Some local economic development officials felt Michigan's Department of Environmental Quality's (DEQ) overprotection of wetlands and excessively high standards for water quality severely limited their development options. Others felt the DEQ discouraged the redevelopment of older industrial areas. One official stated,

It is unfair to set water quality and air standards so high and not give cities money to address these problems. The public wants clean air but will they pay for it? No! Treatment plants are expensive. You figure out how to pay for it. The only way is taxes and utility charges. But high taxes and fees

scare away development. If the city can't pay for it, who will. Many cities can't. We need matching funds at least.

Interestingly, many of these same officials mentioned that the state's 1996 adoption of Brownfield Development Authority legislation was a large step towards rectifying this situation. State, and now county authorized Brownfield funds, can be used by municipalities to clean up formerly contaminated sites so that they may be redeveloped.

Lastly, officials had mixed feelings about the state legislature's passage of Proposal A in 1994 and the Michigan Economic Growth Authority Program (MEGA) in 1995. School funding has been a constant source of inter-local competition, animosity, and inequality in the Detroit Auto Region. In an effort to rectify this situation, Governor Engler, pushed through a state house bill (Proposal A) which increased the state sales and use tax rates from 4% to 6%.⁵ According to Proposal A, revenue generated from this tax increase was to be specifically utilized to increase funding for public schools (University of Michigan Library, 1997). The logic behind the proposal was that if the connection between property taxes and school district funding was de-emphasized, greater equity in school funding would be created (Daily Illini, 1993). In addition, it would allow less affluent communities to lower their property tax millages, and thus create a more even playing field for attracting new development.

Several Detroit area planners thought this proposal was a positive step towards reducing inequalities among the region's schools districts and improving inter-municipal relations. These officials thought that the de-emphasizing of property taxes to support schools would reduce the likelihood that municipalities would attempt to lure non-

residential development away from their neighbors, in order to expand their own tax base to improve local schools. Others were more skeptical, feeling that since sales taxes can be spent at the discretion of the Governor, cities might actually lose state revenue under Proposal A.

Planners in the region also had mixed opinions about the Michigan Economic Growth Authority Program (MEGA). “MEGA was launched in 1995 at the urging of Governor John Engler, chiefly because other states including Ohio, Indiana, and Kentucky offered similar tax credit deals to lure businesses” (Hornbeck, 1999:1D). In 1998 alone, the State of Michigan “shelled out a record \$100 million-plus through this controversial program,” to private companies in order to subsidize the construction of new facilities or expansions; half of this money went to companies in the Detroit Auto Region (ibid.:1D). Since 1995, “the state has granted 56 tax breaks to be spread over six to 20 years totaling \$338 million in business tax breaks” (ibid.:1D). In February 1998, the multinational auto parts supplier Robert Bosch Corporation, currently located in Farmington Hills, received the program’s largest tax break ever – a \$21 million tax abatement for 15 years – to build a \$37 million corporate headquarters and research facility to be completed in the year 2000 (ibid.:1D).

After seeing the problems between communities that have been caused in the past by municipal tax abatements, many local officials remain skeptical about these state giveaways. Some wonder which state programs will be cut to pay for MEGA credits, and if the program will really benefit the state in the long run. One official felt such tax abatements, like many other state economic growth policies, demonstrate the state’s

short-term orientation and failure to address long term issues. He described tax abatement programs in general, as “a finger in the dike” approach.

Nevertheless, some officials believe as long as Indiana and Ohio have such programs, Michigan must do the same if it is to compete for new development with its neighbors. Certainly those places which have benefitted from the program seem happy about it. However, for every Highland Park and Detroit project, there seems to have been two subsidies offered to companies in wealthy communities. As of January 1999, companies in Oakland County alone had received eight of the 15 tax breaks issued to companies in the Detroit Auto Region, totaling 58% of the tax credits awarded (\$65.4 million of \$113.3 million) (Michigan, State of, 1999). Only four awards have gone to distressed cities in the region (*ibid.*).⁶

These figures imply that there is no reason to believe the MEGA program will reduce inequalities among communities or improve inter-local relations. Rather, what it suggests is that Reagan-style New Federalism is still very much alive, and that inter-state and inter-municipal competition continues to be promoted as opposed to cooperation. As long as the federal government allows other states to create economic growth strategies which offer huge subsidies to big business, and as long as states refuse to cooperate with one another, Michigan and its municipal governments will be forced to compete in any way possible; including against one another.

Of course, there is always the hope that the state will utilize such a program to do what is best for all parts of the state. However, if the number of tax breaks that went to Oakland County companies are indicative of the future, and if the last three decades tell

us anything, faced with such stiff competition, the state house in the future will generally do what is in its political best interest first, before anything else. This does not imply that state-local relations are likely to improve overall or that these relations will help foster more cooperative inter-municipal relations in the future.

II- C. County-Municipal Relations

Of all intergovernmental relations in the Detroit Auto Region, county-municipal are generally the closest and most cooperative. Yet in some ways, these relations are very similar to state-municipal and state-county relations. Again, partisanship has often significantly affected the frequency of contact and cooperation. However, differences over growth agendas has been one clear exception to this rule.

In Wayne County, some western Wayne communities have felt that since the county offices were in the City of Detroit, county officials have been preoccupied with matters involving that city and have been unable to relate to those issues concerning their municipalities. One official felt the county needed to build additional service centers in other parts of the county to better serve its citizens. He stated that downtown Detroit was not centrally located enough for residents from western and southern Wayne to travel for daily basic county services. Officials in Canton and Plymouth townships, among others, felt that because their communities were predominantly Republican, they had not received much cooperation on certain issues from the county.

On the other hand, while Taylor seems to have good inter-agency relations with the county, the two have politically disagreed over growth strategies involving the

development of land in communities near Detroit's Metropolitan (Metro) Airport. Some Democratic communities mentioned that their relations with the county have greatly improved over the last few years. They said while relations were not very cooperative in the 1980's and early 1990's, things have changed over the last four or five years. Detroit's relationship with the county has become much more cooperative under new Detroit Mayor Dennis Archer and County Executive Edward H. McNamara. Relations between the two units had gotten so bad in the late 1970's that Coleman Young threatened to separate the city from Wayne County in 1980 (Darden et al., 1987).

In Macomb County, most communities stated that their relations with the county offices were very cooperative and helpful. Conversely, a few Democratic strongholds felt their relations with the county were "limited but cordial" or "average at best." They attributed this to the fact that it was the county's role to be most concerned with township areas and not autonomous cities. "Cities do not need county government very much, one city official claimed." As a result, communities in the northern part of the county had closer relations with the county government. One official stated that the structure of county government in Michigan generally fostered competition between cities and townships, as well as between counties and their largest cities.

Of all counties, relations between Oakland County and its communities seem to be the most complex. Republican areas seem to have closer political connections now with the county administration, while Democratic areas like the City of Pontiac, have described their relations as uncooperative. Officials in areas with predominantly Democratic voters stated that professional staff relations (county planners with municipal planners) were

cooperative. However, political relations were either cooperative or competitive, depending on who was in office as the local mayor and the County Executive at the time. Prior to the late 1980's, these areas claimed they had cooperative relations with the county. However, since that time, especially after the election of Republican L. Brooks Patterson as County Executive (1992-), relations were described as both competitive and uncooperative due to political/ideological differences.

However, like state-local relations, party lines also do not always hold in Oakland County, if the community and the county have different attitudes towards growth. County officials are aggressive in their pursuit of economic growth. In contrast, several Oakland municipalities are anti-growth, environmentally conscious, or simply want the area's growth to slow. They feel the suburbs have already been turned into ex-urbs and they have seen their residents begin to move further out on the urban fringe to escape.⁷ In the past, municipalities in Oakland County have blocked through the courts, county supported state road projects in an effort to protect the environment or control growth in their communities.

In Washtenaw County, relations between Ann Arbor and the county government have been cooperative, especially at the agency level. In general, officials felt that over the last few years, the county and its communities have been "doing a lot better job of working together than in the past." Nevertheless, one official stated that while cooperation in the county and in the region has been occurring more frequently,

relations have always been most cooperative in times of economic growth. What we need to learn to do is maintain them when times are not so good.

The Washtenaw Development Council, a non-profit organization created in 1985, through the support of municipal and business leaders, including the Ann Arbor Chamber of Commerce, has been a major source of intergovernmental cooperation in the county over the last few years.

However, there have been times when the county and municipalities have not been on the same page. For example, in the late 1980's, the county acquired land to build offices in the City of Ypsilanti, which the city had hoped would be utilized for non-residential development. Since county property is exempt from city taxes, the county's decision clearly hurt Ypsilanti, as the city suffered a net loss to its already declining tax base. On the other hand, townships have sometimes been unwilling to go along with the county's recommendations regarding development. As one official said,

a township has the power, it doesn't have to provide certain services, it can refuse to have zoning and planning staff and it doesn't have to create a land use plan if it doesn't want to.

In Genesee County, county relations with the City of Flint have improved over time. Officials felt they were cooperative (good) in the 1990's; however, they were competitive (fair) in the 1980's, and very competitive (fair to poor) in the 1970's. In the past, there has been little cooperation as according to one official, "the city was seen as a 'land grabber,' only interested in stealing the county's tax base." One former planner said,

the city and the county bureaucracy generally worked well together. The biggest problem with the city has been staff turnover.

Another said,

some people in the city felt the county wasn't looking out for their interest first. Politicians in the city didn't care about anything outside the city. For

example, the city and county battled over where GM's new Saturn plant would go. If it wasn't in the city, it wasn't going to be. However, there really wasn't a site for the plant in the city. GM finally decided it didn't want to be in the middle of a city-county fight so chose to go somewhere else.

As for county-townships relations, again cooperation has improved over time; however, in the past, the two have often disagreed on managing growth. Township Master Plans, according to state law, have to be approved by the County Board of Commissioners, yet, "some communities cooperate and others don't." One official stated that cooperation does and has occurred,

but it is on an ad hoc basis depending on the issue and what people feel is important at the time. The county-township structure is unique, in general, there is not much interaction and no real need to cooperate except on say road projects as counties maintain township roads.

In the sections to follow, it will be shown how county-municipal relation have impacted inter-municipal relations and vice versa.

III. Horizontal Intergovernmental Relations in the Detroit Auto Region

Although there certainly have been instances of cooperation, horizontal relations in the Detroit Auto Region have been competitive and non-cooperative over the past three decades. Detroit city's interactions with its suburbs have been the most volatile; however, suburban relations, especially between cities and adjacent township areas have also been very competitive.

III-A. Detroit and Its Suburbs

City-suburban relations in the region can be divided into three periods which coincide with the beginning and end of the Coleman Young Administration. However, there is some overlap among these periods, and these stages have been evolutionary; the former has always dramatically shaped the later period.

III-A.1. Pre-Young: the Roots of City versus Suburbs, 1945-1974

While the “seeds of future Black political control in Detroit” were sewn between the wars (Thomas, 1992:229), it wasn’t until after World War II that inter-racial relations within the City of Detroit began to impact city-suburb relations. In her book, *Redevelopment and Race: Planning a Finer City in Postwar Detroit*, June Manning Thomas perfectly summed up the post-war context for city-suburban intergovernmental relations in the Detroit Auto Region when she wrote:

The first major theme...is that weak federal and local policy tools and structures stunted [the] redevelopment [of Detroit]. Federal programs such as public housing, urban renewal, and Model Cities suffered because of poorly conceived legislation, antagonistic private interests, congressional or presidential indifference, and erratic funding... The second theme is that although redevelopment negatively affected racial justice...race relations in turn negatively affected redevelopment. Race was not the only factor to influence redevelopment success... Economic decline was an especially important force... Another significant social force was the growth of metropolitan area suburbs... Two reasons for that growth were the suburban housing boom, financed with federal home mortgage insurance programs and tax policies, and heavy reliance on automobiles, financed by federal support of highways. Another reason was the attractive amenities of suburban life. But racial change within the cities speeded White exodus to the suburbs. Suburban housing and quality of life were the primary “pull” attracting urban Whites, but Black entry into formerly White Residential areas was a major “push” encouraging many to leave. Since

national [housing] policies encouraged racially segregated suburbs, growing concentrations of economically displaced racial minorities arose within inner cities. This perverse situation inevitably affected efforts to improve Detroit (Thomas, 1997b:3, 6-7).

As the federally subsidized suburbs boomed, redevelopment efforts in the city continued to displace Black residents, harming already tenuous inter-racial relations (see Mowitz & Wright, 1962; Wolf et al., 1969). Inter-racial conflict within the city significantly shaped the attitudes of suburban officials towards the city. Some suburban officials have acted as if they were protectors of the White community and did their best to keep Blacks and public housing out of their newly created cities. Many former residents, who had been born and raised in Detroit, but had abandoned their neighborhoods when Blacks began to move in, elected these leaders. Dearborn Mayor Orville Hubbard was probably the most famous for his racist rhetoric. However, "other suburbs, such as Warren, exhibited similar racist sentiments, although to a lesser degree" (Darden et al., 1987:150). Only places like Southfield and Oak Park promoted progressive politicians.

As Thomas wrote:

thousands of African-American families came to Northern cities during and after World War I and World War II, attracted by work in the area's industrial plants. Discrimination forced them to live in the most deteriorated sections of town. Racial barriers to better housing were lifted only slowly...Because Whites refused to accept mixed neighborhoods, the arrival of Black residents led to White exodus and neighborhood instability...Meanwhile, a lack of open housing kept Blacks pinned in cities, and city leaders alienated the increasingly restive Black community with burdensome decisions, laying the groundwork for extensive, transformational social protest (Thomas, 1997b:7).

It was within this context that “the ultimate symbol of racial conflict” was to occur: the Detroit riots of 1967 (ibid.:7). Six years later brought the dawning a new era of city-suburban relations in the Detroit Auto Region: the election of Coleman Young as Mayor of Detroit.

III-A.2 The Young Era: From the Eyes of Those Who Worked There, 1974-1994

III-A.2a Introduction

From the 1940's to the early 1970's, racial conflicts over housing, jobs, and education dominated the social landscape. Since then, however, race relations have undergone radical changes with the emergence of Black political power in Detroit and the further entrenchment of white political and economic power in the surrounding suburbs...As Detroit became predominantly Black and poor, White suburbanites tended to put down the city...Similarly, many Blacks in Detroit who long ago abandoned their vision of an integrated society now perceived White suburbanites as incorrigible racists. In their view the city is finally under the political control of Blacks who can now shape their own future. Their main concern is to consolidate Black political power in the space that they control...This suggests a scenario of increasing racial polarization (Darden et al., 1987:258-259).

[In 1974], a strong mayor and a champion of the Black community took over city government... [and] promised to rectify racial wrongs (Thomas, 1997b:7).

These two quotes provide a succinct summary of how city-suburban political relations changed between 1974 and 1993. While racial prejudice and quality of life issues created two strong motivations for residential segregation, confrontational rather than diplomatic inter-racial politics promoted city-suburban competition and further fueled an “Us versus Them” mentality in the region. During the Young years, city-suburban relations can be best described as extremely competitive and combative. The rhetoric of New Federalism

did little to quell this fire. In the end, Mayor Young was fighting a race and class war that could not be won and his tactics produced few allies in the suburbs.

Relations between the City of Detroit and its suburbs during the Coleman Young Administration have been well chronicled in the scholarly literature. Perhaps the only thing that can be added is the perspective of civil servants who worked for Young, and in other municipalities during his time. The next section presents city-suburban relations during the Young Era from the eyes of more than 60 professional planning officials who worked in the area during his time. Both inter-city and intra-city agency relations (in the City of Detroit) are brought in to provide context for city-suburban relations in the Detroit Auto Region.

III-A.2b. Us Versus Them: From the Eyes of Those Who Worked There

In the past, Detroit's urban planning department had been the lead planning and development agency in the city (Thomas, 1988). However, this changed after the social disorder of the late 1960's. By 1973, the voters had approved a new city charter which

went into effect in 1974; the same year Coleman Young became mayor... The new charter set up a strong mayoral system, abolished the City Plan Commission, and fragmented planning and development into at least three directions. It established a nine-member planning commission separate from the planning department and the master plan process. Placed in the legislative branch, the planning commission was to advise the city council and retain no implementation powers (except as delegated by ordinance or by the city council). The planning department, assigned to the executive branch, was to prepare the mayor's master plan and carry out other vague "liaison" and information processing functions. The community and economic development department, also housed in the executive branch, was to act as the public agency for purposes of federally aided urban

renewal and similar projects [including the soon to be Community Development Block Grant Program] (ibid.:157).

This is the situation Coleman Young walked into in 1974. The City Plan Commission, with its own planning staff, was under the direction of the Detroit Common (City) Council. The planning department, as well as the community & economic development department, were under his authority. However, to those who worked in the city, it appeared from the beginning of his term that Mayor Young “did not believe in comprehensive planning.” His primary, and some say his only concern, was to garner as much downtown development as possible, as soon as possible.

The planning department was eventually relegated to the bottom of the proverbial totem pole, and “the premier department in both resources and access to the mayor was the community & economic development department (ibid.:158). Young hired people he could trust, rather than experienced city planners, in charge of the planning department. However, very few of his appointees stayed in that job very long. Between 1974 and about 1987,

the planning department went through at least five directors; some lasted only a year, and some were by no stretch of the imagination trained planners. The new charter did not demand that the city choose a professional planner as director (ibid.:158).

In the past, the planning director had been selected through a competitive civil service examination process.

Turnover became frequent within the department because Young made it impossible for the city’s urban planning staff to have any influence on the city. In one case, he

appointed one of his trusted advisors as director of the planning department and remained loyal to him even after it was clearly not working out. One planner in the region stated,

the planning director didn't like planning or planners. Because of such appointments, the department lost a lot of stature in the city and the region, and its staff continued to leave the city government. All that great experience and city history was lost.

Another said,

It was demoralizing, planners were left out of the process and the mayor's cronies didn't see what was happening in the city. Seeing what a minor role that planning has taken in the city development process was one of my biggest frustrations.

As a result, the planning department's city master plan, which had cost millions to produce, was never adopted. One official maintained:

Young felt planning was an impediment to development. When a master plan was finally completed, it was unusable. He had a top down approach to master planning which created a lot of tension between the planning department and the council's planning commission. He was difficult to work for and his planning department became very difficult to work with.

While the City Council worked hard on cultivating relationships with the adjacent cities of Warren, Oak Park, and Southfield, Young on several occasions, according to informants, "publicly berated planning department staff members for getting involved in or even suggesting intergovernmental planning." One former employee said,

We were only allowed to talk to the mayor and the director of development. We were prevented from talking with other cities. It was just a poor relationship. We were only allowed to deal with small issues. The City of Detroit was not interested in anything outside of its boundaries.

For example, in 1990, after much news coverage and several political speeches on the need to create an action program to improve the Eight Mile Road corridor, the City of

Southfield's Downtown Development Authority Executive Director Bill Brownfield, circulated a letter inviting Wayne, Macomb, and Oakland municipal and county officials to a "skull session" in Southfield "to discuss future coordinated efforts toward achieving mutually accepted strategies" for the corridor (Brownfield et al., 1990).⁸ The Detroit Planning Commission willingly participated. However, "there was resistance from the deputy director of the mayor's planning department at the time." Eventually, those involved decided there was enough support to create a task force which eventually evolved into the Eight Mile Boulevard Association.

Everyone knew without Detroit's cooperation you might as well forget about it. The city council planning staff supported the creation of a dues paying association with a director. Yet, the planning department didn't want anything formalized. It seemed they were anti-intergovernmental cooperation. Hesitation over the structure eventually caused the City of Livonia to pull out. However, they are currently members of the association.

Intra-city conflict between the Mayor and the Detroit Common Council, and their respective *land use development* staffs, made inter-municipal relations a secondary issue in Detroit. "Relations among lower staff members were fine," one official claimed,

but there were a lot of problems between the council, its staff, and the Administration. They wouldn't even come to each other's meetings. Young rarely came to council meetings.

Such interdepartmental problems also discouraged some would be developers from doing business in the city.

There was so much frustration in the development community towards dealing with the city. They wanted a strategic vision of the city but there was no master plan. The planning department was left totally uninformed. The Plan Commission staff and the Common Council are in charge of the zoning ordinance. Developers would make deals with the planning

department or economic development department and the zoning would be unsuitable for their project. They would be deep into the process and hadn't even checked the zoning. The planning department didn't know the zoning. They didn't even have an up-to-date zoning map and never sent anybody to the plan commission meetings. There was no site plan review process and no thoroughness. The developer often didn't know until it was too late.

Although his economic development efforts did some good for the City's downtown, Young's legacy concerning city-suburban relations was one of both combativeness and competitiveness. He was not well known for his cooperativeness. He also was not very supportive of SEMCOG's efforts at metropolitan planning. One suburban official stated, "even though SEMCOG was seen by Macomb and Oakland County as for the City of Detroit, Young hated SEMCOG and preferred the state to coordinate things." Another offered, "maybe it was because he felt they did not represent the best interest of Blacks and maybe it was because he was unwilling to give up any of his hard fought power." Young often made people believe that he thought the City of Detroit could survive on its own.

However, that is only one side of the story. Young's war with the suburbs evolved within the context of ill-defined and poorly conceived federal urban policies and a laissez-faire state. There were many financial incentives for the private sector to relocate their businesses from the existing urban core. The more polarized the situation was, the more it benefitted the suburbs who knew where the money was. One planner stated that the "problems were on both sides. It was like, we'll do our thing and we'll let you do your thing and we'll figure it out later." Another said,

after World War II, the suburbs could choose to build their own cities and leave Detroit to Blacks. It was like the white community said, “let them have their city, we’ll have our suburb.

A third suggested,

suburban leaders had no overall picture of things, so they had no incentive or intention to cooperate. People would say, “what do I need the city for? I can do everything I want to do here. I never have to come to Detroit.” Whether the city felt it needed the suburbs, I think both believed the fallacy that they could be self-sufficient.

A fourth said,

most suburban leaders don’t realize how much they would benefit from a strong Detroit. When I try to recruit companies to the area they ask how far are you from Detroit? They only know about Detroit. Foreign companies often get scared away from the area by their perception of Detroit. Tell me that doesn’t hurt the suburbs!

Finally, some believed that the root cause of city-suburban competitiveness has been the total failure of planning in the metro area and state’s incorporation and annexation laws. Others felt:

Sure, Coleman Young alienated people and wouldn’t deal with the White establishment, but politics greatly influenced things. There are too many fiefdoms. Nobody wants to work together. White people literally built walls to keep people out and didn’t work with Detroit and Detroit had its own problems and didn’t want to work with the suburbs.

III-A.3. Post Young: Archer Diplomacy, 1994- ???

Suburban officials stated almost unanimously that since the very beginning of Dennis Archer’s term as Mayor of the City of Detroit (1994-), city-suburban relations have improved incredibly, due to his leadership. Informants felt that the entire tenor of city-suburban relations has greatly changed since Archer became mayor. In addition, intra-city

intra-agency relations seemed to have also improved. Unlike Young, Archer attends Detroit Common Council meetings and seems intent on ensuring that all the city is on the same page. One official said,

Under Young, I felt unwanted as a White person working for the city. The environment was such that it was as if it was not all right for a White person to fight for minority rights. People in the region felt like the city was fighting for Blacks at the expense of Whites. Archer dramatically changed that perception, and now White families are looking at houses in Detroit.

Even officials in places that made headlines in the past, for their racially exclusionary practices, stated that their relations with the City of Detroit changed from “combative, a total failure” to “good.” One official said, “Archer sounds good. He is not combative and when he speaks he presents himself as if he wants to cooperate, that he represents common interests.” Another said, “Archer has a long-term approach. That is a big change. It makes it easier to discuss potential joint projects with the city.”

In sum, Detroit city-suburban relations over the last three decades can be best described by the term ‘competitive separatism,’ as they have been marked by both competition and separatist tendencies. Cooperation has been inhibited by, among other things, racial prejudice and inter-racial politics, intra-city power relations, regional power relations, and a general lack of understanding of the benefits of inter-municipal cooperation. The constant lack of local, state, and national support for SEMCOG or any type of regional governance, has resulted in even fewer avenues for intergovernmental cooperation. Even when their planning staffs cultivated joint city-suburban projects,

politicians from both sides were generally unwilling to participate, fearing a loss of power.

There seems to be a little more interest in joint efforts since Dennis Archer became Mayor of Detroit. Unlike Coleman Young, Archer's personality is much more diplomatic than confrontational. As a result, relations between the city and the suburbs have improved greatly over the last few years, or at least that is what most people believe. Local officials praise Archer and state that although city-suburban relations remain competitive, they are the most cooperative in 25 years. Archer has managed to at least create an armistice with the suburbs and within the city, while making residents of the city feel "he has not sold out to the suburbs." The region's economic growth, two new downtown stadiums, GM's relocation to the Renaissance Center, and the federal government's empowerment zone funds hint that Detroit's future may be brighter than it has been in a generation. This can only help future city-suburban relations.

However, extensive changes are required before cooperation becomes the norm in city-suburban relations. In addition, no one is quite sure how long Dennis Archer will remain the Mayor of Detroit. His growing influence in the national Democratic party suggests that he might be looking for new bigger bridges to cross. Whomever follows Archer in Detroit must continue to rebuild intergovernmental trestles and not burn the ones already built.

III-B. Cities and Cities: Incorporation Mania

Inter-city relations in the Detroit Auto Region, can be best described as competitive; either “competitive separatism” or “competitive avoidance.” Local planners felt there were five primary reasons behind this eventuality: 1) race and class conflict; 2) problems related to uncontrolled growth; 3) strong local desires for economic growth; 4) Michigan’s local government laws – in particular, its home rule, incorporation, and annexation laws; and 5) the proliferation of local governmental units that has resulted due to these first four factors.

Over the last 50 years, these influences have become so intertwined that it has become almost impossible to distinguish which have been a cause and which have been an effect of competition. The desire for economic growth has often induced existing cities to annex (or try to annex) township or village land that contained non-residential development or prime vacant land. Race and class conflicts have left the City of Detroit completely surrounded by home-rule cities. Uncontrolled growth, competition over economic growth, and annexation attempts by existing cities, provoked a proliferation of incorporation in the region’s predominantly White second and third ring suburbs.

While race and class issues have been the primary cause of “competitive separatism,” between the City of Detroit and its suburbs, Michigan’s strong home-rule, liberal incorporation, and weak annexation laws have been the major causes of inter-municipal competition in the region’s predominantly White suburbs. Moreover, local officials believed that the problems of uncontrolled growth, excessive competition over economic growth, and the proliferation of local government units, have actually been outcomes of

Michigan's local government laws. Finally, many argued that these laws have also exacerbated race and class conflicts in the region.

The seeds of inter-municipal competition in the Detroit Auto Region, as well as incorporation mania, as some local officials have called it, were sown when Michigan's legislature authorized its home rule, incorporation, and annexation statutes in 1909.⁹ However, it wasn't until the rapid post-war growth of the 1950's and 1960's, that these seeds really began to bear sour intergovernmental fruit.

At the end of World War II, there were 39 home-rule cities within the five county Detroit Auto Region. By 1970, when Michigan's incorporation laws were finally revised, and a State Boundary Commission was created, the region had 83. "Until 1970, as few as 750 people were all that were required to incorporate a new city" in Michigan (Browne, & VerBurg, 1995:296).¹⁰ Incredibly, the number of cities in Wayne nearly tripled between 1945 and 1970, soaring from 12 to 33. Oakland County saw its number of cities jump from 13 to 25. Only the less densely settled Washtenaw County did not participate in this incorporation mania. Today, Oakland County alone has parts of 61 cities, townships, and villages within its borders.

Along with making it relatively easy for local residents to incorporate as their own municipality, Michigan law has also provided its local governments with a significant amount of administrative and financial autonomy (i.e., strong home rule). As a result of strong home rule, several officials stated that relations with adjacent municipalities were "non-existent," or that they had little or no interactions with other communities. One area

planner dubbed this situation the “Columbus Syndrome.” When asked to clarify this statement he said:

It is as if local government officials in the region believe that the earth is flat and it ends at their respective corporate limits. They act as if they will fall off the end of the earth if they stray beyond their city or township boundaries. I guess they can’t see that roads go through and don’t stop at the border.

In reality, the situation that local officials were describing could be best categorized as “competitive avoidance.” In other words, interactions between neighboring municipalities have been rare and cooperation has been even less frequent. Moreover, the majority of the interactions that suburban communities have experienced, have involved competition over new or existing development. Local leaders just don’t see any reason to work with other municipalities on planning and development issues.

Interactions between adjacent communities in different counties have been even less common. The Eight Mile Boulevard Association has been one of the few locally initiated projects that has had some success in garnering cooperation from communities in different counties. Generally, when such cooperation has occurred, it has been prompted by federal or state environmental mandates, such as the cleanup of the Rouge and Clinton Rivers or the Clean Air Act Amendment’s requirement that ties federal highway funds to reductions in air pollution.¹¹

Even these endeavors suffer as a result of historical animosities between communities, related to past annexation and incorporation attempts. Bickering over who discharged what wastewater and who should pay for it, has delayed the cleanup of the Clinton River. The state’s DEQ has done little to rectify this situation. National and state

highway planning and construction projects take an inordinate amount of time as compared to other parts of the state.¹² Excessive jurisdictional fragmentation, racism, classism, and a general unwillingness to support anything that might potentially benefit a neighboring community more, have made compromise an extremely slow process.

The construction of I-696, which took a generation to complete, is a prime example. The project's construction was stalled numerous times over disagreements involving route alignment, street closings, screening, etc. Every new local election threatened whatever agreements made by previous administrations. Several local officials suggested that local fear of declining property values was the main reason why I-696 took so long to complete. Some communities actually believed that if the highway was completed, it would replace Eight Mile Road as the so called dividing line between the region's "haves and have nots."

While Michigan law has provided its local governments with a significant amount of administrative and financial autonomy, their ability to expand their tax base through geographical expansion power of cities has been severely limited over time. The relative ease in which neighboring areas were able to organize their own cities has basically neutralized the annexation powers of most cities in the region. During the 1950's and 1960's, the slightest chance that an area might be annexed by the City of Detroit was enough for a village or even an entire township to incorporate into a city. With the exception of a two-mile wide area adjacent to the city's eastern borders, Detroit has been landlocked by other home-rule cities since 1957. It has not successfully annexed any territory since 1927 (State of Michigan, 1980). In addition, two separate political

jurisdictions, the cities of Hamtramck and Highland Park, are encased within its geographic perimeter.

Numerous other cities in the region's most developed areas are also unable to expand their tax bases through geographic expansion. Many of these communities are already completely built-out or have very little vacant land for new development. In Macomb County, the City of Centerline, incorporated as a village in 1926 and as a city in 1936, became completely surrounded by the City of Warren in 1957, when the Village of Warren and the remainder of Warren township incorporated as one city. Warren, which has suffered a decline in population since 1970, and is about 98% developed, and in desperate need of residential land, also can not expand its boundaries. It is surrounded on all sides by Detroit, Sterling Heights (which became a city in 1968), Eastpointe (1929), Roseville (1958), Fraser (1956), Madison Heights (1955), and Hazel Park (1942).¹³ With the exception of the City of Detroit, Warren's relations among these cities can be best labeled as competitive avoidance.

In Oakland County, the small cities of Farmington (established as a village in 1867 and a city in 1926), Rochester (1869 and 1967, respectively), as well as the slightly larger Royal Oak (1891 and 1921), are also surrounded by other cities. How Royal Oak's boundaries came to fruition is a prime example of how Michigan's strong home rule allowed the region's competitive separatist tendencies to flourish.

With the exception of a small strip of land near Eight Mile and Wyoming Avenue, nine cities comprise what once was the 36-square mile (six by six) township of Royal Oak. While the story of Royal Oak township's fragmentation is well known across the

state, what is not well known is how easily this situation could have turned out differently.

In 1924, two residents of the unincorporated area west of the Village of Pleasant Ridge came to the Village Commission and tried to interest Pleasant Ridge in annexing all or part of the area. The area extended west to Greenfield [Road], from Eight Mile to Fourteen Mile. The Commission decided to retain the Ridge's small size rather than annex the eight square miles. In 1926, [the Village of Oak Park] sought annexation to Pleasant Ridge, but it was [also] turned down...In 1962 a proposal that Pleasant Ridge and Huntington Woods enter into an agreement to share a city manager and recreation director was opposed by 300 residents at a hearing and dropped (The Pleasant Ridge Historical Commission, 1981: 22).

Today, Pleasant Ridge is merely ½ square mile in size, and has only 2,700 residents.

If not for Pleasant Ridge's desire to remain exclusive, it could now easily be a city of about 75,000, and the cities of Berkley, Oak Park, Huntington Woods, much of Royal Oak, and what's left of Royal Oak township, would have been already within its jurisdictional boundaries when it incorporated as a city in 1928. Moreover, Royal Oak city's western and northern borders would have been blocked off, enabling it to only expand east (into what is now Madison Heights) and southeast (into what is now Hazel Park). Considering that Royal Oak annexed township land several times from 1927 until 1957, it is not inconceivable to suggest that the area that was once Royal Oak township could now be controlled by only four municipal governments: the cities of Royal Oak, Pleasant Ridge, Ferndale (a village in 1917, a city in 1927), and Clawson (1920, 1940). Instead, a hodgepodge of municipalities cover the landscape, most of which have suffered population and employment declines, as well as fiscal distress over the past three decades.

Moreover, relations among these communities have been strained, with some neighborhoods even deciding to literally wall themselves off from their neighbors.

However, while Pleasant Ridge is an example of how home rule has fostered competitive separatism, the City of Rochester, demonstrates how Michigan's liberal incorporation and weak annexation laws have prevented existing cities from expanding. Only 1.6 square miles in size, already 95% developed, and in need of land for new development and additional tax base, Rochester petitioned the State Boundary Commission to annex the Parke Davis pharmaceutical complex in its former township of Avon in 1977. The Boundary Commission had been created in 1970, out of an agreement between the Michigan Municipal League and Michigan Township Association, in order to prevent the excessive political fragmentation and animosity that had evolved in places like Royal Oak.

The city argued that since it was already providing water, sewer, fire, and police services to Parke Davis, it was only natural for it to annex the complex and its surrounding lands. The Boundary Commission agreed and approved the City of Rochester's petition. However, determined to nullify this order, Avon township officials took the issue to court, stalling the transfer of land for three years. Finally, in 1980, the Parke Davis complex was annexed into the city. However, to protect itself from any future annexations, Avon township incorporated as the City of Rochester Hills in 1984.¹⁴ Prior to Rochester's annexation, relations between the two municipalities were benign. However, since 1977, relations between them can be defined as competitive separatism;

they compete with one other for economic development and elected officials refuse to work together on local issues.

Another good example of how annexation and incorporation legislation have fostered competitive separatism involves the cities of Farmington and Farmington Hills. To prevent the City of Farmington from annexing a Class A industrial park at Ten Mile Road and Grand River Avenue, Farmington township joined with the villages of Woodcreek Farms and Quakertown to form the City of Farmington Hills in 1973. Only 2.6 square miles in size and now unable to accommodate newer, large lot non-residential or residential developments, Farmington city, the historical downtown of the entire township, has experienced population decline since 1970 (almost 4,500 people between 1970 and 1996). Moreover, employment has stagnated in the city, declining according to SEMCOG after 1990. In contrast, Farmington Hills has been among the ten fastest growing areas in the region in both population and employment in the past 30 years

Nevertheless, it would be inaccurate to portray inter-city relations in Oakland County as any more competitive or non-cooperative than the other four counties in the region. As has been the case in Macomb, suburban Wayne County has had more than its share of inter-city competitiveness and uncooperativeness caused by incorporation and annexations. The fact that the county has 33 cities within its boundaries is evidence enough that relations have been divisive. Good examples of how home rule parochialism, past competitions over tax base, annexations, race and class conflict have, fostered fragmentation and non-cooperative inter-municipal relations, involve the seven cities that now control the territory of the former Dearborn and Nankin townships.

Although Nankin township has been split into four parts by the incorporation of three villages since 1927, it wasn't until 1964, when the City of Livonia attempted to annex prime commercial property around the new Westland Mall, that township officials decided to incorporate as the City of Westland. Over thirty years later, this fragmentation has made it impossible for Livonia, now reeling from the closing of the Detroit Race Track, to maintain or expand its tax base through annexation. This also true for its neighbor to the south, the City of Garden City, which incorporated in 1933. The two other villages that later became cities, Wayne and Inkster, as well as Westland, also have no room to expand their boundaries. Now, all of these cities, which are about 95% developed, must do whatever is necessary to redevelop their cities and maintain their residential populations.

In the former Dearborn township, unregulated annexations and incorporations have resulted in the City of Dearborn Heights being bounded by eight other municipalities.¹⁵ According to local planners, the city is now shaped like the cartoon character Snoopy sitting down. All that connects the northern and southern parts of the city is a two-mile long (north-south) spine of land that extends a 1/4 mile east-west between Beech Daley and Gulley Roads. Animosities still exist between Dearborn Heights and Inkster from the time that the then Dearborn township captured Snoopy's spine from the Village of Inkster in a 1960 annexation/incorporation vote. Annexation votes, as well as partisan politics, have also provoked dissension between Dearborn Heights and the City of Dearborn. Racial and ethnic differences among these three cities and their neighbors have also served to discourage inter-municipal cooperation over the thirty years. Notwithstanding,

over the past few years, relations between the Dearborn Heights and Inkster, at least, have improved somewhat.¹⁶

The quest for economic growth has also produced competitive separatism in the form of incorporations. Feeling neglected after years of failed agreements with the City of Pontiac regarding the contracting of urban services, what remained of Pontiac township (shaped like the number seven) incorporated as the City of Auburn Hills in 1983. Subsequently, Auburn Hills has experienced incredible employment growth, especially auto-related; however, despite acres upon acres of vacant land, residential development has occurred at a much slower rate. This is because most of the city is within the relatively poor Pontiac School District.

On the other hand, Pontiac city, which is now completely prevented from expanding its geographical borders, has lost almost 15,000 in population since 1970, and roughly 8,600 jobs since 1969. Most of Pontiac's employment decline occurred when General Motors closed its Pontiac car assembly operations in 1988 (Ingrassia & White, 1984).

The decline of Pontiac has also been affected by its relationship with the City in Lake Angelus. Relations between these two cities can also be best described as competitive separatism caused by race and class issues. Another former enclave of Pontiac township, Lake Angelus, a city of less than 400 residents, had a per capita income of \$52,240 in 1989. This figure was almost six times greater than that of the City of Pontiac, which had a population of greater than 70,000. Auburn Hills' relationship with Rochester Hills is also highly competitive and non-cooperative. Uncontrolled growth has been the main cause of this dispute. Disagreement over remedies to alleviate growth induced traffic

congestion on residential streets has induced one of the two communities to place barricades along its border to prevent thru traffic on certain streets. Officials from both cities fear the excessive traffic is affecting the quality of life of existing residents and threatening future residential developments. Nevertheless, they are unwilling or unable to compromise. Historically, class differences between the residents of these two communities have inhibited inter-municipal cooperation. Now, even though both areas are extremely prosperous, neither community is willing to compromise to solve their mutual problems, for fear of failure and a because of their past lack of trust.

While Auburn Hills has often been at what they perceived as the short end of the proverbial stick, the recruitment methods the city has utilized to attract a good deal of its employment growth has provoked poor relations with several other cities in the region. For example, Auburn Hills was able to lure Chrysler's World Headquarters away from the City of Highland Park by providing the company with a 12-year tax abatement, as well as numerous infrastructure perks its former city could never hope to match. While Auburn Hills has boomed, the loss of Chrysler has almost bankrupted Highland Park.¹⁷ As a result, relations between the two cities, although counties apart, are to say the least strained. Still, it is hard to blame Auburn Hills for its success. It was simply following the rules of the game. Michigan and U.S. tax law, allow the recruitment of big business through abatements and other giveaways. In fact, the Reagan Administration promoted such methods. Moreover, Michigan's local government laws allowed for the fragmented metropolis that caused Highland Park and Pontiac to lose out to Auburn Hills. In most of

the U.S., Auburn Hills would be part of the City of Pontiac and Highland Park within the City of Detroit.

A good example of how Michigan's local government laws have combined with uncontrolled growth, and strong local desires for economic growth, to create competitive separatism, involves the cities adjacent to Wayne County's Detroit Metropolitan Airport. Competition over industrial development, disagreements over adjacent land uses/zoning, and annexations fights have plagued inter-city relations among the cities of Taylor, Romulus, and Wayne for most of the past three decades. Romulus township incorporated in 1970 to prevent tiny Wayne from annexing some of its land in 1968. Now, the lack of cooperation and competition over industrial growth has resulted in inadequate land transportation systems serving the airport and a serious underutilization of its economic potential.

Local officials felt that the key to improving relations among these cities, as well as with Huron township to the south, was the development of a joint master land use plan that advocates a balance of heavy manufacturing, light industry, commercial, and residential development in the communities. It must also promote transportation improvements which would provide for the more efficient movement of goods to and from the region. Planners felt that cooperation among these communities was necessary for the entire Detroit Region to benefit most from Metro Airport. They felt it was vital to the region's future economic growth and non-residential diversification efforts.

This vision of joint planning may finally become a reality. After years of intergovernmental competition over employment growth, project planning regarding two

new airport access (or ring) roads is currently taking place. Unfortunately, political disagreements among these municipalities and with Wayne County, who manages the airport, over development issues, have significantly slowed the progress of these efforts.

Thus, even though inter-agency relations among planning officials in these cities and the many other Wayne County cities have been cordial, inter-city political differences, stemming from past annexations bids and partisanship politics continue to greatly discourage inter-municipal cooperation. The same is true in Oakland County, despite the fact that for years, local planners have organized their own informal gatherings to discuss pressing issues in the county.¹⁸ Unfortunately, more often than not, local politicians have generally ignored the advice of their non-elected technicians. Politicians have also often encouraged or forced their planners into viewing the world through narrow lenses that have made them unable to see anything beyond their corporate limits. This Columbus Syndrome or competitive avoidance generally describes inter-city relations in Macomb County, although some new suburban areas in Oakland and Wayne Counties also fit this description.

Genesee and Washtenaw Counties, which were not mentioned, have developed less densely than the three central counties, and therefore, there are fewer examples of inter-city relations than in the other three counties. Washtenaw has only two cities that have common borders— Ann Arbor and Ypsilanti— and relations between these cities have recently been fairly cooperative. Relations between the two cities' Chambers of Commerce are especially close. However, prior to the mid-1980's, their relations could generally be described as competitive avoidance.

As for Genesee, only the cities of Flint and Burton are adjacent with one another, and relations between them have generally been categorized by competitive separatism. During the late 1960's, Burton township stopped several annexation attempts by the City of Flint. Flint petitioned to annex a retail center and the sections of the GM Delphi manufacturing plant that were not within the city limits.¹⁹ As a result, to protect its non-residential development from Flint, the entire township was incorporated as a city in 1972. Inter-city relations were also affected by the fact that these two places have basically nothing in common. Burton is a rural community; roughly the same geographic size as Flint, but has developed sparsely, like a township. Its residents are primarily poor and White. On the other hand, while Flint had been a wealthy city (i.e., class conflict), it now has a primarily Black population (inter-racial issues). Outside of these examples, inter-municipal relations in these two counties can be best depicted through an examination of city-township issues, which is the focus of the next section.

In sum, the cities presented in this section are but a few of the countless examples of why inter-city relations in the Detroit Auto Region can be best described as competitive rather than cooperative. Most have also demonstrated how Michigan's local government laws have fostered competitive avoidance and competitive separatism, rather than cooperation.

III-C. Cities and Townships: Townships Get Boundary Protection

In many southern states, such as Florida, Texas and North Carolina, which have cities, towns (similar to Michigan home rule villages), and unincorporated county areas, strong

home rule means cities can freely annex land in unincorporated areas. However, in Michigan, where counties were divided into 36 square mile (six by six) geographical townships, under the Northwest territory Ordinance of 1785, annexation has often produced competitive and divisive inter-municipal relations among cities, villages, and these quasi-incorporated county areas (see Lewis, 1961; Browne & VerBurg, 1995).

Townships in Michigan were originally created with “limited service, regulatory, and taxing powers because they were intended to serve rural areas having little need for a wide range of municipal services” (Browne & VerBurg, 1995:300). The county assumed many of the township’s service functions. For example, the County Sheriff still generally fills their statutory requirements for a “full-time certified police officer” (State of Michigan, 1991c), and township roads are maintained by the county. These local units also had limited boundary protection under the law (Browne & VerBurg, 1995:300).

After World War II, as residential, commercial, and industrial developments began to “explode beyond city boundaries,” township residents, many with anti-city biases began to gain political clout in the state legislature (Browne & VerBurg, 1995: 300-301). Since that time, city-township intergovernmental relations have become more and more competitive and separatist, as municipalities have constantly battled over turf (VerBurg, 1996). In particular, city-township conflicts have centered around two themes: 1) resident efforts to incorporate parts of the township into a new home-rule city; and 2) existing city attempts to annex township non-residential property.

In 1947, Michigan’s legislature passed the Charter Township Act, which provided townships with “some centralized administrative control, and expanded their taxing

power and boundary protection (Browne & VerBurg, 1995:301). However, it was in 1978 when these battles turned decidedly against the cities. In June of that year, backed by the now powerful lobby of the Michigan Township Association, significant revisions were made to the Charter Township Act by the state legislature. These changes granted townships municipal corporation status, which has effectively given them similar boundaries protection to home rule cities (State of Michigan, 1991b). Public Act 1947, Number 359 of Michigan's Constitution states:

Any township, having a population of 2,000 or more inhabitants, according to the most recently made regular or special federal or state census...shall have the power to incorporate as a charter township which shall be a municipal corporation (ibid.:247).

Public Act 1978, Number 242 states:

A Charter township existing on June 15, 1978, or a township incorporated after June 15, 1978 as a charter township which complies with the following standards, is exempt from annexation to any contiguous city or village except in subsections (2) to (8):

- (a) Has a state equalization valuation of not less than \$25 million
- (b) Has a minimum density of 150 persons per square mile...no to include the population of territory within the jurisdiction of an incorporated city.
- (c) Provides fire protection by contract or otherwise.
- (d) Is governed by a comprehensive zoning ordinance or master plan.
- (e) Provides solid waste disposal services to township residents within or without the township, by contract, license or municipal ownership.
- (f) Provides water and sewer services, or both by contract or otherwise.
- (g) Provides police protection through contract with the sheriff in addition to normal sheriff patrol, through an intergovernmental contract, or through its own police department (State of Michigan, 1991d:280).²⁰

Michigan is one of a small number of states which closely protects township geographic boundaries and permits a strong form of civil or political township government. Charter townships in Michigan are now basically sparsely populated cities

with fewer municipal service requirements, smaller governments, and lower taxes. They “exercise important service and regulatory powers over public water and sewer utilities, police and fire protection, zoning, and building codes, and other services accorded to cities” (Browne & VerBurg, 1995:301). Nonetheless, they can still acquire the majority of their services, in the same manner as General Law townships— through contracts with another municipality.

Prior to 1978, there were only four charter townships in the Detroit Auto Region. However, by 1979, this total had reached 19, and soared to 44 in 1990 (Office of Great Seal, 1998). As of January 1999, of the 125 Charter townships in Michigan’s 83 counties, more than one-third (42 or 33.6%) were in the five counties (or 6.2%) that comprise the Detroit Auto Region; the region had less than 11% of Michigan’s municipalities (MSPO, 1995a: 3.2-3.3; Office of Great Seal, 1998; Michigan Township Association, 1998).²¹

In his study on how Warren, Southfield, and Livonia townships incorporated as cities in the 1950's, Hooyer (1964:156) wrote that strong home rule and ill-conceived incorporation and annexation laws have created constant “tensions and anxieties” between cities, townships, and villages. This is a trend that has continued into the present.

For example, to protect their boundaries against the aggressive annexation plans of Ypsilanti city, Ypsilanti township, in Washtenaw County, chartered in 1979. This effectively prevented the city from any future attempts at annexing township land. It also maintained the long running feud between the two municipal governments that dates back to World War II, when scores of rural southern whites migrated to the township to work at the Willow Run Bomber plant during the war. At that time, classism and sectionalism—

educated white collar northerners in the city versus southern farmers turned blue collar workers in the township— separated the two communities. Over the next twenty years, the city, run by business elites and intellectuals from Normal Teacher's College (now Eastern Michigan University), regularly refused township requests to be incorporated into the city so as to receive better urban services. Some forty years later, the tables have turned on the city; as wealth has grown in the township, poor minorities have continually gravitated towards the city. Blocked from expanding their tax base through annexation, and unable to collect property tax from its largest landowner, Eastern Michigan University, the city has suffered fiscal problems over the last two decades.

Although this was not always the case, the City of Ann Arbor's relationship with adjoining townships over the last 10-15 years was characterized by local officials as "bumpy" (competitive separatism). Since the 1970's, the city has had written agreements with adjoining townships (Ann Arbor, Pittsfield, and Scio) to provide urban services. These contracts also stipulate what land in each township may or may not be annexed by the city. However, more recently, there have been disagreements over these proposed annexations. Pittsfield and Ann Arbor townships have become Charter townships, which basically grants them boundary protection under the law. As a result, one of the townships has taken the issue to court. As one official in the area stated,

Future Ann Arbor annexations are governed by these agreements. This has created fixed boundaries for the city, which presents a big problem for the city's future. The annexation contracts were set up a long time ago and they don't fit the current situation. There is no place for the city to grow and this could seriously affect the quality of life for its residents. Its economic health and its ability to develop are limited. Now either the city has to increase its densities or its population will decline. It needs to make

peace with Pittsfield and Ann Arbor township, but there is no incentive for the townships to cooperate. The state legislature needs to create legislation that requires adjacent communities to cooperate with one another. State leadership needs to either strengthen regional organizations with money and give them teeth or create strong financial incentives to get cities and townships to work together.

In Genesee County, relations between the City of Flint and its surrounding area have become more competitive over the last 15-20 years. Between 1978 (after the change in the Charter Township Act) and 1980, six of its neighboring townships chartered: Flint, Genesee, Grand Blanc, Mt. Morris, Clayton, and Fenton. Most did so in order to protect their non-residential development from being annexed by Flint city. According to local officials, the last three or four shopping centers built in Flint (in the 1960's) were constructed on land the city annexed from surrounding townships. However, this has been impossible since the revision of the Charter Township Act. For example, in the late 1970's, Flint petitioned to annex a strip of retail land west of its limits in Flint township. To block this petition, the Board of Supervisors of Flint township passed a resolution in 1978 to become a Charter township. Today, this parcel of land is home to the largest retail complex in the county, Genesee Valley Retail Center.

While employment has not decentralized in the county to the same extent that it has near Detroit, competition has been strong for residential retail development. Grand Blanc and Flint townships have seen the most employment growth since 1969; however, both remain relatively rural areas. Each has less than 35,000 people and less than 20,000 in employment.

One former official in the area stated,

Competition and intergovernmental battles over economic development are just the nature of the beast. Developers often have chosen to locate some new projects outside the city because the land was cheaper and the county had a good relationship with the private sector. Some companies just don't want to be in the area period because of the unions. For example, the county economic development corporation thought they were going to get Ogihara [a Japanese auto-supplier] to locate in Flint. In the end, the company basically drew a line around the area because of the union and decided to locate in Livingston County. The same thing happened with SKY [Sakaiya Corporation] and they went to Webberville. So now we are looking at Korean companies. They don't seem to worry as much about the union.²²

Another said, "there were race issues and political rifts between the city and rural townships, especially in the 1970's and 1980's." A third claimed,

income issues were as important as race. Most people in the area commute to Flint to work. While there was White flight to the suburbs caused by inter-racial tension, many people moved because there was available housing in the suburbs, or their income was rising and they wanted a new home and a larger lot.

Still another opined,

It's not like Detroit. Sure White flight had a lot to do with it for some, but a lot was economics. New subdivisions were going up in the townships surrounding Flint. Most people didn't move far away, only a mile or two.

Finally, one official stated that many people lost confidence in the Flint school system so they moved. He said,

politically there was not much intergovernmental cooperation between the city and the county or township areas. The school district caused greater fragmentation and only made city-township relations worse. City-township relations weren't combative, it was just nobody was stopping anything from happening. Nobody was working together. They worked separately and tried to stay out of each other's way. But since the 1990's, there has been a lot more cooperation amongst the city and the surrounding areas.

While countless city incorporations reduced the sheer amount of actual city-township interactions in Wayne, Macomb, and Oakland County, these areas have been far from free of such conflicts. Each of these counties has small cities who have become landlocked by the chartering of adjacent township areas. This has already threatened the economic viability of some areas, and threatens others in the future.

For example, in Wayne County, being predominantly White and just outside of the boundaries of school busing in Wayne County, the City of Plymouth, and the Charter Townships of Plymouth and Canton, have not had any racial divisions to affect their intergovernmental relations. However, the city is completely surrounded by Plymouth township. Among other things, boundary issues have provoked combative political relations between two communities in the 1970's and early 1980's. Interactions have grown a little more cooperative since the 1990's. Yet, they remain highly competitive.

One official said:

politics watered down the process of cooperation between planners. People were allowed to spout misinformation and vocal minorities controlled the decisions of elected officials in both places. It was local politics. It was petty B.S.. Personal vendettas, and differences took preference over the overall welfare of the communities. There was a total lack of putting the community above all else, or at least above personal feelings. The whole thing has been ridiculous. Most people residents think of the city and the township as one place. The city has always been the downtown for the township area. We need to build on that. Lately, we have been trying to build bridges, but it's not easy because of past differences.

Another official in the region commented,

The cost of government has always been too high in Plymouth. The fragmentation of Plymouth and Northville townships into four government units has hurt the City of Plymouth. It has no money to compete for economic development and limited land and resources.²³

Plymouth township's relationship with its neighbor Canton Charter township is extremely competitive regarding industrial development, but their technical staffs rarely interact (competitive avoidance). As a result, the development agendas of the two townships have never really meshed well. Prior to the late 1980's, the two townships had regularly differed over the speed and quality of residential development. One Canton official candidly revealed, that in the past, his township totally lacked vision. He stated:

In past, officials in Canton were basically against managing growth so they let things grow too fast without putting the proper services and amenities in place. Before 1988, there was no professional approach to government and a total lack of planning.²⁴

However, the way one official in the area described Plymouth and Canton township relations suggest they have been marked by competitive separatism, rather than competitive avoidance. He claimed school district politics have really inhibited relations among the two Plymouths and Canton. He said,

Since school district boundaries are not consistent with the boundaries of either township, it has created a lot of animosity among the three communities. People even argue over the name of our little league team. One side wants Plymouth-Canton and the other, Canton-Plymouth. It is pure parochialism.

In Macomb, township-township relations, like in most of the region, have generally been marked by competitive avoidance. However, relations between the City of Mount Clemens and the townships of Clinton and Macomb can be better described by competitive separatism. Mount Clemens is only 4.2 square miles in geographic size and it is about 99% developed. The city is physically surrounded by Clinton, which is 31.8 square miles in size and has plenty of vacant land. When Clinton chartered via a

Township Board of Supervisors resolution in 1989, it effectively closed off Mount Clemens from any future land expansions to broaden its tax base.

Since that time, the city's population has continued to decline. Moreover, although there has been job growth, since much of the employment within the city involves Macomb County government, it has received very little tax base as a result. On the other hand, Clinton and Macomb have been among the fastest growing municipalities in the region over the last decade, and during last three decades. Since 1990, Macomb township, north of Clinton, has grown an average of 1,500 people a year. One official stated,

It is difficult to develop by tearing things down all the time. Most of our housing stock is 50 to 60 years old. Without vacant land we are stymied. We can't expand residentially and we have very little land for any kind of commercial and industrial space. Basically, our tax base can't grow. The city has very old infrastructure that will be expensive to replace. We can't afford that on local revenues. We need help. But we can't rely on other municipalities. As for the county, they provide us a stable source of employment, but all their facilities are tax exempt entities. We can't tax them and they occupy much of our prime land. Forty percent of our State Equalized Value (SEV) is not taxable, and it is a further drain on our limited resources.

Perhaps their competitiveness is most pronounced involving wastewater discharge into the Clinton River. The three municipalities have, as of yet, failed to cooperate on an equitable plan to clean up the river. The main cause of this problem, in the first place, has been the failure of many municipalities in the county to cooperate on pro-active steps to prevent stormwater and wastewater runoff from infiltrating the region's drinking water.

Animosity among the communities has also prevented them from cooperating on urban services. This has resulted in a duplication of efforts and serious service inefficiencies.²⁵ As for relations among Mount Clemens, Clinton, and Macomb, it

probably hasn't helped matters much that Mount Clemens' population is now almost 20% minority. This is not a big surprise, as Macomb County communities have been among the most vocal opponents of racial integration in the region (Darden et al., 1987).

In Oakland County, the City of Wixom is landlocked by the Charter Townships of Lyon, Commerce, and Millford (as well as the City of Novi). Relations between Wixom and Lyon hit a nadir recently, when the township threatened to detach the land under the Wixom Ford plant, in an effort to block a city annexation petition. The city had hoped to incorporate a township site which was to be developed as an auto-supplier industrial park. By detaching the Ford plant, Lyon would have rendered Wixom's petition void, aside from taking away its prime source of tax revenue. This is because in Michigan, a city can only annex land that is contiguous to its corporate limits. If the Ford plant had been detached, it would have reverted back to the county, and the new site would no longer have been adjacent to Wixom's boundaries.

In the 1990's, several other townships in the state have blocked proposed annexations, by detaching or threatening to detach property within the city attempting to annex township land (VerBurg, 1996). Michigan's voting procedures concerning annexations and detachments make it possible for a city to lose a factory. Since both Lyon township and Wixom residents would have been eligible to vote on the detachment, and a combined majority would have ruled, the city could have been out-voted and lost the plant (State of Michigan, 1998; also see State of Michigan, 1991j).

The State Boundary Commission was granted powers to help reduce these conflicts. However, their powers have been severely hampered by Michigan's Charter Township

Act, Detachment laws, and constant litigation over their decisions. Lyon and other communities have held up annexation decisions in court for years, even after the Boundaries Commission has ruled against them. As a result, those who thought incorporation laws in Michigan would be tightened by the creation of a Boundaries Commission, were unfortunately proven incorrect. Instead of incorporations as cities, municipalities, since 1978, have chartered as quasi-city townships to maintain their independence from cities. In addition, over the last few years, detachments and lawsuits have made annexations by cities wishing to expand tax base, even more improbable. In 1998, and in the future, predominantly White suburban cities and villages in the Detroit Auto Region will suffer fiscal decline because of it.

In sum, relations among cities, townships, and villages in the Detroit Auto Region have been primarily competitive. City-township relations, over the last three decades, can be characterized by the term “competitive separatism;” they have been extremely competitive, and their failure to cooperate has been marked by separatist tendencies. City-village relations can also be described in this fashion. As for relations between townships and between townships and home rule villages, they can be labeled as “competitive avoidance.” In other words, these municipalities compete and interactions between them are rare; however, townships do often help general law villages. Finally, inter-municipal relations have significantly affected inter-county relations in the region. This is the subject of the next section.

III-D. The Impact on Inter-County Relations

Counties in the Detroit Auto Region have been right in the middle of inter-municipal relations over the last three decades. Their past decisions regarding annexations and incorporations have fueled animosity among municipalities and among counties over the last three decades. Partisan politics, racism, and competition among municipalities over industrial development have also fueled inter-county competition. Wayne's relations with Macomb and Oakland have probably been the most competitive. Relations between Oakland and the other four counties have generally been competitive, and in some cases, combative (competitive separatism), as Oakland has benefitted most from the shuffling of jobs out of the other counties. After their annexation/incorporation decisions, the use of tax abatements by Oakland communities has been the next greatest catalyst for inter-county animosity. Allowing the incorporation of 61 municipalities has been another.

However, inter-county relations have improved recently in some areas. For example, Oakland, Wayne, and Macomb County governments are working together, along with their communities on the Eight Mile Boulevard Association Project. Oakland and Genesee County are now cooperating on a project to make improvements to Flint's Bishop Airport. Such cooperation will be mutually beneficial to communities in both counties, by fostering economic growth around the airport, and creating easier access by air travel to northern Oakland and southern Genesee counties. It will also cut airport commuting time a great deal for residents of these areas, who presently have to drive up to an hour south to Detroit Metropolitan Airport for most domestic airplane travel. The election of Dennis Archer has also helped inter-county relations. As long as the region

continues to experience economic growth, county officials believe more cooperation is likely to occur. The question is how will communities and the counties behave when things are not going so well?

Inter-county cooperation has been rare over the last three decades, and as long as there is new economic growth to be had, competition will remain fierce. From the mid-1970's through the early 1990's, these relations were extremely competitive and separatist due to the region's economic slump. Hopefully, county elected and non-elected officials will have learned from the past and will be able to ingrain such wisdom in their municipalities. Unfortunately, some signs suggest otherwise. Parochialism is still strong in the region, as is the desire to maintain existing employment and outbid their neighbors to create new ones. This suggests that relations among municipalities in the region will continue to be marked by competitive separatism over the next decade, and as a result, relations among counties will follow suit.

IV. Conclusion

To summarize, over the last three decades, inter-municipal relations in the Detroit Auto Region were the most competitive, and least cooperative, from the mid-1970's through the early 1990's. Most officials described them as combative and extremely competitive during this period. Overall, these interactions have been categorized here by the terms "competitive separatism" and "competitive avoidance," with the former being most prevalent. In other words, inter-municipal relations have been competitive and this competition has been provoked by either: 1) a desire to remain separate from other

communities, with people that do not fit a certain mold; or 2) a belief that nothing beyond one's corporate borders is of any significance to one's community, and it is somebody else's concern (avoidance). Michigan's local government laws, especially weak annexations, liberal incorporation, charter townships, and detachment laws, have allowed such attitudes to produce excessive fragmentation in the region.

Michigan local government laws, along with race and class conflict, partisan politics, and tax abatements have also combined to foster mistrust and discouraged cooperation among local governments. Detroit's relations with its suburbs, and federal-local relations, have helped stoke this fire.

Since the early 1990's, inter-city relations have remained very competitive and there was not much cooperation, although there seems to have been a decline in some of the divisiveness among cities. This includes both relations between the City of Detroit and its suburbs and between suburban cities. On the other hand, city-township relations have continued to deteriorate since the 1978 amendments to the Charter Township Act. Since the 1950's, these relations can be categorized as "competitive separatism." However, with the help of the powerful Michigan Township Association lobby and the state legislature, townships have gained the upper hand in these disputes, over the last 20 years, making annexations more or less impossible in the region.

As for township-township relations, they basically have always been marked by competitive avoidance. Since townships cannot annex one another, and there exists no incentives for them to cooperate, they have had little reason to interaction with one another.

Overall, inter-municipal relations improved the most in mid-to-late 1990's, and some significant cooperation has occurred. National and regional economic growth, which have continued unabated for several years now, have made life better for many parts of the region, than at almost anytime during the last three decades. The election of Dennis Archer has helped these relations a great deal, as well as inter-county relations.

In any case, inter-county and inter-municipal relations in the region remain highly competitive and there remains little, to no state, or federal incentives for communities to cooperate. State-local relations remain as ideological as ever and such favoritism does little to improve inter-municipal relations. For the most part, the state has taken a non-interventionist stance when it comes to inter-municipal relations, and state-local relations can probably be best described by something called “competitive independence.”

In some ways, federal-local relations have improved for the region over the last few years (e.g., Detroit's Empowerment Zone), but who is favored and how long it lasts, greatly depends on who has been the president. “Competitive separatism” was at its zenith during the Reagan Administration. Perhaps the best way to describe federal-local relations involving the Detroit Auto Region, over the last three decades, is by what Hill called, “the intergovernmental dialectic.” In other words, these relations have been competitive, and federal and local policies have often been incompatible.

Additionally, it is inevitable that at some time in the near future the auto industry will again cut jobs in the region. The strike of 1998 was a bitter reminder of how hostile labor-management relations in the industry can negatively affect the region. It also demonstrated that despite all the talk of economic diversification that occurred after the

decline of the U.S. auto industry in the late 1970's and the 1980's, too many of the region's municipalities remain over-dependent on the auto industry. The state's tax credit program, MEGA, may keep some businesses in the region, but competition over which Big Three factories remain opened and who received any new ones, will probably again produced strained relations among communities in the region.

It is also inevitable that the U.S. economy will eventually slow down. How that affects the region, no one can predict. In addition, during the 1980's and 1990's, several Japanese auto supplier companies have located in the region. While this has played a major role in the region's most recent boom, there are only so many of these companies to go around. Moreover, what repercussions the current crisis in Japan will have on the overseas investments of these companies, is only now starting to be evidenced.

As long as all of these factors contribute to the context for inter-municipal relations in the Detroit Auto Region, inter-municipal cooperation will continue to be rare, and inter-municipal competition will remain the norm.

Chapter 6-Endnotes

1. In a few years the Detroit Lions football team will return to downtown Detroit when their new stadium, next to a New Detroit Tigers Baseball Stadium (Comerica Park), is completed.
2. One planner called the state's approach "Blaissez Faire."
3. Why this was the case is unsure. Blanchard (as a member of State Congress) and Young were both very instrumental in convincing the federal government to bailout Chrysler. Perhaps this was because the Chrysler bailout eventually helped Sterling Heights and Auburn Hills more than it did Detroit, who along with Hamtramck and Highland Park lost almost all of their Chrysler facilities.
4. Michigan's school districts do not conform to municipal boundaries. This is not the case in Japan.
5. "Adopted March 15, 1994, Proposal A amended Title IX (Finance and Taxation) of the Michigan Constitution, Sections 3, 5, and 8," <http://www.lib.umich.edu/libhome/Documents.center/propa.html>.
6. Two to Detroit, one to Highland Park, and one to Ypsilanti city.
7. What was meant by ex-urbs was increased traffic congestion, rising taxes, increasing densities, declining open space, and a rising cost of living. Garreau (1991) called many of these areas "Edge Cities."
8. None of the above quotes and those to follow were made by Mr. Brownfield or his colleagues. All quotes in this chapter are not cited as they were provided to me with the understanding that confidentiality would be respected. In addition, the letter cited was not supplied to me by its authors or anyone from the City of Southfield.
9. For annexation procedures prior to 1970, see Andrews, Jr. (1968).
10. As of 1970, new cities were required to have a minimum of 2,000 inhabitants. However, existing villages regardless of their size could still incorporate as a city (State of Michigan, 1998h). The minimum population for a village incorporation was raised to 250 in 1970 (State of Michigan, 1991f).
11. The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) which evolved out of the Clean Air Act Amendments required all new transportation projects conform to regionally adopted transportation plans. ISTEA was replaced by TEA-21 in 1998. For more details see Chapter 9.

12. The state transportation improvement program (STIP) and regional transportation plans (RTPs) determine the priority and timing of highway construction projects in the region. Therefore, state politics also come into play. Interstate highways (such as I-96, I-94, etc.) usually take about 20-25 years to plan and construct. Since they are re-active to local needs, spur routes or bypasses, such as I-275, I-696, and I-496 (in Lansing), generally take less time from start to completion. However, this was not the case with I-696. Also by comparison to my experience working on regional TIPS and RTPs as a transportation planner in Massachusetts, Florida, and North Carolina, local politics in the Detroit Auto Region have definitely caused greater project delays than has been the case in these areas. Issues of race and fragmentation seem to be the prime culprits.

13. Madison Heights and Hazel Park are in Oakland County.

14. Rochester Hills is shaped liked a blocked shaped letter "C."

15. Dearborn, Redford township, Inkster, Detroit, Garden City, Westland, Taylor, and Allen Park. It is technically 10 if you count Livonia and Romulus which are diagonal from the backyards of properties in Dearborn Heights. All of Dearborn Heights, and parts of Dearborn, Detroit, and Inkster comprise what once was Dearborn township. Dearborn township once was the site of one of Henry Ford's homes, complete with apple orchards.

16. This is thanks to the charismatic personality of one Dearborn Heights official, who charged the two communities to overcome inter-racial tensions and cooperate on a mutually beneficial and ultimately successful revitalization project. Ironically, this Community Development Block Grant project rehabilitated properties along both sides of Beech Daly Road in the very same area responsible for these inter-municipal tensions in the first place.

17. This is ironic because according to local planners, when Henry Ford I decided to move production of his Model T's from Detroit's New Center Area – the Ford Piquette Plant at the corner of Piquette & Beaubien– to the Village of Highland Park in 1910, it was because he wanted to avoid Detroit's high water assessments.

18. Many of the planners who worked in Oakland County during the 1960's, 1970's, and 1980's still remain friends and get together a few times a year. Their meetings go under the banner of the Oakland County Old Farts Planning Association. A great opportunity at inter-municipal cooperation was lost due to political differences among communities.

19. The majority of the Delphi plant is in Flint's city limits.

20. Subsections 2 through 8 basically state that land in a Charter township may be annexed if it is owned by the state or federal government; if annexation eliminates an island of township area that is surrounded by a city; or if the citizens in an area petition to be in a city. In all cases the residents of the area to be annexed or the township board still can vote to block the annexation (ibid).

21. Avon Charter Township in Oakland County became the City of Rochester Hills in 1984. Scio Township in Washtenaw County repealed its Charter in 1989.

22. Ogihara America Corporation and SKY Sakaiya Corporation are Japanese auto-supplier companies. Ogihara Tool Works of Japan has built the dies that stamp out metal parts for the Ford Mustang (Ingrassia & White, 1994). They have a factory in Howell, Michigan just off Interstate 96. They also have factories in the Nagoya Auto Region. SKY manufacturers instrumental panels for dashboards.

23. Until 1898, Northville township encompassed the current territory of both Northville and Plymouth townships. In that year the township was split into Northville and Plymouth townships. Northville thus once included the portion of the City of Northville that is in Wayne County (it was a village until 1968), and the City of Plymouth (which became a city in 1932).

24. Canton officials, however, are proud of the fact that they have only one governmental unit to serve their entire 36 square miles township, and have roughly the same population as the four governmental units which now comprise the 36 square miles of the original Northville township. According to the 1996 Census estimate, Canton had 69,829 people while the four other units, not including the portion of Northville city in Oakland County, combined for a population of 60,438.

25. For example, due to the location of Clinton township fire stations, on many occasions, fire and rescue vehicles must drive through the entire length of Mount Clemens to get to a fire in another part of Clinton township. The worst part of this is, that often Mount Clemens has a fire station much closer to the Clinton emergencies than the township does.

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INTERGOVERNMENTAL RELATIONS
AND UNEVEN DEVELOPMENT
IN THE DETROIT AND NAGOYA AUTO REGIONS

By

Andrew James Jacobs

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Chapter 7

INTERGOVERNMENTAL RELATIONS IN THE NAGOYA AUTO REGION

I. Introduction

Paralleling the previous chapter on Detroit, this chapter interprets and chronicles intergovernmental relations in the Nagoya Auto Region, over the past three decades. However, since national, prefecture, and local development planning are tightly integrated in Japan, vertical intergovernmental relations will be woven into discussions of the region's inter-municipal relations to a much greater extent than in Chapter 6. As a result, the sub-sections in this chapter will be slightly different from the last.

During the section on vertical relations, national-municipal relations will be discussed at great length. So will the role of the prefecture (or ken) as the coordinator of inter-municipal relations; however, this discussion will be primarily located in the section on horizontal relations.¹ On the other hand, the section on relations between Nagoya and its suburbs will be much smaller than the past chapter's description of Detroit-suburban relations. The reason for this is that these relations will be touched upon in several other parts of the chapter.

As in Chapter 6, sub-sections on horizontal relations will cover interactions among the region's cities besides Nagoya, and among cities, towns, and villages. In these two sections, quotes from interviews with more than 70 local officials in the Nagoya Auto Region will often be utilized to illustrate points. In addition, the impact of inter-municipal relations on prefecture-prefecture relations will also be briefly discussed. To conclude this section, the impact that inter-regional relations in Japan, have had on intra-metropolitan relations in the Nagoya Auto Region, will be described. These relations will be compared briefly with inter-regional relations in the Detroit Auto Region in Chapter 8.

II. Vertical Intergovernmental Relations in the Nagoya Auto Region

II-A. National-Prefectural-Local Relations

When local officials in the Nagoya Auto Region were asked to describe their intergovernmental relations with the central government, they maintained that they were primarily cooperative and vertical. They believed that the foremost reason for their cooperation was their dependency on the central government for funds. They stated simply, "we have to cooperate if we want to get our money. We are dependent on the central government for money"² Nonetheless, city officials also said that they generally did not interact with central government ministries on a regular basis, but rather, they most often had contact with the prefectural government. However, this situation did vary by city size and specific city department. Prefectural bureaus generally act as liaisons between the central and municipal governments, providing both funds and guidance to

local governments. Prefectural-municipal relations were also described by local officials as cooperative, vertical, and dependent, as were central-prefectural relations.

Two terms best describe vertical intergovernmental relations in the Nagoya Auto Region over the last three decades: “cooperative dependency” and “sectional centralism” (to be discussed). The latter situation has also been called vertical administrative control. In any case, the national-prefectural-local interactions in Japan are neither that simple nor direct, and these relationships have constantly changed over time. The amount of vertical oversight and local autonomy have ebbed and flowed over the last three decades. They have also varied depending on which national ministry is responsible for a specific program. For example, the relationships among the Ministry of Construction, the Prefectural Civil Engineering Bureau and municipal City Planning Departments, are quite different from those among MITI, the Prefectural Commerce & Industry Bureau, and the municipal department of the same name.

My findings suggest that national-municipal relations in Japan/Nagoya can be divided into three periods. The first period extends from the late 1960's through the late 1970's. This was an era of progressive local government and citizens movements related to the environment. The second period, which runs from the second oil shock in 1979 to the early 1990's, was an age of recentralization or reconcentration of authority. The final period represents current and future vertical intergovernmental relations in Japan. This era began after the Japanese Diet's approval of the Law for the Promotion of Decentralization in 1995. As a result of this law, the Committee for the Promotion of

Decentralization was created. This committee was charged to reform Japan's local government system (change has been slow in coming).

The following sections will discuss vertical intergovernmental relations in the Nagoya Auto Region over time through the general context of national-local relations in Japan during each of these periods.

II-A.1 Environmentalism and Progressive Local Movements: 1969-1979

In Japan, villages have long been praised as 'communities of cooperative life'...embodying in their absence of conflict and their stress on the interests of the collectivity important elements of the traditional value system. In this view, politicization is to be avoided because it introduces conflicts of interests and divisions concerning public matters and thus disrupts the community's solidarity and harmony. (Flanagan et al., 1980:433-434).

Japanese society is usually regarded as consensual in nature, but in recent years a variety of conflicts have surfaced to mar that image. A frequently cited example is the conflict that has erupted between citizens movements and the administrative/business world concerning environmental problems. One implication of this conflict in the public policy arena is evidenced in central-local governmental relations...In the past, such relationships have been conducted harmoniously within a framework of mutual understanding, but recently local authorities have raised frequent objections to directives issued from Tōkyō as well as the basic policies behind them (Muramatsu & Aqua, 1980:163).

When the Liberal Democratic Party (LDP) came to power in 1955, the authority of Japan's central government had been weakened by Allied Occupation attempts at instituting local autonomy (Kamo, 1997). However, this was quickly changed by a coalition of the newly unified LDP, the still powerful central bureaucracy, and private industry which "placed priority on rebuilding the powers of the national government in

order to stabilize the country's social system and drive economic growth" (ibid.:10). New regulations were established and old systems "were maintained and expanded [which increased] the central government's control over local municipalities, and also the dependence of local governments on the central government (ibid.:10).

Even though they were now elected instead of appointed, as they had been prior to World War II, local officials remained "agents of the state, to be directed and supervised by" central government ministries. Prefectural and municipal governments were entrusted to implement national policies and programs at the local level (ibid.:10). These tasks were to come to occupy a majority of their daily responsibilities. Locally based activities were subject to the authorization and approval of central government ministries and to be based upon national laws and ordinances. The financial powers of prefectural and municipal governments were also extremely restricted (ibid.). Glickman (1979:294) stated, that the heavy demands placed on local governments required municipal mayors to "serve two masters"— the central government and their constituencies.

Nevertheless, for the first time in the post-war period,

local authorities joined this effort at industrial expansion by passing ordinances to attract industry. The number of these ordinances which provided tax incentives, public services to industries, and even subsidies, grew rapidly. In 1955, there were nine [such ordinances] at the prefectural level and 102 among the municipalities; by 1969, there were 41 and 1,303, respectively (MacDougall, 1989:150).

In addition, "by the late 1960's, the process of recentralization and the drive for economic development" had forced localities to reassess their relationships with their prefectural offices (ibid.:150). Municipalities began to rely more than ever on their prefectural

government “for policy leadership, detailed administrative guidance, and financial assistance” (ibid.:151). Although local governments were far from autonomous, relations remained cooperative between the central government and local authorities, even in spite of the fact that “a great deal of competition emerged among localities in their respective efforts to win central support” (ibid.:151).

The LDP dominated prefectural and municipal assemblies, as well as the vast majority of mayoral and gubernatorial posts. “This political cohesiveness...facilitated smooth center-local relations” (ibid.:151). A lack of coordination among central ministries and bureaucratic sectionalism (i.e., turfism) in the central and prefectural governments also “perpetuated long-standing practices of seeking support from higher authorities before coordinating policies locally” (ibid.:151). In other words, further reinforced vertical administrative control.

Kamo (1997:11) stated that, “without a doubt, this concentrated authority-dispersed function system was a factor behind Japan’s postwar growth.” However, it did not come without its consequences. As national government priorities myopically focused on economic growth, they ignored the social problems rapid growth had caused. The heavy concentration of industry and people in Nagoya, and the rest of Japan’s Pacific Belt, had produced environmental destruction, urban crowding, inflated urban land prices, traffic congestion, and a depopulation of rural villages. It was the combination of these social problems and growing national wealth that fostered a change in Japan’s vertical intergovernmental in the late 1960’s and early 1970’s.

The Hokusei Sub-region of the Nagoya Auto Region suffered tremendously because of Japan's concentration of heavy industrial combines along the Ise Bay. McCormack (1996:50-52), writes,

The 1960's was a decade of miraculous economic growth, characterized by the advance of the heavy and chemical industries and the flourishing of the so-called "heavy, thick, long, and big" industries (*jū-kō-chō-dai*), as ships and petrochemicals came to be known... The Yokkaichi petrochemical kombinat began full-scale operations in 1960 on the shore of Ise Bay, close to Nagoya city. At the time it was the largest such plant in the Asia-Pacific Region. By autumn of the same year, some 1,000 people were suffering from asthma in the adjacent villages; school classes had to be conducted with windows closed because of the smell, and various unusual ailments and illnesses were reported. In 1963, when the government finally moved to impose restrictions on the output of smoke, the standards imposed were still below prewar levels; atmospheric pollution and "Yokkaichi disease" (asthma) continued to spread.

In the early 1970's, local citizens responded with protests against the local government and lawsuits against the offending companies. Today, almost 30 years after these lawsuits, according to local planners, citizens and groups in Yokkaichi are more vocal and active than ever. In addition, their local officials are as independent and creative in local policymaking as any in the Nagoya Auto Region.

According to Muramatsu (1997:40-41),

During the late 1960's, Japanese politics – national and local – underwent a period of change. A number of problems appeared in the cities, and the need for new policies spurred on political changes...As urban problems came to be regarded as more serious...the decision-making process had to change (ibid.:41).

Flanagan et al. (1980), argued that the myth that Japanese local communities were apolitical was dispelled by the late 1970's. They wrote that the "environmental hazards and pollution," brought on by the rapid economic growth of the 1950's and 1960's, had

created both media attention and provoked the development of local environmental movements (ibid.:451). It was then that local discontent and unrest forced the central government to act to rectify the situation.

Muramatsu claimed that these political movements were effective because top-down central-local relations (i.e., vertical administrative control) could no longer generate the “wide support needed for regional development. [Therefore, the] mobilization of related factors through the political process was necessary”(Muramatsu, 1997:41). He explained that along with “the eruption of local citizens’ movements,” progressive local governments came on the scene to offer “local opposition to the heretofore dominant relationship of cooperation, based on ties to the center. Cracks began to appear in Japan’s unified administrative structure of central-local relations” (ibid.:41). Similarly, Pempel (1982:228) wrote,

national executive and legislative action on the country’s environmental problems was stimulated by the combined pressures of the media, local government, citizens’ movements, and court decisions. Environmental policy clearly reflects a process in which pressure was built from the bottom up, rather than exerted from the top down, in direct contrast to economic policy for example.

Upham (1993a:342) stated that,

by the late 1960’s...popular attitudes toward industrialization and environmental protection had changed...The anti-pollution movement ignited by [four major victim lawsuits] was described as a radically new form of Japanese political action, one that challenged not only the closed and consensus-based style of traditional politics, but also the self-image of Japanese as preferring harmony over conflict...[These] activities were the forerunners of the citizens’ movements that dominated the political landscape in the 1970’s: politically mobilized grass-roots organizations focused on local or regional issues.

Krauss & Simcock (1980:187) claimed that,

the rise/growth of citizens' movements, particularly those protesting environmental pollution, [has been] viewed by many observers as one of the most important and spectacular trends in contemporary Japanese history and politics.

They go on to state that, "according to some surveys, there were at least 3,000 such movements based upon the mobilization of residents in a local area in 1973, a tenfold increase in the number of such groups since 1970" (ibid.:187).

As for progressive local governments, according to Akizuki (1995:352),

the Japan Socialist Party and the Japan Communist Party intensified their activities at the local levels in the early 1960's, and eventually formed a winning coalition at the prefectural level as well as the municipal levels in the 1970's.

Akizuki also argued that out of these progressive local governments and local political movements were born local administrators who had more expertise and knowledge on social policy than ever before. In addition, he stated that these new administrators were also more willing to challenge central authority to produce programs to better serve and protect their local citizens. Similarly Muramatsu & Aqua (1980:163) wrote,

as the number of local governments whose chief executives [were] affiliated with the opposition parties (the so-called "progressive municipalities")...increased, local officials...increasingly resorted to confrontational tactics in their dealings with the central government.

According to Pempel (1987) this was especially the case in Japan's metropolitan regions.

As a result, many local governments began "to rethink their priorities...Although Japan's rapid economic growth had enriched the country and elevated the standard of living of its people, it had also brought about social changes that generated" greater

demands for local services (MacDougall, 1989:151). Physical infrastructure had not kept up with urban growth, and spiraling urban land prices now made it that much more difficult to do so. Community services had also been neglected. In particular, there was a rising need for care for the aged and the very young, and improved access for the physically disabled (ibid.). Local governments began to respond with their own creative new strategies to address their community's needs and many were also adopted by other local governments. Some even provoked the creation of national regulations.

MacDougall (1989:153), called the mid-1960's to the mid-1970's, "The Age of Localism" in Japan. He wrote that

at least as important as these developments, was the tremendous upgrading of local planning skills that took place between the mid-1960's to the mid-1970's. In a sense, this was the achievement of central efforts to improve local administrative competence through [the] amalgamations [of municipalities], strict examination requirements for local civil service, special training programs and the like. It also marked the turning point in the ability of local governments, particularly the prefectures and larger cities, to undertake relatively autonomous comprehensive planning, to aggregate diverse interests locally, and to argue persuasively with central authorities for funding based on local priorities (ibid.:153).

In sum,

“during...the late 1960's and early 1970's, a significant change occurred in the pattern of policymaking. First, local initiative for new programs influenced the center's policy... Second, local governments became less hesitant to stand up to the central authority when their own policies were in conflict with the center's will (Akizuki, 1995:352).

During the 1970's, it became increasingly difficult for the national government and the private sector to impose its wishes on local communities. Moreover, with ever increasing confidence in their administrative ability, local governments, more than ever

before, began to initiate their own new economic and social policies (Hoshino, 1996). Many of these policies were adopted by other municipalities which induced the central government to incorporate them in their own policy agenda. For example, by the end of the 1970's, enforcement of pollution controls had been transformed from local political movements and policies into national environmental regulations (McCormack, 1996; Upham, 1993a). For the first time in post-war history, during this period, national-prefectural-local relations were no longer based entirely on vertical control and sectional centralism. Rather, vertical intergovernmental relations in the Nagoya Auto Region now more closely resembled Wright's overlapping authority model; in other words, authority was shared and dispersed among governmental layers (Muramatsu, 1997).

However, once the center had adopted these measures, they were able to use them to reinforce their own authority. Upham (1993a:342-343) wrote,

controlling pollution was expensive but relatively easy. Once forced to move, the government and its business allies acted quickly and effectively. In less than a decade, Japan went from being clearly the most polluted of the major industrial countries to comparing favorably on those indices of pollution related to human health. The government used basically the same legal tools used elsewhere, compulsory emission and effluent controls on both stationary sources and automobiles, but it was able to use it more effectively and vigorously than elsewhere, because the degree of pollution had created a political consensus that made it very difficult to oppose anti-pollution measures.

On the other hand, competitive central-local intergovernmental relations had become cooperative again, as for the first time, "local governments [had] become much more a partner than a client" of the central government (MacDougall, 1989:155). In addition, the prefecture had become more of a partner to the municipalities than an agent of the state.

Finally, “there emerged a new realization of the importance of the local arena for the creation of an open, affluent, and humane society...[and] there developed a broad recognition of the administrative competence of local government” officials (ibid.:154-155).

While political movements didn’t disappear in the late 1970’s, they were instead displaced from the top of the national policy agenda by new pressing issues. An economic crises caused by international forces now took center stage. Among these forces, were the Arab oil embargos of 1973 and 1979. Since Japan is almost completely dependent on imported oil, the country’s economy was greatly affected by these events. Inflation skyrocketed and growth rates plunged; “Japan’s consumer price index rose by 17 percentage points between 1973-74 and 11 more in 1974-75... [Its] average annual growth per capita gross domestic product fell from 10.5% [in 1970] to 3.4% [in 1975]” (Piore and Sabel, 1984:177). The central government took appropriate steps to rectify and rebound from this situation after the first shock (Inoguchi, 1988; Johnson, 1982). As a result, the public began to regain confidence in its national leaders. This helped encourage another readjustment of vertical intergovernmental relations after the second oil shock in 1979.

II-A.2 Post Oil Shock II: A Reconcentration of Authority? 1979- the Early 1990's

The oil shocks, a world wide recession, two major increases in the valuation of the Japanese yen, and other international pressures in the 1970's and 1980's, had a significant impact on central-local relations within Japan.³ First, the resulting economic difficulties

from these events produced municipal and prefectural fiscal distress. In addition, national and local politics within the country were also changing.

MacDougall (1989:154) wrote that:

The most salient local programs, such as pollution control and free medical care for the aged, spread rapidly among conservative local administrations as well as progressive ones and before long, to the conservative national government. The result was a loss of distinctiveness between conservatives and progressives locally, and after a decade's lapse, a refocus of the political spotlight from the local to the national level... Attention also shifted to the national level because of the increased salience of international issues after the first oil crisis of 1973-74 and the second one in 1979.

Local fiscal instability also cut into support for progressive governments. Kamo (1997:12) stated,

Progressive local governments, much in the same way as the welfare states of Europe and the United States, were criticized because of the stagflation⁴ that resulted from big government. By the end of the 1970's, the LDP...had regained power in most local governments.

By the early 1980's, "with per capita income reasonably high, inflation effectively tamed, annual real economic growth [again] registering a respectable rate, the public exhibited economic conservatism" (Inoguchi, 1988:53). The impact of economic conservatism was twofold: First, economic conservatism translated into political conservatism; in other words, public support for the LDP at the national level was again high in the 1980's (ibid.). Second, "initiatives to reform the local self-government system all but disappeared" (Kamo, 1997:12). In sum, as other outside forces began to exert more influence on Japan, the central government was able to use foreign pressure along with its renewed conservative alliances, to coax the now vulnerable municipal and prefectural

governments into cooperating on national development policies (Muramatsu & Krauss, 1987). The end result was that vertical control, through sectional centralism and cooperative dependency, was again the norm.

Even though authority was reconcentrated in the 1980's, demands on local governments grew during this period. On this issue one Nagoya area official stated:

Since the 1970's it has been the responsibilities of the cities to create policies that deal with quality of life and environmental issues. Especially after Yokkaichi's pollution problem, the rapid growth, and the oil crises of the 1970's, people's sense about things changed and we had to also.

In addition to citizens' demands for more local services, the globalization of economic activities now required municipal governments to become much more involved in protecting their own industries and self-promotion. Like municipalities throughout Japan, many cities in the Nagoya Region became involved in international exchange programs with "sister cities" overseas (see Hoshino, 1996). Larger cities in the Nagoya Auto Region became more active in small business development activities. Smaller cities and towns began to rely more heavily on their prefecture to promote their economic growth.

Nevertheless, despite increased local efforts, any substantial programs still required firm support from the central government, in terms of policy formulation, project approval, and funds for implementation. The final part was key. Both prefectures and municipalities remained financially dependent on the national government. However, as the Nagoya Auto Region continued to experience substantial economic growth through the 1980's and early 1990's, local governments became more self-reliant than ever before; and perhaps more independent than in almost anywhere else in Japan, outside of Tōkyō.

Cities in Aichi Prefecture grew particularly wealthy. Several became no longer eligible for the Ministry of Home Affairs' Local Allocation Tax Grant.

Since the region's success also significantly bolstered Japan's economic growth, relations between the center and the region began to change. There were now mutually beneficial incentives for the central government, as well as the prefectures and municipalities in Japan's new industrial center, to cooperate with one another.

In sum, as a result of international forces, authority was again reconcentrated in the hands of the central government during the 1980's and early 1990's, and discussions concerning the expansion of local self-government, were for the most part, shelved. However, because of its economic success, many municipalities in the Nagoya Auto Region, especially in Aichi-ken, became relatively less dependent on the central government. Since all of Japan now relied heavily on the region to supply a large share of the country's industrial production and wealth, central-local relations became more interdependent, albeit still vertical; although probably neither central or local officials would be willing to admit this was so.

II-A.3. Current Relations and Decentralization: the Mid-1990's-Present

Horie (1996:64) argues that "although local governments have become more powerful since the end of World War II, we should not underestimate" the influence the central government still has over them. For the most part, this statement described national-prefectural-local intergovernmental relations, even in the wealthy Nagoya Auto Region. In contrast to Michigan's strong local home rule, the reality for municipal governments in

the region is that their administrative and financial autonomy remains limited. As a result, as Muto (1996) maintained, municipalities in the region felt it was extremely difficult for them to develop and implement their own innovative policies.

In terms of administrative authority, unlike in Detroit, local development policies in the region are not based primarily on municipal city council decisions. Rather, both the central and the prefectural governments have great input in the municipal decisions. City Planning Law and other developmental regulations either provide local governments with strict guidelines to follow, or require them to receive prefectural and central government approval before receiving funds to implement a project. One local official stated the extreme case:

Our relationship with the central government and the ken is vertical in the respect that we can not do what we need to by ourselves. We generally have to choose only from the ken's policy options. The ken recruits companies for us. They have offices in Tōkyō and Ósaka just for these purposes. The Governor of our prefecture decides what roads go through our city and the area. Things have been changing, however, due to decentralization, but we still feel restricted by the central government. If we are to get more responsibilities or decision making power from further decentralization, we need much more financial power.

Another had this to say:

The situation is very restricting. We only can choose from a menu of choices. Whatever the central government wants it offers the ken. The ken then offers us that menu.

Still another maintained:

Our area is unique because we have both a large population and agricultural area. City Planning Law can't cover all these issues. We need to be allowed more flexibility in our plans.

A fourth claimed:

Our job is based on law and regulation. The law is for all over Japan but sometimes it doesn't fit everywhere. We don't have any choice but to follow laws that sometimes don't fit with our current city problems.

Yet another stated,

We mainly deal with four ministries: Construction, MITI, Transport, and Home Affairs. However, concerning the Downtown Revitalization Law, 11 ministries and agencies are involved. We deal with the ministries through the ken; we don't have direct relationships with the ministries. The city chooses from a menu of choices the ken offers to us. In our Commerce and Industry Department we usually deal with the ken's Commerce and Industry Bureau. They get a menu of policy choices from MITI, and then give the cities a menu of choices from what they choose.

Finally, one official had a slightly different view:

Cities in our prefecture are fairly independent of the ken. The ken's responsibilities are the small towns and villages. However, we are dependent on the central government. Our relationships with the ministries are not always cooperative, it goes case by case. Our relations with most ministries though are vertical.

According to many local officials, their limited financial autonomy makes it imperative that municipalities cooperate with their prefecture and that prefectures comply with national policies and programs. The foremost manner in which the financial independence of local governments is restricted, involves the collection of tax revenue. In Japan, local governments spend about two-thirds of all tax revenue generated. However, as a result of the way that the intergovernmental tax system is structured, municipalities and prefectures collect only about one-third of all revenue. This means that municipalities must rely heavily on prefectural government subsidies to provide their urban services. Prefectures themselves depend on central monies to fund their own services and supply

grants to municipalities. Thus, local compliance with prefectural and national policies becomes tied to financial assistance (i.e., “cooperative dependency”).

Area officials had this to say on how financial dependency promotes compliance and conformity:

Cities can only do unique projects if they can afford to implement them on their own. Most can not do much without outside financial support.

The ken gives us guidance, they screen projects. If they approve it then they ask for money from the Ministry of Construction, MITI, Ministry of Post and Telecommunications, etc., on our behalf. If a project is consistent with the central government’s plan and gets their approval, we generally get our money.

Our relationship with the central government is purely dependent and vertical. Hopefully, with decentralization that will change.

If you want a subsidy from the central government, you need to explain your project to the ken and find out what is allowed. Generally, if you get the ken’s approval, you get the subsidy, but not always. On the other hand, you can’t get anything without the ken’s approval.

A second related control on local financial autonomy involves tax rates and user fees. In Japan, municipal and prefectural tax rates (property, income, enterprise taxes, etc.) are regulated by the Ministry of Home Affairs, and not by the prefectures and municipalities themselves. This is done to ensure equity and prevent municipalities and prefectures from using tax rate incentives to recruit companies. As a result, tax rates among municipalities and prefectures in the Nagoya Auto Region are rendered uniform.

While limiting financial authority serves as one form of administrative control, the regulations, laws, and administrative guidance of central government ministries, are another. For example, one local official had this to say about MITI, the central

government agency charged with the formulation and execution of industrial policy in

Japan:

MITI still has too much power over development. It has been O.K. for companies, but MITI don't necessarily understand the problems of local governments.

A second official had a slightly different position regarding MITI:

MITI's power has lessened over time. During the growth of the economy, when people believed in growth, never doubted growth, MITI was the lead policymaker. They were very much involved in the where large and small companies were located. Since the bubble ended, MITI has stagnated with policy. They have no new policies. MITI still decides where big factories can be built, but now the prefectural government has more power to make decisions involving development.

A third planner felt this way:

MITI's guidance does often come first. However, ultimately, it is private companies who have the most influence on development. They build a factory and then they'll build company dormitories near the factory. After the private companies comes the developer. The developers have been the leading cause of the dramatic rise in land prices in our city through land speculation. This caused the bubble economy, the inflated cost of land.

While opinions concerning of MITI's current status varied, almost all local officials stated that MITI did not have the most influence or impact on local policies in the Nagoya Region. When asked who did, municipal and prefectural officials replied that the Ministry of Construction and the Ministry of Finance had the most influence on local affairs. The former was generally singled out by municipal land use planning department officials as the most powerful in their region. The latter was often mentioned by administrative planning officials. However, in most cases, both of these ministries were cited as the two most influential ministries in the region.

While the official quoted above believed that MITI's power had declined over time, he had the opposite opinion about the Ministry of Construction and the Ministry of Agriculture:

The Ministry of Construction has gotten stronger over time. They remain closely involved on road projects, public works, and public investment. They are now getting a bigger piece of the pie which means more power. The Ministry of Agriculture has also gotten more. They are more involved in development issues than ever before, they have more say in which areas can not be developed, in protecting agricultural farmland, over who gets sewer service in agricultural areas, and they are trying to grab more power all the time. This is important for two reasons. First, because every sewer project has to consider environmental issues and how they affect agricultural areas. Second, if a local area gets sewer service, they can grow. The Ministry of Agriculture protects themselves by restricting urban development on farmland through the sewer permitting process.

His colleague replied:

The Ministry of Finance remains the end of the line for everything. Each policy has to go through them, they approve everyone's budget.

A representative from another city stated:

Our relationship with the Ministry of Finance is not bad, but we don't always agree over our budget. I think the Ministry of Finance is the most powerful because they control the money.

On the other hand, land use planners had this to say:

Of all of the ministries, the Ministry of Construction probably impacts our daily lives the most because they are responsible for ensuring local compliance of City Planning Law, which has many specific regulations and because they control the roads. But the Ministry of Agriculture is also strong and getting stronger all the time. They determine if an agricultural area can get new roads.

The Ministry of Transport has been very cooperative in our city. The Ministry of Construction is the hardest to deal with. We can't plan for our own roads without knowledge of what their road projects area and because they control all the road money.

The Ministry of Construction has the most power in our city. That is because if our mayor or any city mayor wants attention, they get something new built. If they make a great road, or some development occurs because of a public works project, it makes them look good. This directs power to the Ministry of Construction.

We can't really plan our roads on our own because we have to wait for the plans of the prefectures and Ministry of Construction. That's the power structure. It is a dream to someday be able to do it amongst ourselves, the cities, but in reality, we can't.

Finally, most officials thought the National Land Agency was probably the least powerful central government division. However, one official had this response:

Although the National Land Agency has no real power— they can't even control land prices— and although we have no direct relationship with them, their Comprehensive Development Plan, Gozensō, is the beginning of everything. If a city is named in there for some project, it has great influence over politicians as to the location of development and the type of development that occurs in that city.

Gozensō refers to Japan's *Fifth Comprehensive National Development Plan*⁵ which was drafted under the direction of the National Land Agency and has been in effect since 1998. The framework for this and the four policy plans preceding it, was first established under the *Comprehensive National Development Act of 1950*. This law required that national, prefectural, and local development policies be well integrated and that prefectural and municipal governments conduct comprehensive planning in compliance with the national plan.

While central-municipal relations were described overwhelmingly as dependent, one official had a much more positive spin on how things have changed over time.

In the past, national policy was guiding development and redevelopment in our city. Now city planning departments are learning to guide development and redevelopment along our coastline, in the port area. They are gaining

experience and learning how to be more selective of which companies to allow. Local governments are maturing, after all we have been learning about guiding development from the central government since the 1950's.

Moreover, most officials in the region felt that Japan's uniformed planning regulations were necessary to prevent disorderly development. What they wanted, as Muto (1996) found, was more flexibility built into the system, to allow them to better address their local area's needs, and to highlight the special qualities of their community.

Everything is regulation under the central government. There are always procedures we need to follow. We need more local autonomy. Without it, we can not progress as a city.

Yes, we would like more autonomy. The central government now draws lines around urban areas and non-urbanized areas and decides by population size and industry how big development will be. Our prefecture gets a certain frame, then they determine what amount each city gets. They try to keep everything the same, fairly even. In doing so, they sometimes limit how much we can grow.

Most believed that they would only gain such flexibility if local units were given more financial independence. Without greater financial authority, most felt that municipal governments in the region were too small to take on any added responsibilities.

We can't be more independent without more taxing powers. Now, we are like a child of the ken and the central government. We want more authority, but we have no experience with it. It would be like a sheltered child being set free without money. We have always listened to our parents, but then we have become independent and get to decide things on our own, but we are left without financial support. We need the financial resources to have autonomy. We can't have both local government autonomy and a fiscally dependent relationship with the ken and the central government.

We have much different ideas about local control than Americans. My impression is local autonomy in the U.S. involves very much the personality of local people. We believe that to have effective local government we need cities with between 300,000 and 500,000 people.

Otherwise, under the present system in Japan you don't have enough financial resources to properly run a city. Right now there are too many small local governments that need to consolidate before we can handle more responsibilities.

Only one official interviewed, expressed any desire for American-style local autonomy. Most believed such extensive freedom would create inefficient urban service delivery and chaotic intra-municipal and metropolitan development. On the other hand, some of the harshest critics of more municipal autonomy were prefectural officials. Although many of these officials thought more autonomy for prefectures and municipalities was necessary to address the special needs of many areas, some worried about the possible consequences of too much local freedom. One felt this way:

Local governments shouldn't have more power to do local planning. There is too much difference in terms of 3,300 cities, towns, and villages. There are too many small units; it would be impossible to coordinate them all and to get them to cooperate to do joint planning. If they got local autonomy like U.S. cities, it would create uneven development and inequalities.

Responding to calls for more local independence, the central government passed the Law for the Promotion of Decentralization in 1995. As a result, the Committee for the Promotion of Decentralization was created to draft a plan of action to reform Japan's local government system. In light of these events and the extensive current discussion in Japan regarding decentralization, local officials were asked how much power they believed the central government would actually relinquish to them. Many officials had their doubts concerning the expected changes:

Even if the central government gives up some of its administrative power, it will make no difference if they don't give us any more financial independence. Things will still be the same. If you have financial power,

you can implement whatever you want at the local level. We could get into new fields, build our own facilities, capitalize on our own unique culture with unique projects. Now it is difficult. The central government and the ken reach into many areas, roads, urbanization, economic and land use development. They have been doing it forever. It will be hard for them to give up that power.

In the U.S., a local government has freedom to recruit a company and the central government doesn't have much power to stop or doesn't try to. In Japan, MITI has the power to regulate or encourage companies to stay in a city with financial incentives or through administrative guidance. As a result, companies don't often leave the city unless the central government offers them incentives to do so, or there is totally no land in the city to expand. I doubt very much this will change.

If decentralization does occur, as it is described, municipal governments will get more power and our relations with the prefectural government will be more horizontal and not as vertical. Whether that really happens???

We have already been given more things to do now than ever before but we still need the prefectures approval.

Others were more hopeful:

We are hoping with our new "*Core City*" status the city will provide us with more flexibility to determine what goes where. After all, we have the most knowledge of our local area.

Finally, it was clear from many of these officials and other comments, that administrative control in Japan still primarily follows departmental lines, at least in central-prefectural-municipal relations in the Nagoya Auto Region. Land use planners clearly felt that vertical administrative control or sectional centralism was still very much alive in Japan. On the other hand, some thought the prefectural government's approach was changing slightly. The following comments represent the general feelings of local officials on this topic:

There is often conflict among ministries. Relations among ministries need to be better coordinated. This makes it difficult to coordinate things locally as a result. Every ministry wants to keep its power. It is as if there are ministries but no country.

The Chūbu Bureau of the Ministry of Construction deals with big roads and bridges in our region and connections to big roads. We need approval from the Minister in the Chūbu Office. Our relations with the Ministry of Construction are very vertical, completely. The ken is changing but central government never changes. Everything is separated into different departments within the central government. Everything is vertical and compartmentalized. The ken has decentralized its relationship with cities but not the central government. We deal with many different ministries for land readjustment within one area: the Ministry of Construction, Ministry of Agriculture, Ministry of Transport, MITI. It all depends on the project who we deal with. There is no coordination among ministries which is a big problem. There is even turf battles within ministries. Bureaus within ministries don't get along. There needs to be a coordination ministry.

The central government and the ken's relationship is very cooperative, but it is strictly vertical along ministry lines. However, there are coordination problems for us. One ministry will say one thing and another tell us the opposite. We don't know who to listen to, so our departments follow their ministry's recommendations. For example, there is too much competition among ministries over land. The Ministry of Agriculture and Ministry of Construction often disagree on development issues. It is preservation and conservation versus development. No one ministry has supreme power. It makes it very difficult for the ken to coordinate things which makes it difficult for us to tell cities what they should do.

Despite all the problems mentioned regarding Japan's centralized, concentrated authority governmental system, what is interesting is that somehow, the frustrations and dependency that have resulted from this situation have united municipal governments in an "Us versus Them" kinship. However, in direct contrast to the situation in Detroit, the "Them" is not the city or the suburbs, but rather the central government. This kinship has served to encourage inter-municipal cooperation, especially involving the planning for and the delivery of urban services. While municipalities in the Nagoya Auto Region do

not like being financially dependent on the central and prefectural governments, limited local autonomy has fostered cooperation and mutual dependence or interdependence among municipalities, rather than aloof independence (i.e., competitive avoidance).

In addition, other related central government policies have helped reduce inter-municipal competition, or at least much of the friction that generally results from local competition in the Detroit Auto Region (i.e., cooperative dependency). A large portion of national subsidies to municipal governments are allocated through the Local Allocation Tax Grant. This grant reduces disparities in municipal urban services by providing funds to those communities who can not collect enough of their own revenues to fund an adequate level of services. This, along with fairly uniform local tax rates, has fostered a more even distribution of tax base in the region, by reducing the likelihood of private disinvestment in older or less affluent communities.

In the Detroit Auto Region, many wealthy communities have been able to lure companies away from their less prosperous neighbors, by promising lower or no taxes, or because they could provide a much higher quality of urban services. Eliminating these zero-sum battles has reduced inter-local tension in the Nagoya Region. There is also evidence to suggest that this dependency has fostered not only cooperative inter-municipal relations, but cooperative prefectural-municipal relations (i.e., cooperative dependency). These issues will be discussed in the sections to follow.

In sum, in some ways, authority has begun to slowly flow to communities in the Nagoya Auto Region. However, in general, officials in the region maintain that Japan is still highly centralized, and the national government has been unwilling to yield to them

the necessary authority to enhance local autonomy, especially financial powers. On the other hand, over the last three decades, local governments in the region and in Japan have become much more involved in policy formulation and their expertise in many areas has most certainly grown. They are now more capable than in the past of “determining the particular mix of programs” that is appropriate for their own communities (MacDougall, 1989:162). They are also better at crafting whatever policy options are made available to them, into programs that best fit their local needs.

However, before leaving the discussion of vertical intergovernmental relations in Nagoya, there are a couple of important qualifications that require mentioning concerning local autonomy/dependency and vertical intergovernmental relations in general. First, it seems that certain municipal departments– Commerce and Industry in particular– have more policy freedom than do other departments– namely City (land use) Planning. This is because land use planners are required to follow the strict regulations of City Planning Law, and their projects are closely scrutinized by their prefectural government and the Ministry of Construction. In contrast, as Fujita & Hill (1998) found, since prefectures and municipalities have been delegated the responsibility of supporting small businesses in Japan, a larger proportion of local non-residential development is coordinated at the municipal level, than by MITI. As a result, commerce and industry officials have much more flexibility when it comes to developing local programs. On this topic, municipal officials made statements similar to this one:

the City Land Use Planning and Administrative Planning Divisions have more vertical relations with the central government and the ken because of law. City Planning Law restricts the City Planning Department quite a bit.

On the other hand, Commerce and Industry has more freedom to plan for something unique in the city.

Second, authority relations among the central, prefectural, and municipal governments are much more complex than past studies have generally suggested. Most studies have debated how powerless or influential local governments are in Japan are without ever suggesting that there may be some variability in these relationships. Steiner (1965) wrote that municipalities were extensions of the central state, and that prefectures merely served as central agents, whose role was to ensure municipal compliance with national policy. In contrast, Muramatsu (1997) and Reed (1982, 1986) have written, that the local governments have had a significant amount of influence and authority, and that the central government has not forced prefectures and municipalities to comply with their plans. Instead they have argued, that the center has first negotiated with prefectures and localities, and then has created mutually agreeable policies and programs. According to local officials in the Nagoya Auto Region, there have been elements of truth in both of these stances.

Local officials in the region maintain that the amount of local authority and influence in Japan has always been determined by the size and wealth of a municipality. For example,

MITI is kind of old fashioned. They see Designated Cities as number one, but don't give enough respect or consideration to what is occurring in smaller cities. MITI is not as willing to reveal information to smaller cities as it is with larger ones.

As this quote implies, within the central government, there appears to be a recognized and accepted hierarchy of municipalities and prefectures in Japan. Within this hierarchy, local administrative and financial authority most assuredly varies.

II-B. Hierarchy of Cities and Prefectures: All Are Not Created Equal

Unlike in the U.S., the powers of municipalities in Japan do not vary based on the constitutions of its sub-national prefectural governments (i.e., states in the U.S.). Rather, municipalities in Japan are established and assigned powers based upon national criteria, which determine their status according to their population size and development density.

In his study of three Japanese prefectures, Reed (1986) found that larger prefectures generally have greater financial resources than smaller ones and therefore, they have greater flexibility to implement innovative local policies and programs. Similarly, policy influence, administrative flexibility, and financial autonomy/dependency in the Nagoya Auto Region and Japan, vary based on the size and wealth of a municipality or prefecture. Variations based on wealth seem logical, due to the fact that among other things, in Japan, locally collected revenue may be spent at the local government's discretion. However, planners in the region said there was more to it than that. They strongly believed that there exists a municipal and prefectural stratification system in Japan. This hierarchy they maintain is comparable to the well-known ranking system of Japanese universities and companies.

Similar to Japan's ranking of companies, this stratification of cities starts with the country's largest municipalities, "Designated Cities." As is the case with Japan's

university system, the most prestigious of this class is Tōkyō, which is actually in a class of its own.⁶ Beginning in 1956, the central government authorized responsibilities for these Designated Major Cities, including Nagoya city, which in many ways are equivalent to those granted to prefectures. Japan's Local Autonomy Law requires that to be classified as a Designated City, a municipality's population must be greater than 500,000, with an expectation that it will reach one million in the near future (Alden & Abe, 1994). All but two cities (Chiba and Sendai) had greater than one million in population in 1995.

According to local planners, Nagoya's relationships with the central government and its prefectural government, Aichi-ken, are much different than other cities:

Designated Cities like Nagoya are autonomous of the ken. They have direct relationships with central government. Nagoya has the same status and power of a ken.

Nagoya because of its size, wealth, and status is more like an independent little brother of Aichi-ken, while most other cities are like the ken's children.

The bigger the city, the more influence its Mayor has with the central government because of the sheer size of its population.

For instance, Nagoya is the lead agency for land use, economic development, and transportation policy planning in its urbanized or city planning area, which consists of fifteen other municipalities. In addition, although many cities and prefectures request and accept officials on loan from the central government to serve as their department chiefs, Nagoya has enough status and resources to refuse them.

Aichi-ken, with a population of six million, is said to be in the top tier of Japan's prefectures, although again, all fall in behind Tōkyō-to. Shizuoka Prefecture, with 3.7

million people, Gifu with 2.1 million, and Mie with less than two million seem to be lower on the central government's hierarchy than Aichi.⁷ Area officials said that Aichi-ken has become so powerful because of Toyota Motor Corporation and Nagoya, that the ken presents its own development plan to the National Land Agency. As long as it is not totally inconsistent with the goals for the nation, Aichi's plan is incorporated into the National Development Plan.

According to local informants, Nagoya city, like other Designated Cities, also has the power to influence prefectural and national development plans with their own development plans. Many local officials said Nagoya city creates their own plans and projects first, then presents them to the Aichi-ken, who amends their prefectural plans if they differ from that of Nagoya's. By comparison, as is the case between the average prefecture and the central government, smaller cities only get to choose from a menu of recommended choices offered to them by their prefecture.

Japan's Ministry of Home Affairs has recently granted a second and third group of cities greater local authority than the norm. The first group, authorized in 1994, are called "Core Cities."⁸ These are key employment centers that have greater than 300,000 in population and have larger daytime than nighttime population (Kitazaki & Ogawa, 1997:18). Although still vaguely defined, it is expected that as part of the national government's decentralization efforts, Core Cities will be given a substantial amount of powers; this authority will be slightly below those of the Designated Cities. As was mentioned in Chapter 4, within the Nagoya Auto Region, the cities of Toyota, Hamamatsu, Gifu, and Toyohashi, have been granted Core City status.

Following Core Cities in the authority hierarchy, are the newly designated “Special Exception” or “Special Case Cities.” Although which cities to be granted this status have not yet been identified, this group will comprise key employment centers of more than 200,000 in population.⁹ Yokkaichi city, in the Hokusei Sub-region of the Nagoya Auto Region, Kasugai and Ichinomiya, in the Kita Owari Sub-region, and Okazaki, in the Nukata Sub-region, are expected to be granted this status.

Yokkaichi, the largest city in Mie Prefecture and a center of Japan’s petrochemical industry, embodies the description of these Special Case Cities. Moreover, if Yokkaichi is the norm, these cities can be expected to become quite independent and influential if they are both the largest city in a small prefecture and a key employment center. One Yokkaichi official described their situation this way:

We have a decent amount of power in the planning for land use in our city. The ken determines zoning in general, but the city determines specific zoning. On the other hand, towns and villages really need guidance from the ken. We are the largest city in our prefecture. We generally do what we want to. The ken doesn’t tell us what to do or what not to do, no to this or yes to that. They give us guidance when we need it, but otherwise, we have limited interactions with them. The ken works most closely with the towns and villages. We are large enough to be fairly independent.

Special Case Cities are followed in the authority rankings by cities of greater than 100,000, which are followed by cities of less than 100,000, and finally towns and villages. Prefectural ordinances, rather than national laws, determine whether a village can become a town. Functionally, towns and villages have the same statutory powers; a town is just more densely populated (Kitazaki & Ogawa, 1997). However, a village must

become a town before it can be classified as a city. As a result, towns do seem to have higher status in the eyes of most government officials than do villages.

Nevertheless, in spite of these variations in relative authority, all cities and towns in the Nagoya Auto Region must receive approval from their prefectural government before commencing most (if not large) development and infrastructure projects. They also must comply with their administrative guidance, or else they potentially risk losing future central government project funds (i.e. “cooperative dependency”). As a result, a local community’s ability to generate its own tax revenue, regardless of its population size, also seems to impact its capacity to conduct independent planning efforts. Toyota officials had this to say on the issue:

We still have a vertical relationship with the ken, just like other places. We ask for guidance and permission to do certain things. Even though the cities and towns have meetings, the ken’s guidance leads the meeting. But now that we have become a “Core City,” we have more input on things. The ken has its own plan and the city has its own plan. We don’t have to worry unless the city plan is much different than the ken’s. Also, since we don’t receive any Local Allocation Tax, we are not as dependent on the ken as other cities.

In fact, Toyota city was mentioned by several officials in the region as one community that already had quite a bit of local independence prior to its designation as a Core City.¹⁰ This has been as a result of the wealth it (and Japan as a whole) has acquired from Toyota Motor. Since Toyota city’s expected tax revenues generally exceed their basic financial service needs by a wide margin, the city has regularly been among the select few municipalities in Japan which does not qualify for a Local Allocation Tax Grant.¹¹ With

fewer ties from above, the city and other communities with similar financial situations have had greater flexibility to implement locally originated projects.

Understanding all of these facts, including how Japan's municipal hierarchy works, officials in all municipalities in the Nagoya Auto Region firmly believe that the key to greater administrative autonomy is not more responsibility. Rather, they maintain that greater local autonomy and influence can be achieved through population increases and the reduction of their financial dependency on the central and prefectural governments. As will be shown later, these conditions have induced some municipalities, over the last three decades, to join together and consolidate their smaller local units into one larger municipality.

III. Horizontal Intergovernmental Relations in the Nagoya Auto Region

Muramatsu (1986 & 1997) used the terms "lateral competition" and "horizontal political competition" to describe inter-local relations in Japan in the 1980's. He stated that inter-local relations were both competitive and cooperative, and that sometimes competition produced cooperation. On the other hand, officials in the Nagoya Auto Region overwhelmingly agreed that their inter-municipal relations had been generally very cooperative over the last three decades. Therefore, the term "lateral or horizontal cooperation" seems more appropriate.

However, inter-municipal relations in the region have been more than cooperative, they have also been highly interactive. Localities provide one another with information, guidance, and support, and sometimes even serve as a facilitator of cooperation between

other municipalities. This has helped forge a feeling of mutual dependence or kinship among many municipalities in the Nagoya Region. Therefore, based on all of these factors, the term “lateral interdependence” seems to best describe inter-municipal relations in the Nagoya Auto Region over the last three decades. Since interdependence generally implies or requires cooperation, this term incorporates and surpasses the concept of “lateral cooperation.”

Overall, local officials felt that the quality of inter-municipal relations has not really changed that much over the last three decades. Although none of those interviewed had worked in the region prior to 1968, it was their opinion that inter-municipal relations have probably been very cooperative since the late 1950's and early 1960's. This was a period when the central government first adopted its comprehensive economic growth and land development plans. Local officials stated that inter-municipal relations have been especially cooperative since the passage of Japan's City Planning Law in 1968; yet, one official stated that “when mayors haven't gotten get along, cities have tended to not have good relations.” He said, mayoral disagreements were common during the 1970's, but infrequent since that time.

Municipal officials felt that City Planning Law, along with Japan's National Comprehensive Development Plan, which both require municipalities to do joint land use and development planning, were two of the main reasons why inter-municipal relations have been cooperative. Limited local revenue was mentioned as another strong motivation for towns and villages to cooperate with one another and with cities. Towns and villages often have relied on one another and on cities to provide urban services to

their local residents. Local officials also believed that the Local Allocation Tax Grant has reduced competition among jurisdictions and has thereby, fostered cooperative relations. They also felt that an absence of inter-group conflicts (race, ethnicity, socio-economic class, and management-labor) has also been beneficial to inter-municipal relations.

Nevertheless, most municipal officials strongly believed that the coordinating efforts of their prefectural government, especially in relation to metropolitan planning, have been most responsible for cultivating cooperative inter-municipal relations in the region. This section discusses these issues by examining city-suburb and suburban-suburban relations and the prefecture's role as the coordinator of these interactions. Additionally, how inter-regional competition impacts intra-metropolitan relations will be examined.

III-A. Nagoya and Its Suburban: The Train That Ties Them

When asked how they would describe their relationship with Nagoya city, Toyota city officials stated:

We don't have a rivalry with Nagoya. Nagoya is in the Owari Region. There, they are the dominant city. Toyota is the lead city in Nishi Mikawa and Toyohashi dominates the Higashi Mikawa Region. We go to Nagoya to learn many things. We don't feel pressure from them to compete. We have our own areas.

According to several local officials in the region, Nagoya also has tutelary relations with many other municipalities in the region. For example, due to its special Designated City status, Nagoya is the lead city in the Nagoya City Planning Area, which contains 15 other municipalities in the Kita Owari Sub-region. Relations within this group of communities are very cooperative. These municipalities jointly conduct land use, urban

facilities, and urban development planning (Nagoya city, 1997). Unlike in Detroit, inter-municipal relations in this area have not been negatively affected by annexations and incorporations. In the past, several towns and villages in Nagoya's city planning area have been incorporated into the city. Nagoya city now has 16 *ku* or wards. It has grown from 12 to 16 wards with the help of the annexations of the entire city of Moriyama, five towns, and four villages (*ibid.*).¹² Also, unlike in Detroit, Town and Village Councils have generally applied to the Nagoya City Assembly to be annexed. If Nagoya accepts, the two local units then apply together to the prefectural government.

In the Hokusei Sub-region, Nagoya also has good relations with Kuwana city, its nearest neighboring city in Mie Prefecture, and Yokkaichi city. One Hokusei official commented,

In addition to cooperative relations with Kuwana and Suzuka, we have good relations with Nagoya, Toyohashi, and Gifu. We have a human network, we exchange information, and have a historical relationship with these cities. The same is the case for relations between Aichi and Mie-ken.

Another official stated,

The Hokusei Region is geared to Nagoya. Eventually after the new Chūbu Airport and the Ise Wangan (Bayshore) Highway Bridge is completed, so will the Chūsei (Central Ise) Region. Hokusei and Nagoya are both part of the same national region for planning. As a result, we cooperate on many projects together.¹³

Relations between Nagoya and Kasugai, Ichinomiya, Gifu, and the region's other cities are also cooperative; albeit, Nagoya is accorded much respect because of its Designated City status. However, Nagoya's closest relations are with those cities within its city planning area.

Local officials stated that, unlike the U.S./Detroit, city-suburb relations in the region have not been negatively affected by divisive intra-metropolitan politics, especially those caused by majority-minority and class conflicts. Both the central city and the suburbs in the Nagoya Region have relatively few minority group members. As Hill (1996) and Fujita & Hill (1997) found in their studies of Ósaka, there is virtually no place stratification in the Nagoya Auto Region. As was presented in Chapter 4, income variations among municipalities in the region are rather small, as opposed to those in Detroit. People of various incomes, as well as occupations, live side-by-side in most cities and income and occupational groups are scattered among the region's municipalities. In addition, public housing is not concentrated in one city or even in one neighborhood within a city; even members of the middle class can qualify for subsidized housing.

A key factor in all of this, according to Dore (1994:387), is the fact that in Japan, there exists the notion of a "social minimum." He writes, that "this applies both to the minimum income and to the 'dignity minimum', i.e., the minimum level of social respect, guaranteed to the... unemployed and the hard-to-employ" (ibid.:387). Japanese citizens, regardless of their income, are provided with affordable public health care and many other aspects of Japanese society promote inter-personal equality (ibid.). The belief in a social minimum, he writes, has also translated into policies and structures that support *all* local governments, not just the *fittest* or most affluent communities. It has also helped to maintain rather peaceful management-labor relations.

However, according to local officials, there is one more key aspect to this system of social minimums that was not mentioned by Dore. National, prefectural, and municipal

governments in Japan, firmly believe that people of all incomes should have full mobility access to employment and leisure opportunities.¹⁴ As a result, from the Ministry of Transport down, all levels of government have made a strong commitment to public transportation. One Nagoya area official summed up many of these issues when he stated:

Compared to the U.S., we haven't decentralized as fast. The ideas of Japanese people are different. We are only Japanese, we are not as diverse a society. This has helped us work together. Also, Japan is much smaller place than the U.S. We have to maintain what we have. We can't just leave it for someplace else. However, the train system has been a key reason that has kept Nagoya city and the suburbs tied together.

Another official commenting on the importance of the train system to regional continuity stated:

There are plenty of trains to Nagoya from here. Many people from our city work in Nagoya so we have close connections to it. It is easier to get to by train than car. The region uses cars more often than many parts of Japan, but overall, we are still more of a train society than car society. This has kept us close to Nagoya. To go almost anywhere, you need to go to Nagoya Station.

Although not often written about, the policies of the Ministry of Transport towards rail, subway, bus, airports, and seaports have been key in the promotion of inter-municipal cooperation and economic growth in the Nagoya Auto Region. The region's mass transit system has perhaps, more than any other factor, been why Nagoya city, in spite of a large decline in manufacturing employment, has remained the region's locus of the employment. It all starts with Nagoya Station, central Japan's transportation hub. In one massive complex, there exist a multi-line subway depot, a regional bus center, countless taxi stands, a multi-track Shinkansen bullet train station, and the main or regional terminal for several commuter rail companies. Passenger rail travel between

most of the region's largest cities, as well as between most of Japan's largest regions, requires passage through Nagoya Station.

The incorporation of mass transit in national, prefectural, and local development policies is one of the major contrasts between the Detroit and Nagoya Auto Regions. Such a system has required constant regional cooperation among municipalities. The inability to cooperate, among other reasons, has resulted in the failure to create a mass transit system in the Detroit Region. The relationship between transit and inter-municipal cooperation will again be discussed in the next section covering suburb-suburb relations.

In sum, the absence of inter-group and annexation-incorporation conflicts, the divisive politics that generally accompanied them, the belief in a social minimum for all citizens, as well as a strong commitment to mass transit, have helped foster cooperative and interdependent city-suburban relations in the Nagoya Auto Region (i.e., lateral interdependence).

III-B. Inter-Suburban Relations: Consolidations and Interdependence

In 1953, the Japanese government passed the Town and Village Merger (or Amalgamation) Promotion Law to encourage the consolidations of small municipalities. This was done because it was believed that small units were financially and administratively inefficient (Kishimoto, 1977). Samuels (1983:63) wrote, that following the revisions to Japan's Local Autonomy made by the Allied Occupation's Kambe Commission in the early 1950's,

the central government was...concerned that the high number of localities (many almost completely non-viable in the face of their newly developed administrative responsibilities) would hamper efficient local public administration. Thus, in 1953, the Town and Village Amalgamation Promotion Law was established to consolidate the system.

This law was revised for similar reasons as Samuels has described, after the passage of the Law for the Promotion of Decentralization in 1995 (Kitazaki & Ogawa, 1997).

According to Muramatsu (1997:13), the central government has “repeatedly tried to reduce the number of towns and villages, in order to expand the financial reach of local government and make it easier [for them] to deal with any problems that arose.” He argued that after the numerous mergers that occurred in the mid-1950's following the adoption of this law, local governments were better prepared to accommodate the rapid urban growth of the 1960's and 1970's. Moreover, he also felt that these consolidations had actually strengthened municipal autonomy. This, he said, was because as local governments grew larger, they accumulated more “human and financial resources” and “political bargaining power” with the central and prefectural governments (ibid.:13).

As a result of the 1953 law, the number of local governments in the Nagoya Auto Region has dwindled to one-third of its number in 1950 (1950 & 1995 Population Census of Japan). Over the last 40 years, 30 new cities have been created in the Nagoya Auto Region, through the amalgamations of several municipalities (1950, 1955, 1960, 1965, 1970, 1985, & 1995 Population Census of Japan). This includes the annexation of smaller cities by larger cities, which has also been encouraged by the central government.

For example, between 1954 and 1955, Hamamatsu city annexed two entire towns and eight villages. Since that time, it has incorporated 10 more former municipalities within

its corporate limits, and 23 in total since 1951 (Hamamatsu city, 1996; 1950, 1955, & 1960 Population Census of Japan).¹⁵ Yokkaichi city in the Hokusei Sub-region, has annexed 12 complete villages and parts of two others since 1954 (Yokkaichi city, 1997).¹⁶ On the other hand, the City of Hashima, in Mino, was formed in 1954 through the merging of one town with nine villages from Hashima-gun (1955 Population Census of Japan).¹⁷ Similar consolidations occurred to form the Mino cities of Mino, Minokamo, Toki, Ena, Kakamigahara, and Kani.

Since many of these cities were once towns and villages that relied heavily on the same prefectural district office, they have maintained strong ties with other municipalities in their former gun and with one another. This has helped fostered cooperative inter-municipal relations over the last three decades.

For example, in the Hokusei Sub-region, Suzuka city officials said they had very close relations with the cities and towns in their broader administrative metropolis: Kameyama-shi, and Seki-chō, as well as Kawage-chō, in the neighboring administrative metropolis. Suzuka, Kameyama, and Seki have close historical connections from their time together as part of Suzuka-gun, and Suzuka city and Kawage have past connections through the former Kawage-gun.¹⁸ Suzuka city officials also claimed that they had very cooperative relations with Yokkaichi city.

Our relations have been close with all the cities and towns around the Suzuka River. Over the last few years, our relations with Yokkaichi, as well Kawage-chō, have also grown closer.

Suzuka officials also mentioned that they served as a leader in their administrative area but that the larger Yokkaichi was the leader of the Hokusei Sub-region.

We lead the small places, but Yokkaichi is one step ahead because of their size. Our relationships are cooperative. We are like small, middle, and big brothers.

Hokusei municipalities serve as one of the more interesting contrasts to the atmosphere in the Detroit Auto Region. Hokusei cities and towns have remained cooperative, despite the fact that they have annexed into one another's territory. Yokkaichi annexed land in Suzuka-gun, supposedly Suzuka city's domain. Suzuka annexed land in Kameyama, prior to the latter growing large enough to be classified as a city. It also annexed three former villages from Kawage-gun.

A Yokkaichi official stated:

We have no combative relationships in our region. They are sometimes competitive, but it is generally positive. Local cities in the region help one another so everyone can reach a higher level.

Yokkaichi officials did feel, however, that it would be more efficient if the towns adjacent to them in Mie-gun: Komono, Kusu, Asahi, and Kawagoe, would be incorporated into their city, since they already have provided them with many urban services. They also believe that the local citizens would be better served if the five consolidated, and that the region would become more influential nationally, as such a merger would make Yokkaichi a "Core City."

Officials in the four other sub-regions of the Nagoya Auto Region offered similar reasons as to why their cities or towns had cooperative relations with other municipalities. In the Kita Owari Sub-region, Komaki has cooperative relationships with the cities of Kasugai, Iwakura, and Ichinomiya. "Although our relations with Iwakura are very close," one official said:

We also interact often with Kasugai. We learn much from Kasugai planners. We try to because the city is ahead of us. The same with Ichinomiya. We cooperate with Kasugai on some planning efforts, although we are not in the same city planning area. However, economically our cities complement one another so that helps.

Regarding their interactions with other cities, another official said:

We help each other when we can. However, in terms of ken or central government subsidies, we have to compete because no one is rich enough to do what we want without subsidies.

Komaki's neighbors in the Owari Hokubu Metropolis: Fusō-chō, Kōnan city, and Inuyama city, have cooperative relations with Kakamigahara-shi, Seki-shi, Ginan-chō, and Kawashima-chō of Gifu-ken's Gifu Metropolis, that cross prefectural boundaries. These municipalities have historically had industrial connections, (mostly textile related), because they sit on the banks of the Kiso River. One of the city's officials commented:

We have a friendship with these cities and towns. We talk about infrastructure, building bridges between the cities, roads, rivers, and sightseeing. However, if we make one bridge a higher priority than the others, the other towns feel slighted. Each city and town has a priority on which road to connect to a bridge to solve local traffic jams and promote economic growth. These priorities are not always coordinated. It is like getting married to someone you like, sometimes you argue, but you need one another, so you stay together and work it out.

An official from one of the Gifu-ken municipalities maintained:

If we were to consolidate with other cities, it would make more sense to merge with Inuyama city than any place. However, consolidations are based on prefectural boundaries so that can't happen.

Historically, Kasugai has also had close relations with the cities Owari Asahi and Seto. Although they interact less often now that they are in different city planning areas and administrative metropolises, relations are still fairly cooperative.

Traditionally, we have had a close relationship with Komaki, Owari Asahi and Seto because of our old connections in Higashi Kasugai-gun. We don't do as many joint projects with Owari Asahi and Seto as we did in the past, but we still work together on the planning of projects that impact both areas, such as reviewing how much things will cost.

In Mino Sub-region, the three largest cities, Gifu, Ógaki, and Kakamigahara, all said they had cooperative interdependent relations with one another, and with the other municipalities in their city planning areas. A Gifu city official stated:

The Gifu City Planning Area includes the city and eight surrounding towns. Within this planning area, which is north and west of the city, we share garbage collection, fire services, and we have an association for landfills. We coordinate with the other municipalities over adjacent land use developments, in order to prevent factories from locating across from residential developments or schools in the other's municipality. Our relations are very cooperative. We share a sewage treatment plant with Kakamigahara. We also have a very good relationship with them.¹⁹

An Ógaki planner commented:

Our collective vision is that the Gifu-Ógaki-Kakamigahara region will become a technobelt by building roads and connecting highways. We are working together on policies for technology-related industries, colleges, research institutes, and rivers. Historically, Gifu and Ógaki were separated by two big rivers. We were both our own little sub-regions. Now, we are growing closer. There used to be some resistance but that is changing.

A Kakamigahara official said:

Kakamigahara is close to Gifu city in flow and lifestyle. People work, shop, and go to school in Gifu. There is no sense of competition. We are very close to Gifu city. We are separate cities, but we have the same sense about the Gifu Metropolitan Area.

In the Nukata Sub-region, while cooperation is the rule among municipalities in the Nishi Mikawa Heitan (plains or lowlands) and the Chita Peninsula areas, there also has been plenty of competition. Nishi Mikawa Heitan municipalities are probably both the

most competitive and cooperative jurisdictions in the Nagoya Auto Region. A major force behind this competition is related to the same catalyst that has brought the area much of its wealth: Toyota Motor Corporation.

In the mid-1960's, Toyota city's close relationship with Toyota Motor Corporation and its adjacent communities allowed the city to annex the Hekikai-gun towns of Kamigo and Takoka-chō. This was done a year prior to Toyota Motor's opening of new factories in these towns. However, starting in 1968, things began to change. In 1968, 1973, and 1975, Toyota Motor built new factories in Miyoshi-chō, adjacent to Toyota city (Toyota city, 1995:6). In all, between 1968 and 1980, Toyota built five factories in the Nukata Sub-region, and only one, its Tsutsumi plant, was built in Toyota city.²⁰ As a result, Toyota city found itself, for the first time, competing with other cities and towns for Toyota Motor factories. "It was a 1970's trend," one area official stated.

Toyota city, during that time, was fighting to invite companies with its neighbors. The central government was encouraging decentralization of industry to even things out and reduce the over-concentration of employment and population. But, Toyota came back and built their Teiho and Hirose plants in the city in 1986 and 1990.

Nevertheless, Toyota city's relationship with Miyoshi-chō has been competitive ever since. "For Toyota Motor, it is not much different," a city official argued.

The Miyoshi factories are right off the same interchange of the Tōmei Expressway as several Toyota city plants. Miyoshi's taxes are basically the same but land prices are cheaper than in Toyota city.

This is very true. All five of the Toyota Motor's plants built between 1966 and 1975, are clustered around the Toyota Interchange of the Tōmei Expressway.²¹

However, these factories have made a big difference in relations between the two communities. According to one area official,

Miyoshi-chō doesn't need Toyota city any more. It is an independent town now. They competed for and got the Toyota factories and now they want to become a city. I wouldn't say they're competitive now, they are just less interested in cooperation. They still have discussions with Toyota city, but they have gained so much revenue from the factories, and have enough people that they don't need help from the city any more. However, the eastern towns in Higashi Kamo-gun (Asuke, Asahi, and Shimoyama village) still rely on Toyota city. They have a broader area union to take care of trash, provide fire service, and other services.

An interesting sidebar concerns Toyota city's relationship with Toyota Motor, which has also changed over the last three decades in the new global economy. While Toyota Motor is still firmly tied to Toyota City, government-business relations are no longer as cozy as they once were. One city official said:

Toyota Motor decides everything on their own, such as where their factory will be located. The city only finds out afterwards. Toyota led the development of this city, both the timing and location of growth. But we're not greedy. The city and all of Japan have gained very much from their success. This way, each city and town gain some revenue.

Toyota city and Okazaki city also have quite a rivalry going. One reason that this has evolved is because Okazaki was a big city long before Toyota city. In fact, when Okazaki was the capital of the Nukata Prefecture, as the Mikawa Region was known in 1871, its neighbor was a rural area known as Higashi Kamo-gun, Koromo-chō. That was of course until Toyota Motor took off. Now Toyota city has a larger population than Okazaki, and has been accorded special Core City status by the central government. Conversely, Okazaki failed to receive this designation because its daytime population is not larger than its nighttime population. Regarding this relationship, one planner offered this

analogy: “It is like your little brother or a little next-to-door neighbor growing bigger than you, and now he’s the one who beats you up.”

A second reason behind this competition stems from fact that Mitsubishi Motor has parts production plants and related suppliers in Okazaki and Toyota is a Toyota Motor town. Planners called this a “Keiretsu rivalry” (i.e. a rivalry between two of Japan’s large business groupings). Keiretsu affiliations are also why Toyota city has cooperative relations with Kariya, Anjō, and Nishio, three Toyota Motor supplier cities. As one Anjō official stated, “we have connections with these cities because we have many children and grandchildren companies of Toyota.” In other words, the city has Tier II, III, and perhaps, even some Tier IV subcontractors. However, an official from another stated that there was more cooperation among Toyota affiliates than among these cities.

Nevertheless, there is plenty of evidence of cooperation among these and other nearby communities, as will be presented shortly. In addition, officials in both Toyota and Okazaki said they regularly work together on projects involving the entire Nishi Mikawa Region of Aichi-ken. “We take turns hosting and leading meetings on important issues in the region. We are like twin cities.” In addition, these communities work together “to lobby the prefectural and central governments for public infrastructure projects, rail and highway expansions, and for funds to clean up the Yahagi River.”

Finally, in the San-En Sub-region, the two largest cities, Hamamatsu and Toyohashi, have a very cooperative relationship and are involved in several joint planning projects.

Officials in the two cities had these comments:

Our Commerce & Industry Departments meet twice a month. We exchange information because we have similar agricultural backgrounds. Our relationship is very cooperative. We both want to study about each other's city, and learn about them to better plan for the region together. We work on public relations and share promotion information. We actually started rotating a few staff members between the cities last year. Toyohashi redevelopment people went to work for Hamamatsu and Hamamatsu sent public relations people to Toyohashi. So we also share in staff training.

Hamamatsu and Toyohashi are like equals. We are close together [about 25 miles] but still far. We cooperate when possible but the ken boundary is always there. We have different newspapers, TV stations, news shows, our own unique cultural heritages, but there is a lot of cooperation between us.

We are both so far away from the capital cities of our Prefecture [Shizuoka city and Nagoya]. We are our own region. When companies want to export from our city they want use Mikawa port in Toyohashi, because it is much closer. Shimizu port [in central Shizuoka] is so far away, but we have to encourage businesses to use Shimizu because it is in our prefecture.

The tie between the two cities will become closer and stronger in the future with decentralization. Hamamatsu factories will more and more use Toyohashi's ports. It is a true sub-region. Right now, our cooperation is good. We are so far away from Nagoya and the capital. Eastern Aichi, Western Shizuoka, and Southern Nagano really should be its own prefecture. Our economic activity is much more connected than with the center of Aichi. We really should be our own prefecture.

On the relationship between Hamakita city and Hamamatsu, one official in the region stated, "Hamakita is like part of Hamamatsu city. People go back and forth to work in both cities. The officials of both cities understand this and work together."

Toyohashi also has cooperative relations with its neighbors in Gamagóri-shi, the Atsumi Peninsula, and other parts of the Higashi Mikawa area it leads. The city also regularly meets with Kosai city in Shizuoka-ken concerning roads and regional

redevelopment. In its interactions with Kosai, Toyohashi's close relationship with Hamamatsu demonstrates how lead cities often act as facilitators of "lateral interdependence."

Kosai is less than 100,000 people, so they have slightly different ideas than we do about growth. We have more similarities with Hamamatsu, because we are both leaders of our regions. Our close relationship with Hamamatsu helps us to better deal with Kosai, because they are within Hamamatsu's region.

One very cooperative project involving all these cities is the San-En Nanshin Highway.²² This project involves cooperation among 59 cities, towns, and villages in Shizuoka, Aichi, and Nagano Prefectures (including all 33 in the San-En Sub-region). When completed, this 100-kilometer expressway will greatly improve access between Nagano-ken (Minami Shinshū or Nanshin) and western Shizuoka Prefecture (Enshū or En), and with northeastern Aichi (Higashi Mikawa or San).²³ Referring to San-En Nanshin Highway one official stated:

We have strong partnerships with the municipalities involved in this project and with the three prefectures, Shizuoka, Nagano, and Aichi-ken. Once the Highway is completed, it will bring the three regions closer together and bring more balanced development in the area.

There are many other examples in the Nagoya Auto Region that demonstrate that inter-municipal relations have been basically cooperative. However, no agency has played a greater role in the fostering lateral interdependence than the prefectural governments in the Nagoya Auto Region.

III-C. Coordinated Interdependence: the Prefecture's Role

Although not often discussed in the literature, the role that prefectures play, as the facilitator and coordinator of inter-municipal relations in Japan, is an extremely important one. Prefectures in the Nagoya Auto Region give a significant amount of guidance, instruction, and support to their cities, especially compared to American state and county governments. The role they play in urban, metropolitan, and regional land use planning is the best example of how prefectures have coordinated and facilitated inter-municipal cooperation. These efforts have also been extremely important to the region's balanced metropolitan development (See Chapter 8). One municipal official commented:

The ken usually considers all of the Mikawa area when they look at our projects. They are active in coordinating new development in our area and in getting communities to work together on new infrastructure projects that cross municipal lines.

In the economic and spatial development planning process, the prefecture, in many ways, acts more as a regional planning agency than an American state; granted, they have been authorized significant administrative powers and have been given strong financial support from the national government. They do this by providing local governments with guidance in the development process and with vital information concerning national laws and regulations.

Our City Planning Department often interacts with the ken. When we are unsure on what we should do concerning a law or a new development, we go to them and ask, "can you tell me or teach me how to solve this problem?" and they give us guidance.

Under City Planning Law, each prefecture in Japan must establish a City Planning Council. City Planning Councils oversee the comprehensive master planning process in

their prefecture. As part of this process, municipalities under the direction of this council are required to designate “Urbanization Promotion” and “Urbanization Coordination” (or “Urbanization Control”) Areas. Expected to develop within ten years, the Urbanization Promotion Zone is “where urbanization is preferentially and systematically promoted,” while in the Urban Control Area, development “is restricted in principle” (Nagoya city, 1997:16). The purpose of these designations, is “to prevent disordered urbanization and to implement planned urbanization” within the multi-municipal city planning areas, and throughout the prefecture (ibid.:16). In other words, these zones are used as growth management tools to guide and phase growth, in order to produce efficient and compact land development within each municipality, and in the prefecture as a whole.

Prefectural City Planning Councils review municipal urbanization zones for their consistency with the prefecture’s master development plan. A prefectural zone map is then forwarded to the Chūbu Bureau of the Ministry of Construction for their approval. It is the responsibility of the Ministry of Construction to ensure that prefectures and municipalities comply with the land use regulations set forth in Japan’s City Planning Law. Part of this task is to assure that each prefecture’s zone map is consistent with national plans for regional development (Callies, 1994).

The Prefecture’s City Planning Council is also charged by City Planning Law to ensure that all local comprehensive master plans, as well as their urban development and urban facilities projects, are consistent with the prefecture’s long range plans (Nagoya City, 1997). Comprehensive master plans describe each local government’s future and present policies, and implementation strategies regarding land use, economic

development, transportation, parks and recreation, housing, education, water, sewer, and refuse disposal systems, as well as any other social services a municipality decides to provide.

Again, the City Planning Council can only approve a municipality's master plan if it is compatible with the prefecture's plans for development. The prefectures in the Nagoya Auto Region work closely with their cities, towns, and villages, in the master planning process, in some cases actually drafting local plans. They also fill the difficult role of being the middlemen between the municipal and the central governments.

The inter-municipal and prefectural-municipal relationships during this entire process can be best described by the term "coordinated interdependence." This concept is appropriate because, in order for this land and development planning process to be well coordinated within a prefecture, municipalities and their prefecture must work closely together. Moreover, the prefecture must facilitate constant inter-municipal interaction and compromise. In other words, the prefecture's role in inter-municipal relations is to coordinate cooperation or foster feelings of interdependence among local governments. This means that prefectural-municipal relations can not be competitive, and municipalities can not act as if they were independent of their prefecture or one another (i.e., competitive independence and competitive separatism/avoidance).

To better coordinate the designation of urban growth boundaries, prefecture-wide administrative and urban services, and the overall master planning process, prefectural governments in the Nagoya Auto Region have organized their municipalities into administrative regions, broader administrative metropolises, and city planning areas. As

mentioned in Chapter 4, Aichi-ken has divided its 88 municipalities into three regions, 14 broader administrative metropolises, and 20 city planning areas. The other three prefectures in the Nagoya Auto Region have similar planning subdivisions. Metropolises generally, have five to seven municipalities, while city planning areas, usually have between three to five. Due to its special Designated City status, the Nagoya City Planning Area which has 16 municipalities, is one exception to this generalization.

Relations among municipalities within the same city planning area are generally the most cooperative in the Nagoya Auto Region. Within these areas, municipalities actively share information and regularly work together on the planning for the various urban and social services described in their master plans. The reason intergovernmental relations are closely-knit within city planning areas is because these districts have been organized, based upon historical ties among municipalities. Especially important have been the relationships among communities from the same prefectural district (*gun*) or formerly from the same *gun*.

Realizing such past affiliations were key to promoting metropolitan planning, prefectures in the Nagoya Auto Region have organized their administrative metropolises and city planning areas around these historical ties. For example, all 16 municipalities in the Nagoya City Planning Area have present or past connections with the three *gun* that surround Nagoya-shi (Aichi, Ama and Nishi Kasugai). However, perhaps the best examples of how these administrative planning structures have been built upon historical ties among municipalities, to foster lateral interdependence, can be found in the Nukata Sub-region of the Nagoya Auto Region. One particular instance involves the five cities

which formerly were towns in Aichi-ken's Hekikai-gun: Anjō, Chiryu, Hekinan, Kariya, and Takahama.

These five Hekikai cities now comprise Aichi-ken's Kinuura Tōbu City Planning Area, as well as a broader administrative metropolis of the same name (Kariya-shi, 1997; Aichi-ken, 1997a, 1998a). According to Allinson (1975:16), the history of cooperation among these municipalities dates back at least 150 years, to their days in the old feudal state of Mikawa (*Mikawa no kuni*), prior to Japan's Meiji Restoration (1868).²⁴ These historically close relations are now reinforced not only by administrative ties in Kinuura Tōbu, but by their present connections in Toyota Motor's production chain.

In 1999, however, cooperation among these jurisdictions has reached its zenith. With the expectation that the central government's decentralization efforts will require municipal governments to have greater direct responsibilities to their local residents, these five cities, with a combined population of more than 436,000, have begun to discuss the possibility of consolidating into one "Core City." The cities feel consolidation will make them better equipped to take on these new responsibilities and allow them greater freedom to implement locally initiated projects.

While planners throughout the Nagoya Auto Region commonly felt their closest ties were with those municipalities in their city planning area, they also believed that relations within their broader administrative metropolis and administrative region have also been very cooperative. The main reason again has been the prefecture's utilization of historical connections.

Kinuura Tōbu cities for example, have a tradition of cooperation with their neighbors from the former Aichi-ken districts of Hazu and Nishi Kamo-gun. These ties have also been maintained by Aichi-ken's administrative planning structures. The municipalities from these districts now comprise three of Aichi's four broader administrative metropolises in their Nishi Mikawa Administrative Region: Kinuura Tōbu, Nishio-Hazu and Toyota-Kamo (See the Nukata Sub-region in Appendix B).

The municipalities from these three gun have evolved together since their early days as complementary agricultural areas.²⁵ Each began to industrialize after the construction of the Meiji Canal in 1880. Industrial trade among the districts flourished after the opening of the Mikawa Railroad Line in 1914. By the time the line was completed in 1936, they had grown together as textile towns.²⁶ Many of the cities achieved "shi" status in the 1950's, through mergers with neighboring towns. From the 1960's through the 1980's these areas rapidly grew due to their affiliations with Toyota Motor (Allinson, 1975).

One project on which these thirteen municipalities are presently cooperating, along with municipalities in the Chita Metropolis, is the planned extension of the Aichi Loop Railway.²⁷ Currently, the Aichi Loop line runs southeast from Seto city, in the Kita Owari Sub-region, through Toyota city to Okazaki city, in the Nukata Sub-region. When completed, the line will stretch west through the Kinuura Tōbu Metropolis to the new Chūbu International Airport, which will be constructed on a man-made island in Ise Bay, just off the shores of the Chita Peninsula city of Tokoname. The new routing is scheduled to be completed in time for the airport's opening, which also coincides with the region's

hosting of the World Expo 2005. Its activation will help to make development more balanced within the Nukata Sub-region, by providing greater access to Nishio-Hazu and southern Chita. These areas are presently less developed due to their limited railway connections.

The completions of the Aichi Loop Railway line, the airport, as well as the planned Second Tōmei-Meishin and the Nagoya-Mikawa Highways,²⁸ is expected to strengthen ties among all five sub-regions of the Nagoya Auto Region (Nagai, 1997).²⁹ Inter-municipal cooperation on these and other projects in the region, such as the San-En Nanshin Highway, have all been led by the coordinating efforts of the region's prefectural governments. These projects also provide examples of how cooperative inter-prefectural relations have been in the region over the last three decades. Finally, inter-prefectural cooperation has combined with inter-municipal cooperation (i.e., lateral interdependence) to foster a sense of regionalism among local governments in the Nagoya Auto Region.

III-E. Regionalism and Intra-Metropolitan Relations

The Ministry of Home Affairs is responsible for coordinating local government affairs in Japan. Their main charge is to promote cooperation among prefectures, cities, towns, and villages. The ministry also functions as the mediator between local governments and other central government ministries. Lastly, since the ministry oversees local government finance, it also acts as the representative of prefectures and municipalities in the national policymaking and budgeting process (Akizuki, 1995).

At the prefectural level, each General Affairs Bureau has a Municipal or Local Affairs Division. Their task is to facilitate inter-municipal cooperation with the prefecture. As a result, while intra-prefectural competition does sometimes occur, it is generally de-emphasized. On the other hand, despite the efforts of the Ministry of Home Affairs, competition among regions in Japan is actually encouraged by the other central government ministries. The Ministry of Home Affairs then attempts to balance things out, through redistributing a part of the winnings via subsidies, such as the Local Allocation Tax.

In any case, the combination of de-emphasized intra-prefectural competition and the promotion of regional competition produces an interesting outcome. Inter-regional competition has actually pushed municipal governments in the same prefecture closer together. This has enhanced intra-regional cooperation. This has been especially true within the sub-regions and administrative metropolises of the Nagoya Auto Region.

Officials in the region stated:

To compete with other areas we need to cooperate with other Seinō (West Mino) municipalities. Our hope is to connect Seinō with the Gifu Area to compete with other regions of Japan for new technology related industries.

Competition is promoted among municipalities of the same size in different prefectures to stimulate economic development. For example, we competed with cities of similar size for a MITI Technopolis Program Grant.³⁰

We work with other cities, like Hamakita and Tenryū, and the other towns in our metro area. Then we cooperate to compete against other regions for central government projects.

A few good examples of how inter-regional competition has enhanced intra-regional cooperation within Nagoya's sub-regions, have been the Hamamatsu Miyakoda Technopolis, and the two current group efforts by municipalities to become the new site for Japan's national capital.

The Hamamatsu Miyakoda Technopolis involved cooperation among several San-En Sub-region municipalities in their successful competition against other regions of Japan for a MITI Technopolis Grant. These municipalities worked together to develop an economic development strategy that was built upon existing industries. The result of this cooperation has helped well position Shizuoka's Enshū Region for future growth in technology-intensive industries (Castells & Hall, 1994). Currently, the San-En cities of Hamamatsu, Hamakita, and Tenryū, as well as the towns of Hosoe and Inasa, are cooperating on this project (Hamamatsu city, 1997).³¹

The other examples involve municipalities in the Nakatsugawa-Ena and Tōno Seibu Metropolises of the Mino Sub-region and the Seien and Toyohashi-Atsumi Metropolises of the San-En Sub-region, who have been working closely on separate bids to gain the relocated national capital (See Appendix B). These municipalities see their competitor as the Tōhoku Region,³² north of Tōkyō, much more so than one another. This is not because they feel the other's bid is less formidable. Rather, it is because most planners expressed hope that if the Capitol were not located in their area, it would be placed in their neighbor's sub-region. Comments from a San-En and Mino official offer a sense of this regionalism:

We had a regional planning meeting regarding the relocation of the National Capitol Building in Hamamatsu. We are all working hard to promote the Lake Hamana Area as the new capital, even though we are not in Shizuoka-ken. Hamamatsu is within our economic region. However, because Shizuoka Prefectural offices are in Shizuoka-city, which is far away in central Shizuoka, they don't have a strong consciousness towards relocating the capital near Hamamatsu. They have a few other possibilities. But if the capital doesn't go to Hamanako, we would much rather see it go in Gifu than Izu [in eastern Shizuoka], which is closer to Tōkyō.

If it can't be in Gifu Tōnō (Eastern Mino), we would much rather see the capital be in the Seien Area than Tōhoku. That is too close to Tōkyō.

Considering that one sub-region would probably receive spinoff effects from the national capital being relocated within their metropolitan region, it probably wouldn't be surprising if similar sentiments were expressed by municipalities in the Detroit Auto Region. However, in the Nagoya Auto Region, there appears to be a much greater feeling of comradery among local governments than in the Detroit Auto Region, where strong inter-municipal and inter-county competition exist. Among Nagoya area municipalities, there seems to be a real sense that what is good for the region as whole, is also good for each municipality; and if the region is to do well, then everyone has to work together. In sum, while inter-regional competition has heightened competitive separatism in Detroit, in the Nagoya Auto Region, it has clearly enhanced lateral interdependence.

IV. Conclusion

To summarize, there were three overarching and interrelated themes in this chapter. First, central-local intergovernmental relations in the Nagoya Auto Region can be best described by the terms "sectional centralism" and "cooperative dependency." These

concepts were gleaned from the fact that local officials maintained that: 1) although there are some variations based on city and prefectural size and wealth, central-local relations remain hierarchical, as authority continues to be primarily in the hands of the central government; 2) central-local relations are orchestrated, for the most part, along ministry specific lines with little central coordination; and 3) central-local relations have been cooperative, but cooperation has occurred because local governments lack administrative and financial autonomy from the central government.

The second theme was that officials in the Nagoya Auto Region overwhelmingly agreed that inter-municipal relations were very cooperative. Moreover, these relations were highly interactive, and municipalities in the region felt a sense of mutual dependence. So much so, that inter-regional competition actually enhanced intra-regional cooperation. This situation can be best described by the term “lateral interdependence.” There were several reasons for this: 1) an absence of inter-group conflicts; (2) local government laws that promote equity and mutual dependence; (3) integrated national, prefectural, and municipal development policies and plans, including a strong commitment to mass transit; and (4) the coordinating efforts and guidance of the prefectural governments.

Finally, the prefectural government has been a key actor in coordinating inter-municipal master planning and facilitating inter-municipal cooperation. This fact has often been ignored in the scholarly literature. Nevertheless, for the prefectures to have properly coordinated inter-municipal activities, prefectural-local, and inter-local relations had to be cooperative and highly interactive. As a result, prefectural-municipal relations

in the Nagoya Auto Region can be best described by the term “coordinated interdependence.”

In conclusion, local officials believed that this combination of vertical and horizontal intergovernmental relations has produced strong local support for regional and sub-regional comprehensive master planning. This, in turn, was one of the major reasons why metropolitan development in the Nagoya Auto Region over the last three decades has been balanced.

Chapter 7-Endnotes

1. The term “ken” is used in this section when a local official that has been interviewed is referring to the prefectural offices or officials. It is also sometimes used as a suffix for the name of a prefecture, such as Aichi-ken.
2. As mentioned in Chapter 1, the quotes used in this section are paraphrased versions of quotes that were translated by my interpreter to me during each interview. Generally, the quotes used are as close to the original as reasonably possible.
3. The 1944 Bretton Woods monetary system, which had pegged the Japanese Yen at 360 to one U.S. dollar, broke down after “President Nixon suspended dollar convertibility” on August 15, 1971 (Pempel, 1998:176). According to Pempel,

the yen climbed from 290 to the dollar at the beginning of 1977 to 170 by October 1978— a 40 percent strengthening in less than two years— from there to between 110 and 120 as a result of the G-5 Plaza Accord of September 1985, and to just below 80 yen in 1995. The yen was by far the industrial world’s most appreciated currency over the period from the Bretton Woods breakdown through the mid-1990’s (ibid.:176-177)
4. Stagflation generally refers to high inflation accompanied by high rates of unemployment (See Harrison & Bluestone, 1988).
5. Comprehensive Development Plan is translated from the Japanese *Zenkoku Sōgō Keikaku* or *Zensō* for short. Go is the number five in Japanese. Thus Gozensō represents the Fifth Zensō or Fifth Comprehensive Development Plan.
6. Although often discussed with them, Tōkyō is not considered a Designated City. Its 23 *ku* or wards fall under the authority of the Tokyo Metropolitan Government, which also represents all of Tōkyō-to (or Prefecture). Japan has 12 Designated Cities. In addition to Nagoya, there are: Sapporo, Sendai Yokohama, Kawasaki, Chiba, Kyōto, Ōsaka, Kōbe, Hiroshima, Kitakyūshū, and Fukuoka. Tōkyō University is considered the top university in Japan.
7. Shizuoka seems to have higher status than the other two because it is larger and more industrialized.
8. Or *Chukaku-shi* in Japanese.
9. These cities are called *Tokurei-shi* in Japanese. This brand new designation was created as part of the central government’s decentralization efforts. Besides being greater than 200,000 in population, the qualifications for this status have yet to be revealed by the Ministry of Home Affairs.

10. Some local officials suggested the new Core City status was established with Toyota city in mind. They felt this designation was established as recognition, or as a reward to it, and other employment centers, for the wealth that they have brought to the country. This implies that city and company are very much still tied together in Japan.

11. According the Ministry of Home Affairs, in Fiscal Year 1997, 31 municipalities (21 cities, nine towns, and one village) in the Nagoya Auto Region had a basic financial revenue/basic financial needs ratio of 1.0 or better. In other words, their basic financial revenue exceeded or was equal to their basic financial need for a standard level of public services. Basic financial revenues are equivalent to 75% of a municipalities estimated yearly tax revenues. Fifteen of these cities were in Toyota's Nukata Sub-region, 10 were in the Kita Owari Sub-region, three were in San-En, two were in the Hokusei, and one in the Mino Sub-region (Chihō Zaimu Kyōkai, 1998:8-9). However, it is unclear if all 31 were ineligible for Local Allocation Tax funds. By my count there were 105 cities alone in Fiscal Year 1997 which had a basic financial revenue/basic financial needs ratio of 1.0 or higher. Overall, 119 cities, towns, and villages did not receive funds in Fiscal Year 1998 (Asahi Shimbun, 1998; Nikkei, 1998a).

12. The complete towns of Narumi of Aichi-gun, Tomida, and Nanyo in Ama-gun, and Arimatsu and Ōdaka from Chita-gun were annexed. In addition, the villages of Tempaku and Idaka in Aichi-gun, and Yamada and Kusunoki from Nishi Kasugai-gun were also annexed by the city. Shortly before Murayama city was incorporated into Nagoya city, it had annexed the Village of Shidami, in Higashi Kasugai-gun (1955 Population Census of Japan).

13. The Ise Bayshore Highway will run from Toyota City in Aichi-ken to Yokkaichi city in Mie-ken (Aichi-ken, 1998b).

14. Judging by the lack of elevators and handicap ramps at train stations in Japan, and the width of buses, access for the physically handicap seems to have been overlooked.

15. This list includes 20 villages: Kawawa, Gotō, Hōgawa, Iida, Wada, Nagakami, Sekishi, Toyonishi, Mikatabara, Kami, Shinzu, Shinohara, Waji, Yoshino, Kita Shōnai, Minami Shōnai, Murakushi, Kaguro, Isami, Irino; two towns: Kasai and Nakanomachi, in Hamama-gun; and the Village of Miyakoda in Inasa-gun (Hamamatsu, 1996; 1955 Population Census of Japan).

16. This included the Town of Asake, and the villages of Kwarada, Oyamada, Suizawa, Kawashima, Kanzaki, Sakura, Agata, Mie, Ōyachi, Yasato, Shimon, Hobo in Mie-gun; as well as parts of the villages of Kumada and Tsubaki in Suzuka-gun.

17. The Hashima-gun town of Takegahana, merged with the villages of Ajika, Oguma, Fukuju, Masaki, Egira, Horitu, Kami Nakashima, Shimo Nakashima, and Kuwabara also from Hashima-gun, to form Hashima city.

18. Suzuka annexed three villages adjacent Kawage: Amana, Aikawa, and Sakae. The remaining towns and villages in Kawage-gun were then transferred with those in the former Ano-gun, into a new district called Age-gun in 1956 (Suzuka city, 1997; 1960 Population Census of Japan).

19. In fact one Gifu official called his peer in Kakamigahara to set up an interview for us.

20. In 1978, Toyota Motor also built a new factory in Hekinan city. A year later they opened their Tahara Plant, in that San-En Sub-region town of the same name (Toyota city, 1995:6).

21. Toyota's large Motomachi plant (circa 1959), and several smaller related plants, are also on the east side of the Tōmei Expressway's Toyota Interchange in Toyota city. Of the five plants, the Miyoshi and Shimoyama plants are just west of this interchange in Miyoshi-chō. A third Miyoshi-chō plant, Myochi, is about 2 miles west of the same exit. In addition, less than a mile south of the Myochi Plant, is the Takaoka Plant, and a few blocks southeast of the Shimoyama Plant is Toyota's Tsutsumi Plant (built in 1970). As was mentioned, the Takaoka and Tsutsumi factories are in Toyota city. However, parts of the Takaoka complex are also in Miyoshi-chō and Kariya city (Shobunsha, 1997).

22. The San-En Nanshin Highway is the shorten name that refers to the proposed Mikawa-Enshū Minami Shinano Jidōsha Dō (or Highway).

23. When completed, the highway will run from the junction of the Chūō Expressway in Iida city, Nagano Prefecture, south through northwestern Shizuoka Prefecture and parts of northeastern Aichi. It then terminates at the junction of the Tōmei Expressway and the proposed Ise Wankō Highway, in Mikkabi-chō, Inasa-gun (San-En Nanshin Chiiki Kōryū Nettowa-ku Kaigi, 1997; San-En Nanshin Chiiki Keizai Kaihatsu Kyōgikai, 1997). Mikkabi is in Shizuoka's Seien Metropolis. The Tōmei is considered an expressway or Kōsoku Dōro. The Ise Wankō Highway (Ise Baymouth) will travel southwest from Mikkabi along the Atsumi Peninsula at the southeastern tip of Aichi-ken, across Ise Bay to Toba city in central Mie Prefecture (Ministry of Construction, 1996).

24. The Meiji Restoration represented the end of feudalism in Japan and the return of control of the country to the Emperor. This event occurred just after Admiral Perry's famous black ships opened Japan to western trade.

25. As previously mentioned, the towns of Kamigo and Takaoka, which are now incorporated into Toyota city, were formerly in Hekikai-gun.

26. This line was taken over by the Nagoya Railway Company (Meitetsu) in 1941 and still carries passengers from Kariya city to Nagoya city (see Allinson, 1975:36-37).

27. This line is called Aichi-Kanjō-Tetsudō in Japanese.

28. On some maps this highway is known as the Dai Ni Ise Wangan Dōro, or the Second Ise Bayshore Highway.

29. Aichi and Mie Prefectures are now working together on the planning for an even longer term project: a bridge from the Chūbu Airport across Ise Bay to Yokkaichi city. The hope is that this bridge will be completed within the next 25 years; however, the project has not been placed on any of the Chūbu Region's future planning maps.

30. In 1983, Japan's National Diet adopted the High Technologies Industries Concentrated Regional Development Promotion Law (i.e., Technopolis Law) (See Castells & Hall, 1994). A year later, the Hamamatsu Region Technopolis Plan was approved.

31. For earlier descriptions of this project see Fujita (1988), Edgington (1994a), and Castells & Hall (1994).

32. Or the Northeast Region.

Chapter 8

INTERGOVERNMENTAL RELATIONS AND UNEVEN DEVELOPMENT: A COMPARISON OF THE DETROIT AND NAGOYA AUTO REGIONS

I. Introduction

My literature and field research suggest that a comparison of six major political-economic contextual factors is necessary to discern clearly how/why inter-municipal relations and metropolitan development have evolved as they have in the Detroit and Nagoya Auto Regions. These factors or influences are: 1) governmental systems or structures, including local government laws/autonomy; 2) national development policies; 3) issues of race and class; 4) automobile industry production systems; 5) structural support for inter-municipal relations; and 6) structural support for metropolitan planning.

Using these six influences as an outline, this chapter incorporates field research, with relevant literature, to compare and contrast the relationship among political-economic context, intergovernmental relations, and metropolitan development in the two regions studied. A final section draws conclusions concerning the research questions posed in Chapter 1 of this thesis.

II. Governmental Structure: the Federalist vs. Unitary State

As described in Chapter 2, the U.S., is a non-centralized, Federal government system, where the national, state, and municipal governments have independent administrative, financial, and regulatory authority (Peterson, 1981). Conversely, Japan has a Centralized Unitary State. According to Graves (1964:5),

in a Unitary State, territorial subdivisions exist as agents of their central State by which they were created and to which they owe their continued existence. Subdivisions may be abolished, their boundaries may be changed, and their powers may be extended, diminished or withdrawn.

He writes that one of the main differences between federalist and unitary states, is that federal systems are built around the philosophy of strong institutions of local government with independent action. According to Anderson (1960:117-118), the key is that:

every local unit is a public corporation...that is legally separate from other governmental units and solely responsible for the exercise of powers, and duties conferred or imposed upon it. It is not supposed to delegate away its powers to any other unit of government, to take upon itself the responsibilities of others, or to get itself entangled with others, so as to lose its freedom of action (ibid.:117-118).

In addition to the emphasis on local autonomy, a second key difference between the U.S., and Japanese systems is that, in the U.S., the rights and roles of municipal governments are determined primarily by the 50 states. In other words, since Federalism allows states to create their own local governmental systems, it has been the State of Michigan's statutes which have created the unique context for inter-municipal relations and metropolitan development in the Detroit Auto Region.

What has made Michigan so atypical from most other states has been that its local government system was founded on a mixture of Jeffersonian and Jacksonian-style direct

democracy (Browne, & VerBurg, 1995; Fino, 1995). This means it was established based upon the principles that local governments are to be small republics, run by local residents and not technocrats, with minimal outside interference (i.e., strong home rule). According to Nice (1998:31), home rule was introduced in the U.S. system prior to the Civil War, with the hope it “would give local governments greater control over local decisions and reduce state influence over local affairs.” In strong home rule states like Michigan, municipalities are subject to intervention only in matters that are deemed to be of statewide concern (Elazar, 1966b). Metropolitan planning is not considered to be one of those.

One big difference between Michigan’s home rule and the conditions for local government in Nagoya, involves incorporation and annexation laws. According to the Michigan Society of Planning Officials, Michigan alone has 1,775 municipalities (1,242 Townships) in its 83 counties (MSPO, 1995a:3.2). Only six states had more local governments as of 1992 (1992 U.S. Census of Governments). By comparison, due to numerous consolidations over the last fifty years, there are only 3,233 municipalities, in total, in Japan’s forty-seven prefectures.¹ The primary reasons for Michigan’s extensive fragmentation are its liberal incorporation and weak annexation laws. In fact, “until 1970, as few as 750 people were all that were required to incorporate a new city, and only 150 to form a village government”(Browne, & VerBurg, 1995:296). In addition, Michigan’s Home Rule Village and Charter Township legislation closely protect township and village boundaries. This has made it very difficult for cities to expand their geographic boundaries.²

Michigan's "hands off" philosophy can also be seen by the fact that until the early 1970's, oversight of municipal boundary adjustments and incorporations was the responsibility of county governments, not the state. Boundary issues have created a tremendous amount of animosity among neighboring counties, cities, townships, and villages in the Detroit Auto Region governments (Hooyer, 1964; VerBurg, 1996). This has severely inhibited any efforts at metropolitan cooperation and planning.

Since prior to 1970 annexation and incorporation petitions were processed on a first-come first serve basis, boundaries were often determined by expediency, rather than efficient urban services delivery (Browne & VerBurg, 1995:314). To help reduce these conflicts, a State Boundaries Commission was authorized in 1970 and incorporation laws were slightly tightened. The Commission was charged to review incorporation and annexation (1972) petitions; however, its authority to regulate these matters has been extremely inhibited by other local government laws.³ As a result, the inability to expand territory now threatens the fiscal stability of even suburban cities like Ann Arbor.

In contrast to Michigan-style American Federalism, the reality for local governments in Nagoya, is that their administrative, financial, and regulatory authority is limited by a long history of centralized power in Japan (Muramatsu, 1997). Municipal administrative and financial powers are determined by national laws which classify places based upon their population size and development density. Cities have much more freedom to annex land, and municipal consolidations are actively promoted by Japan's central government in the name of public service efficiency (Steiner, 1965; Eyre, 1982; Samuels, 1983; Kitazaki & Ogawa, 1997). Moreover, Nagoya city has gone as far as annexing an entire

adjacent city. Cities in the Nagoya Auto Region have regularly annexed entire towns and villages into their corporate limits; Nagoya even annexed an adjacent city. In addition, new cities have generally been created through the consolidation of several towns and villages. This situation is completely the opposite of the Detroit Region, where most cities and villages were formed to block another city's annexation bid.

While municipalities in and around the City of Detroit were rapidly incorporating in the 1950's, after the introduction of Japan's Town and Village Merger Promotion Law in 1953, the number of municipalities in Japan were cut in half within two years: from 10,041 in 1953, to 4,877 in 1955. By 1995, both Japan and the Nagoya Auto Region had about one-third as many jurisdictions as it did in 1953 (Management and Coordination Agency of Japan, 1997; Kitazaki & Ogawa, 1997:76).

Another main difference between local government law in Detroit and Nagoya involves financial autonomy. Municipal governments in Japan collect only about one-third of their revenues through local taxes (Akizuki, 1995). By comparison, in Detroit Auto Region, about two-thirds of municipal revenue comes from local taxes and fees (Browne & VerBurg, 1995). This means the large majority of municipalities in Japan/Nagoya must rely heavily on the central and prefectural governments for funds to provide their urban services.

The largest source of financial aid for municipal governments in Japan is the Local Allocation Tax. The Local Allocation Tax is a redistributive or equalization grant that is provided quarterly by the Ministry of Home Affairs to municipalities and prefectures, if their "basic financial revenue" falls below their "basic financial need" for a standard level

of public services. Basic financial revenue is equivalent to 80% of a prefecture's estimated yearly tax revenues and 75% of a municipality's estimated revenue (Tsuji, 1984:101). Only 119 of Japan's 3,233 municipalities, and one of its 47 prefectures (Tōkyō-to), did not qualify for a portion of the ¥16.843 trillion that was allocated by the Ministry of Home Affairs in Fiscal Year 1998 (roughly \$120 billion at July 1998 exchange rates).⁴ The 3,160 municipalities and prefectures that received funds in Fiscal Year 1998 were the highest number of units to receive funds since 1983 (Nikkei Weekly, 1998a:4). It is expected that another ¥20.9 trillion (or \$180 billion at March 1999 exchange rates) will be disbursed to municipal and prefectural governments in Fiscal Year 1999 (Morishita, 1999:2). Again, 119 municipalities and Tōkyō-to will be ineligible to receive funds (ibid.).

While municipalities do not like being financially dependent on the prefectural and the central governments, limited financial autonomy has required many of them to work together, in order to provide their citizens with urban services. It also has reduced inter-municipal competition over tax base to meet these basic service needs. Competition over tax dollars for services has been a major source of inter-municipal conflict and uneven development in the Detroit Auto Region. In Detroit, suburban areas with open tracts of undeveloped land that could afford to sacrifice short-term tax dollars for long-term growth, have often been able to entice companies with tax abatements to relocate their production facilities from the urban core. The net result has been growth in the suburbs and decline in the urban core.

A second important source of control on local financial autonomy that has both de-emphasized inter-municipal competition and discouraged uneven growth in Nagoya, regards local tax rates. Since property, income, and enterprise tax rates in Japan are determined by the Ministry of Home Affairs, and not by the prefectures and municipalities, local tax rates have been rather uniform in the Nagoya Auto Region. Conversely, in Detroit, local governments have had a great deal of freedom to set their own tax rates. However, the lack of a Local Allocation like redistributive grant for urban services, has resulted in much higher tax burdens in the older urban core, as compared to the suburbs (See The Detroit News, 1998). This has led to greater uneven development in the region by making it more difficult, especially for the City of Detroit, to compete with the suburbs to recruit and retain large companies.

In sum, local government laws in Michigan have clearly fostered inter-municipal competition rather than cooperation, and have provided little incentive/support for metropolitan planning in the Detroit Auto Region. The only times that local governments in the Detroit Auto Region have been induced into cooperation has been when they were either unable alone to provide their citizens with certain basic public services required by law (e.g., refuse disposal, police protection, etc.), or they were mandated to do so in order to receive federal funds (e.g., Federal Clean Air and Water Acts). The result has been that strong home rule laws have contributed greatly to inter-municipal uneven development in the region. As Thomas (1997b:31-34) writes:

It was largely because of this legislation that the City of Detroit's boundaries stopped expanding in [1927]. As territories surrounding the city incorporated, it became increasing difficult to enlarge the city...

Annexation and home rule legislation hemmed Detroit into a confined geographic area. There it remained vulnerable to the flight of people and commerce...It would have required a major legislative campaign to change state law... or some form of regional government to do things any differently, but political and legislative realities made it impossible.

On the other hand, while local government laws limit local financial autonomy in Nagoya, they have also removed many of the potential points of inter-municipal competitive conflict. Finally, rather than producing competitive avoidance, these laws have fostered lateral interdependence among municipalities. In other words, they have encouraged them to cooperate, to better serve their residents and those of the metropolitan areas as a whole.

III. Development Policies: New Federalism vs. Developmentalism

According to Murakami (1998:188), “developmentalism at the State level, can be defined as a system of policies” used to intervene in, or manage, the national economy. He writes, that at the center of this system is industrial policy. Murakami claims that for developmentalism to be successfully implemented, “proper government intervention [needs to be] simultaneously initiated...[and] developmentalism at the firm level [must be] already widespread” (ibid.:188). “In sum, developmentalism at the individual firm level, requires a lengthening of the time perspective in labor and other aspects of business management” (ibid.:184). In other words, national and local development policies should be well integrated with the strategies of local business; and firms must have chosen to take a long-term approach that stresses market share growth over short-term profits. Conversely, in the U.S., market rational system, “there is no formal cooperation between

the State and corporate sector” (Luger, 1984:219). Moreover, since short-term shareholder profits are generally preferred, conflict often arises between shareholders and managers who have a long-term perspective.

In the case of the Nagoya Auto Region and Toyota Motor, Japanese Developmentalism has translated into a greater corporate commitment to the local area, than has been the case with the GM and the Detroit Auto Region (Allinson, 1975).⁵ The main point here, regarding inter-municipal relations and metropolitan development is that under the U.S. Federal Regulatory State, the planning and development of large tracts of land is based primarily, on agreements made between local governments and the private sector. However, in Japan, often the central, prefectural, and local governments are all involved in the location of large factories and commercial establishments.

It also could be argued that while Japan’s central government policies have encouraged the concentration of development in Nagoya city, they have also promoted intergovernmental cooperation and balanced metropolitan development. On the other hand, numerous U.S. national development policies have fostered inter-municipal competition for development, and eventually, uneven growth in the Detroit Auto Region. For example, the National Industrial Dispersion Program of 1951, provided industries with funds to relocate away from urban centers believed to be prime for atomic bomb attack. This program financed the spatial dispersion of the auto industry in Detroit during the early 1950's (Hurley, 1959; Thomas, 1990). Wherever auto factories fled, supplier industries which had previously clustered around them, soon followed (Darden et al., 1987).

Metropolitan decentralization was further fueled by the miles of new highways built with funds from the Federal Highway Administration, under the National (Defense) Highway Act of 1956 (*ibid.*). These highways allowed for the construction of countless residential subdivisions and large shopping malls on the urban fringe, and later fueled the decentralization of white collar employment. Freeways that had originally been built to make residences more accessible to downtown Detroit employment, now enable suburban residents to completely bypass the City of Detroit in their daily lives. At the same time as the suburbs were booming, federal and local urban redevelopment programs were eliminating housing and downtown businesses faster than they could be replaced. This contributed to the City of Detroit's population and employment decline.

More recently, the development policies of New Federalism simultaneously heightened competition, discouraged inter-municipal cooperation, and fostered uneven development in the Detroit Auto Region. This was achieved through the reduction of funding for programs that supported urban areas, intergovernmental relations, and metropolitan planning, as well as by the promotion of tax subsidies as a local economic growth tool (Kleinberg, 1995). For example, in addition to cutting funding for urban social programs, the Reagan Administration drastically reduced the appropriations of the U.S. Advisory Committee on Intergovernmental Relations (ACIR). The ACIR had their allocation cut by 53 percent in 1985 alone (Kincaid, 1996). In addition, both "the Intergovernmental Division of the President's Office of Management and Budget, and the federal regional councils created by President Nixon, were abolished in 1983" (*ibid.*:43-

44). Finally, General Revenue Sharing, which provided redistributive grants to local and state governments, was eliminated in 1986 (Wright, 1988).

As has been the case in other parts of the northern U.S., these policies have tended to favor new suburban development and provoke economic disinvestment in the Detroit Region's urban core (Luger, 1984; Smith, 1988; Kleinberg, 1995). Disinvestment has frequently then, led to population and employment declines (as well as fiscal distress) in the urban core. On the other hand, over the past two decades in particular, suburban municipalities such as Auburn Hills, Sterling Heights, and Troy, have continually been able to lure existing companies away from the region's older urban core, especially the City of Detroit, by the offering of tax abatements, utility rebates, infrastructure giveaways, and large tracts of undeveloped land. Suburban giveaways, especially tax abatements, have then provoked greater political divisiveness among communities.

In sum, U.S. development policies in the 1970's and 1980's, provided little to no support for inter-municipal cooperation and metropolitan planning in the Detroit Auto Region. In addition, since the State of Michigan policies remained non-interventionist, an environment was created that fostered little to no state and local support for inter-local activities. In fairness, however, the policies of New Federalism did not create this situation; they merely exacerbated it. The region suffered from competitive inter-municipal relations, disinvestment, and suburban flight prior to 1969.

In contrast to the political-economic context in Detroit and the United States, in Nagoya and Japan, the policies of local businesses have been well integrated with national, prefectural, and local development policies. Constant interaction among all

levels of government has occurred before municipal master plans have been authorized and implemented. As the primary administrator of Japan's *City Planning Law* and *Construction Standards Act*—two of the three national laws which principally regulate land in the Nagoya Auto Region—the Ministry of Construction has been the lead agency in this process (Callies, 1994; Sakamoto, 1998). Prefectural City Planning Councils have also been actively involved in the development process. Their role has been to both ensure that: 1) municipal development projects comply with City Planning Law; and 2) each municipality's Urban Growth Boundaries (e.g., Urbanization Promotion and Coordination Areas) are consistent with prefectural plans for each administrative region.

Each prefecture then prepares its own Urban Growth Boundaries Map which is forwarded to the Ministry of Construction for approval. It is the Construction Ministry's task to verify that prefectural zones are consistent with multi-prefecture regional plans, and national development plans, which designate the general location “for the placing of land in urban, agricultural, forest, natural parks, and nature conservation areas” (Callies, 1994:60). For this process to be well coordinated, inter-municipal and vertical intergovernmental relations (national-prefectural-local) must be cooperative.

The national plan refers to Japan's Comprehensive National Development Plan, which was formulated under the direction of the National Land Agency. This plan, authorized by national development law, requires that national, prefecture, and local development policies and comprehensive planning are well integrated. Like the four that preceded it, the Fifth Comprehensive National Development Plan, completed in 1998, calls for the equitable geographic distribution of industries and public investment. Its

stated objectives are to promote the efficient use of the country's land, and development that is well balanced among, and within, the nation's multi-prefecture regions and metropolitan areas.

To help advance these goals, the country has been divided into 10 *Regional Blocks* (National Land Agency, 1987).⁶ Each region has its own comprehensive development law and plan. Regional plans are drafted based on policy objectives set forth in the national plan. The prefectures whose municipalities comprise the Nagoya Auto Region, are governed by the *Basic Chūbu Region Development and Improvement Plan*. Following the national plans, the central aim of every Chūbu Plan, since the first one in 1968, has been the promotion of balanced development among the region's five prefectures (Nagoya city, 1997; Edgington, 1994b).

The national and regional plans set the general policy course (for industrial, transportation, and land development), which guides prefecture and municipal policies throughout Japan. Within this framework, the municipalities and prefectures create more specific comprehensive master plans to guide the implementation of these policies (Nagoya city, 1997). Under Japan's Local Government Law, municipal comprehensive plans have been compulsory since 1969 (Sano, et al, 1998).

Nagoya's four prefectures work closely with the Chūbu Bureau of the Ministry of Construction and other ministry bureaus stationed in their region, to assure their master plans are in concert with the regional plan. Prefectures then work closely with their municipalities to assure their plans are consistent with prefectural plans. In addition to the roles played by the Ministry of Construction and the National Land Agency, on planning,

according to Akizuki (1995), the Ministry of Home Affairs also plays an important role in this process as a mediator between prefectural governments, and as a representative of all sub-national governments with other the central ministries.

The Ministry of Transport's policies regarding rail, subway, bus, air and seaports have also been pivotal in the promotion of inter-municipal cooperation and balanced development in the Nagoya Auto Region. The incorporation of mass transit in development policies is one of the major contrasts between the Detroit and Nagoya Auto Regions. Although other advanced industrial nations besides Japan, such as Germany and Britain, "have embraced the automobile," only the U.S. has not "maintained modern systems of mass transit as workable alternatives" (Judd & Swanstrom, 1998:201). Transit provides almost all residents of the region, regardless of age and income, access to employment opportunities. The coordination of bus and rail service in the region requires constant interaction and cooperation among municipalities, prefectures, and the Ministry of Transport, as well as between government and business. As evidenced by the situation in the Detroit Region between SEMTA and the City of Detroit, the development of multi-local bus or and rail systems, which involves routing, scheduling, and maintenance of vehicles, requires much more inter-municipal involvement than the construction of highways.

Transit has been one of the most important reasons why Nagoya has remained the primary locus of employment in its region. An integral factor behind the Nagoya city's continued growth has been Nagoya Station, a multi-modal transportation center. This facility has kept the city a center of daily activity; as a large share of all rail and bus travel

in the region, as well as from the region to other parts of Japan, passes through Nagoya Station.

Finally, as Johnson (1982) and Huber (1994) claim, the Ministry of International Trade & Industry (MITI), continues to play an important role in Japan's industrial and business development; however, according to local officials, its role has diminished over the past decade or so. In any case, from its regional office in Nagoya, MITI administers the Hamamatsu Miyakoda Technopolis Park, Ógaki's Softopia Project, and the Chūbu Center for Industrial Advancement (Edgington, 1990). The last organization was founded by MITI in 1987, "with the particular aim of promoting the industrial vision for Chūbu enunciated in Yonzensō, [Japan's Fourth National Comprehensive Development Plan]" (ibid.:20). About this relationship Edgington (1990:2) wrote:

There has been concerted effort made to strengthen regions of production, such as metropolitan Nagoya and its surrounding area, by both national and local government. Thus at a national level support can be obtained through overall industrial "visions," strategies for particular sectors, research programs, and national projects, such as the provision of economic infrastructure (e.g., national airports, expressways, and so on). While not well known outside of Japan, this approach is also complemented by various support systems operating at the local level (industrial estates, airports, and technology precincts, and special assessment districts to small and medium size firms). In fact, one view of regional development in Japan, is that it is a mere subset of a more broader national economic planning.

By guiding growth in an orderly fashion, national development, transportation, and land use policies/laws have promoted both cooperative vertical and horizontal intergovernmental relations in the Nagoya Auto Region. The combination of these factors

has created an environment prime for metropolitan planning, further encouraging inter-municipal cooperation, and balanced metropolitan development.

IV. Race & Class: Conflict in Detroit, the Absence of Minorities in Nagoya

Race and class conflicts, or the politics of race and class, have fostered primarily, non-cooperative inter-municipal relations in the Detroit Auto Region. Like American metropolitan areas, quality of life issues (i.e., a new and larger home with a yard, less traffic, recreation and open space, etc.) have greatly impacted metropolitan development in the Detroit Auto Region. These 'pull' factors attracted people of all races and ethnic groups to the less densely populated suburbs. However, the housing choices available to minority populations and the poor were severely limited (Florida & Feldman, 1988; Thomas, 1997b). Poorly conceived federal and local policies towards private and public housing, Michigan's liberal incorporation laws, restrictive covenants, large lot zoning, bank redlining, and steering, all had a hand in the closing off of residential options for these marginalized groups.⁷ The end product has been racial and class (occupational and income) stratification by municipality in the Detroit Auto Region (Hill, 1996).

These policies have also cultivated severe racial and class conflict, which in turn, have helped shape inter-municipal relations and metropolitan growth in the region, over the last three decades. Divisive racial and class politics not only played a critical role in accelerating white suburban flight and economic disinvestment, but also slowed the revitalization of the region's urban core. Moreover, what urban revitalization that did occur in the City of Detroit, actually created more chasms in the already tenuous inter-

racial and class relations, by displacing scores of minority and low-income businesses and residential units.⁸

Divisive labor-management relations between the Big Three Automakers and their workers didn't help matters. During the 1970's and 1980's, when the region was suffering from the global restructuring of the auto industry, inter-municipal competition for auto plants and labor-management relations merely exacerbated the politics of race and class in the region. This created a vicious cycle of non-cooperative/competitive inter-municipal relations, disinvestment, and uneven development in the region.

In contrast to the inter-racial and class strife in the Detroit Auto Region, there are basically no large concentrations of minorities in Japan. Only slightly more than one percent minority of Japan's population is non-Japanese or "foreigners living in Japan." The three largest minority groups are Japanese-born Koreans, Japanese-born Chinese, and Brazilian-born Japanese or Nikkei Brazilians. Nikkei Brazilians constitute the largest minority population in the Nagoya Auto Region. Since they are foreign-born and raised, and generally do not speak Japanese as their first language, they are more easily recognizable as outsiders to the region, than are most Koreans and Chinese. However, this group still comprises less than one percent of the region's population, and unlike Blacks in the U.S., whose forefathers were forcibly brought to America as slaves, these immigrants came to Japan, by choice, primarily, because they are of Japanese descent.

In general, most Nikkei Brazilians have been gainfully employed, as many were recruited to the region by labor contractors, due to chronic shortages of unskilled and manufacturing workers (Hirowatari, 1998; Sellek, 1997). In addition, a large proportion

arrived in Japan already highly educated; as many as one-fifth of the male workers arrived with some form of college education (Sellek, 1997:192). It is true that the recent decline in manufacturing employment has been harder on this group than most native-born Japanese, but overall, the region's unemployment rate remains below the national average. This serves to reduce in-group-out-group tensions. Since Nikkei Brazilians are relatively new to Nagoya, it is difficult to draw firm conclusions about future inter-group relations. However, as of yet, inter-municipal relations and metropolitan development have not been significantly affected by their arrival.

As for class relations, unlike in the U.S., Japan's individual income is more evenly distributed amongst its population, than all but a few countries. Moreover, in contrast to Detroit, place stratification, by occupation and income, is virtually non-existent in the Nagoya Auto Region. High, middle, and low income people of various occupations are scattered among the region's municipalities. Toyota executives live in the same city as many of Toyota's assembly line workers. Public housing is dispersed and open to the middle class. By comparison to American auto firms, management-labor relations in the Nagoya Auto Region have been extremely peaceful since the 1950's (Okayama, 1986; Shimokawa, 1986 & 1994; Fujita & Hill, 1993 & 1995; Hill, & Lee, 1994). As a result, class conflict has also been almost non-existent in the Nagoya Auto Region, over the last three decades.

In sum, primarily due to race and class conflicts, for most of the past three decades, intergovernmental relations between the City of Detroit and its suburbs have been marked by both competitive and separatist tendencies (i.e., "competitive separatism"). In other

words, city-suburban relations have been competitive, confrontational, and intentionally non-cooperative (See Chapter 6). These conflicts have resulted in there being little to no local support for inter-local planning. The existence of inter-municipal conflict, without metropolitan planning, has quite possibly been the major reason behind the region's uneven metropolitan development. In contrast, the absence of severe inter-racial and class conflict, and the divisive politics that generally accompanied them, have created an intergovernmental environment in the Nagoya Auto Region where cooperation is more easily achieved. This has helped build strong local support for metropolitan planning; which has been a key force behind balanced growth in the Nagoya Auto Region.

V. Automobile Production Systems: Fordism vs. Toyotaism

For the first few decades after World War II, world-wide automobile production was the U.S.' domain. Through the 1960's, corporate profits soared, and U.S. hegemony enabled the American automakers to cultivate mass demand for their products through clever marketing strategies rather, than continual product innovation (Hill & Lee, 1994; Babson, 1995). Soaring profits also justified the continuation of Henry Ford's early 20th century production processes. Fordist practices involved legions of semi-skilled workers, producing a small number of basic models in mass quantities, using product specific machines. This allowed the Big Three Automakers to take advantage of economies of scale and gain market share via low prices (Friedman, 1983; Hill & Lee, 1994).

With little outside competition and large capital investments in expensive dedicated machinery, the Big Three had very little incentive to create real product innovations. To

fully utilize this equipment, and reduce per unit costs, meant that the higher the quantity produced the better. This, combined with a "just-in-case" mentality, led to the creation of large reserve stocks of parts, supplies, and finished products (Schoenberger & Harkness, 1993). As opposed to "just-in-time" practices, where minimal inventories of buffer stock are held, "just-in-case" refers to over-production, just-in-case something goes wrong with parts or supplies; or just-in-case demand for a particular model style, is higher than expected (Schoenberger, 1982; Dicken, 1992; Schoenberger & Harkness, 1993; Kenney & Florida, 1993). In other words, "although domestic demand for automobiles has always been volatile, the Big Three traditionally, maintained capacity to serve market peaks" (Schoenberger & Harkness, 1993:6).

On the other hand, over-production kept employment high in the Detroit Auto Region, at least through the 1970's. It also meant the construction of large assembly and parts factories across the region. However, a second principle behind Fordism was that the cost of making any particular good could be dramatically reduced, if human labor could be replaced by equally or better skilled machinery (Piore, & Sabel, 1984). As a result, every phase of the production process was decomposed into simple, discrete steps. This allowed for the faster and more accurate completion of each task, by a machine dedicated solely for that purpose (*ibid.*). Ford believed that the more specialized the machine, the less skilled the machine operator needed to be. This would, thereby, reduce labor costs by eliminating the need for skilled craftsman (Piore, & Sabel, 1984; Babson, 1995).

According to Friedman (1983), Fordist techniques created a hostile relations between the Big Three and both their suppliers and laborers. Since cutting production costs has been the primary concern, manufacturers contracted with only those suppliers with whom they could obtain components at the lowest cost. This meant suppliers frequently changed from year to year (sometimes week to week). In addition, wherever possible, the Big Three looked to transfer parts production in-house (i.e., vertically integrate). As a result, insecure, short-term oriented, producer-supplier relationships were created, which tended to threaten the very existence of suppliers. It also discouraged long-term collaborative efforts that might have led to greater product innovation or differentiation (ibid.).

Concurrently, by systematically making production jobs either obsolete or deskilled through mechanization, Fordism forced American labor to organize industrial unions, in order to protect themselves from management abuses (Hill & Lee, 1994; Babson, 1995). Over time, management basically traded wages and benefits to the union, in exchange for greater rigidity in worker assignments and tasks (Friedman, 1983). This further discouraged worker involvement and creativity, which in turn, retarded productivity. High wages and falling productivity, then led to declining profits for the Big Three in the 1970's. Falling productivity and a lack of worker involvement also helped push American firms far behind foreign competition, in terms of, new product development and innovation. This resulted in a large loss of market share in the 1980's (Bluestone & Bluestone, 1992).

In addition to declining profits and market share, over the last 40 years, as transportation and communication have improved, the search for cheap components and

labor has persuaded the Big Three to “dismantle their concentrated production centers in Dearborn, Detroit, and Flint...and decentralize production to the suburbs, rural areas, and far-flung locations where markets were growing and unions were weak” (Babson, 1995:11). These factors, combined with the two oil crises of the 1970's, to produce massive layoffs and plant closing in the Detroit Auto Region in the 1970's and 1980's (Ingrassia & White, 1994; Hill & Negrey, 1985, 1987, 1991, & 1992). In addition to double-digit unemployment rates, the resulting disinvestment led to urban fiscal distress in the region's urban core. The latter was created by an increased need for government expenditures, at a time when tax revenues were falling (Hill, 1980, 1982, 1983a, 1984a, 1984b, & 1984c; Hill & Feagin, 1987; Darden et al., 1987; Hill & Fujita, 1995). Yet, while the urban core was retracting, Detroit's northwestern suburbs, especially in Oakland County, were seeing employment and income growth (Darden et al., 1987). As a result, the Big Three's plant location strategies have generally created inter-municipal conflict rather than cooperation.

In contrast to the standardized, high volume productive system in the Nagoya Auto Region, a flexible, “just-in-time” production system, which employed skilled workers belonging to company unions, rather than industrial labor unions, was developed by Toyota Motor Corporation in the 1950's.⁹ Flexible production or Toyotaism, attempted

to create new market niches by continuously differentiating its products, seeking a unique market appeal by modifying the product's design. This production strategy...sacrifices some efficiency in scale economies for benefits of continuous product differentiation (Friedman, 1983:355).

Hill (1990a:69 & Hill & Lee, 1994:296) described Toyotaism as:

a post-Fordist model of industrial development that combines the advantages of craft flexibility with the most advanced information process and telecommunication technology.

Realizing that their late entry into the auto market made it impractical to compete internationally simply by following U.S. mass production techniques, Japanese automakers, though also concerned with reducing costs, saw product differentiation as their key to market entrance (Friedman, 1983 & 1988; Shimokawa, 1986 & 1994; Cusumano, 1985 & 1988; Hill, 1990a). Thus, rather than building massive factories to produce and store large inventories of a small number of standardized finished products, they developed a production system with more generalized machinery, capable of producing a diverse set of car models in low volume. Greater flexibility also allowed Toyotaist firms to produce their multiple product lines with faster turnover rates. In addition, they were able to shorten the product cycle; in other words, come out with newer models in a shorter period of time than the Big Three.

Finally, by cutting costs through reductions in inventories, waste, plant size, and energy consumption, Toyotaism has greatly enhanced plant productivity. Greater flexibility in the deployment of equipment has also resulted in improved labor productivity (Hill & Lee, 1994). As a result, Toyotaism has better insulated plants, workers, and Nagoya area municipalities, from shifting/declining market demand or lower cost competition in any one particular product (Friedman, 1983; Hill, 1990a). This has led to a large increase in the firm's world-wide market share since 1969.

The choice of flexible production has also profoundly affected Toyota's relationship with its suppliers and labor force (Friedman, 1983:355). Unlike in mass production, Toyotaism requires close, cooperative relationships among parent firms and sub-contractors, and among workers. This is necessary in order to synchronize a diverse number of products, on short product cycles, and have only enough inventory delivered to the assembly plant to meet current orders (i.e., "just-in-time"). Since the competitive advantage of Toyotaism lies in new product ideas, and not strict economies of scale, consultation between producer and supplier has been essential to its success (Friedman, 1983). Therefore, unlike the "at-arms length" relationships that has existed between manufacturer and supplier in Fordist production, Toyotaists have provided their suppliers with first-hand knowledge of new products or product changes. As a result of these close contacts, which better maximize the flow of ideas, product and process innovation have flourished. Friedman writes:

Whereas in America supplier relations contribute to the "vicious cycle" of stagnation, in Japan, the parts industry has evolved in such a way as to promote a "virtuous cycle" of enhanced flexibility & efficiency (ibid.:375).

Similarly, labor conditions at Toyota are quite different from those at Big Three factories. First, ever changing product needs and multiple tasks have required the development of skilled and not de-skilled workers. Since workers are rotated around assembly line stations, they learn all of the tasks involved in production. This is said to de-emphasize authority, by allowing workers more independent decision making. The result has been improved worker satisfaction, productivity, and quality (Friedman, 1983; Herbig, 1995). Second, Toyota's lifetime employment and seniority based-wage system

have produced greater worker loyalty. Secure employment, bonuses based on company performance, and greater worker autonomy, have also fostered cooperative management-labor relations.

Next, since Toyota's just-in-time systems have required close contact and cooperation among assemblers, suppliers, and plant workers, they have taken time to cultivate. Therefore, once in place, unlike the Big Three's expensive machinery, such a system is not easy to transplant to another city, region, or nation. In other words, Toyotaism has resulted in a greater company commitment to the community in which it is located, as well as long-term contracts between the firm, its suppliers, and workers (Friedman, 1983 & 1988; Hill, 1989a & 1989b; Allinson, 1975). Over 30 years of auto production-induced employment and population growth, in Toyota city and the Nukata Sub-region, epitomize Toyota's local commitment to the Nagoya Auto Region. Finally, as was discussed in Chapter 7, although there has been some competition over plants, Toyota's presence has basically fostered cooperative inter-municipal relations in the region.

In sum, stark differences in production systems, worker training, labor-management, and producer-supplier relations, have contributed greatly to the divergent growth patterns that have occurred in the Detroit and Nagoya Auto Regions since 1969. Fordism has led to plant closing, layoffs, and disinvestment in the Detroit Region's urban core and employment growth in its suburbs. Fordist related housing policies have promoted place-based racial, income, and occupational stratification, as well as uneven population growth within the metropolitan area (Florida & Feldman, 1988). The totality has been inter-municipal competition and uneven development in the Detroit Auto Region. Conversely,

Toyotaism has translated into fairly balanced employment and population growth in the Nagoya Auto Region and income diverse residential areas. Toyota's strong local commitment has also helped to foster inter-local cooperation in the region.

VI. Support for Inter-Municipal Cooperation and Metropolitan Planning

Anderson (1960) wrote that it is implied in American Federalism, that local governments are expected to act first and foremost in their own best interest. Therefore, any state or federal mandate requiring multi-local cooperation or planning, would be considered by many local units as a violation of their traditional right to local autonomy or home rule. This statement neatly capsulizes the type of local support there has been for inter-municipal relations and metropolitan planning in the Detroit Auto Region, over the last three decades. As discussed, the combined influences of American-style Federalism, Michigan local government laws, the development policies of the New Federalists, and the race and class conflict, have fostered little to no federal, state, or local support for inter-municipal cooperation and metropolitan planning in the Detroit Auto Region. However, this easily could have been different.

When the Michigan legislature enacted the Regional Planning Commission Act in 1945, state leaders believed that industrial plant location, housing, land use, and public works projects associated with the post-war economic recovery, required multi-county/ multi-municipal cooperation and planning (ACIR, 1977). The Detroit Metropolitan Area Regional Commission, the predecessor to today's Southeast Michigan Council of Governments (SEMCOG), was established under this act in 1947. SEMCOG, which

serves four of the five counties within the Detroit Auto Region,¹⁰ was created in order to foster cooperative inter-municipal relations and coordinate multi-jurisdictional environmental protection, transportation, economic & community development, and land use planning in southeastern Michigan (SEMCOG, 1996). However, the lack of state or federal legislation mandating local government participation in regional planning, and limited federal, state, and local government financial support for a metropolitan authority, have made it impossible for SEMCOG to truly carry out its established purpose.¹¹

Parochialism, in the form of strong home rule, the politics of race and class, and the non-interventionist policies of the State of Michigan, have inhibited SEMCOG's cooperative inter-local planning efforts even when the federal government has supported its efforts. For example, during the early 1970's, Macomb County and some of its municipalities refused to participate in SEMCOG activities, because officials believed that it was a violation of their constitutional right of local autonomy, for the federal government to stipulate that federal funds be tied to metropolitan planning (ACIR, 1977). Over 25 years later, many of Macomb's municipalities have still not become members of SEMCOG.

Although most planners in the Detroit Auto Region realize there is a desperate need for planning at the metropolitan level, they believe the lack of financial incentives to participate, and the region's historical legacy of inter-municipal competition, make such an effort politically unfeasible. They argue that without significant state or federal financial inducements or mandates to participate, there will always be little motivation for even inter-municipal interaction, let alone support for metropolitan planning.

The U.S. Advisory Council on Intergovernmental Relations (ACIR) came to similar conclusions after its study of the region in the 1970's. ACIR stated that “local political jealousies, central city-suburb confrontations, [and] a dynamic two-party [legislative] system, marked by strong extreme far right and far left factions,” have made it impossible for SEMCOG to conduct comprehensive metropolitan planning (ibid.: 269). In such an environment, what occurs outside a local government’s corporate boundaries, is considered by municipal officials, to be somebody else’s concern. This attitude prevents local political leaders and officials from seeing any benefits from metropolitan planning. These attitudes also have also done little to discourage uneven metropolitan development in the Detroit Auto Region.

In direct contrast to the situation in Detroit, in the Nagoya Auto Region, there has been considerable national, prefecture, and local support for cooperative inter-municipal relations and metropolitan planning. City Planning Law and The National Comprehensive Development Plan supply a national foundation for multi-unit planning. To help facilitate cooperation, and to better coordinate administrative and urban services, prefectural governments in the Nagoya Auto Region have organized their municipalities into administrative regions, broader administrative metropolises, and city planning areas.

As was mentioned, under City Planning Law, the prefectures are required to coordinate, and supervise their municipalities, to prevent disorderly development. The prefectures in the Nagoya Auto Region work closely with their localities, on the drafting of their master plans to ensure they are consistent with prefectural plans for each of these

administrative areas. They also fill the difficult role of being the middlemen, between the municipalities and the central government.

For this process to be successfully coordinated, municipalities within the same city planning area must be willing to share information and interact regularly on the planning for roads, urban services, social programs, and spatial development. Realizing that such close inter-municipal relations were key to successful metropolitan planning, prefectures in the Nagoya Auto Region have organized their administrative areas around historical ties among municipalities. Especially important have been the past affiliations among communities from the same *gun*, or formerly from the same *gun*.

As chronicled in Chapter 7, the five cities in Aichi-ken's Kinuura Tōbu City Planning Area and Metropolis, which were formerly towns in Hekikai-gun, have been a prime example of how these prefectural administrative planning structures have utilized historical connections, to promote inter-municipal cooperation and balanced metropolitan development. With the central government planning to slowly disperse authority to local governments in the future, these five cities with a combined population of over 436,000 in 1995, have even begun to discuss the possibility of consolidating into one core city.

What is more amazing than the sheer size of such a consolidation, is the fact that all five municipalities are fairly wealthy. In 1996, all of these local units had basic financial revenue that easily exceeded their basic financial need for urban services (Chihō Zaimu Kyōkai, 1998:8-9). In the American context, a consolidation of this size among wealthy communities seems unimaginable. The cities feel consolidation will make them better prepared for any new responsibilities granted to them by the central government during its

decentralization efforts. However, in Japan, such a consolidation is also seen as a method of increasing local autonomy and influence on the prefectural and national stage (Muramatsu, 1997). The powers that would be authorized to the new City of Hekikai would be substantial. Its designation as a “Core City,” would make it among the five most influential cities in the entire Chūbu Region. Such a consolidation has been made possible by the prefecture’s cultivation of a historical cooperation, through its prefectural administrative districts.

While planners throughout the Nagoya Auto Region felt their closest ties were within their city planning area, their relations with municipalities, within their broader administrative metropolis and prefectural regions, were also very cooperative. The main reasons again, were historical connections and prefectural coordination.

To summarize, officials in the Detroit Auto Region, generally believed that inter-municipal relations have been primarily competitive, and not cooperative, over the past three decades. This has resulted in little to no local administrative or political support for metropolitan planning. Lacking federal, state, or local support mechanisms to guide growth, the long-term impact of competitive inter-municipal relations has been extremely uneven, almost polarized metropolitan development in the Detroit Auto Region since 1969.¹²

In contrast, planners in the Nagoya Auto Region felt clearly that inter-municipal relations had been very cooperative over the past three decades. One of the main reasons has been the coordinating efforts of prefectures, involving their multi-municipal planning areas. According to local officials, these district groupings, which have been based upon

historical ties, have fostered considerable local support for both inter-municipal cooperation and metropolitan planning. This has also cultivated a willingness among municipalities to cooperate for the good of the region as a whole. This, in turn, has helped reduce the negative effects that outside forces, such as inter-regional and international competition, have had on the region. In fact, unlike Detroit, outside forces have actually enhanced intra-metropolitan relations in the Nagoya Auto Region. Such an environment has directly contributed to the evolution of balanced metropolitan development in the region since 1969.

VII. A Final Point: Inter-regional Relations and Intra-metropolitan Relations

In Japan, there will always be competition among municipalities, such as over the location of a national highway interchange or *Shinkansen* bullet train station. In the Nagoya Auto Region, there are historical rivalries between neighboring cities belonging to different *Keiretsu* (business groupings). There also have been rivalries between adjacent communities: such as between the town that grew bigger than its historically, larger neighboring city. Nevertheless, in most cases in Japan, when there has been competition among local governments, it is because the central government has orchestrated it. When this has occurred, inter-regional competition has actually enhanced intra-metropolitan cooperation in the Nagoya Auto Region. This situation is in stark contrast to the enhanced inter-municipal competition provoked in the Detroit Auto Region by the policies of “New Federalism.” Also unlike the situation in Detroit, inter-

regional competition has not generally been a catalyst for uneven metropolitan development.

There are several reasons why this has occurred. First, according to Muramatsu (1986 & 1997), prefectures and cities in Japan are constantly comparing themselves to others of similar size or rank, and generally, compete against these same areas for central government projects. For example, Aichi-ken often competes against Kanagawa and Hyōgō prefectures, which have similar populations. Nagoya city has rivalries with the Designated Cities of Yokohama and Kōbe, which are also international port cities. The most famous of these rivalries have been between the cities of Tōkyō and Ōsaka, which even extend into professional sports.

However, unlike the cutthroat inter-state and inter-regional competition that has plagued the Detroit Auto Region, Nagoya's rivalries with other cities and regions can be best described as spirited and tutelary. When the battle for special central government projects are over, the winners usually provide the losers with guidance and information on how victory was won (*ibid.*). According to Nagoya city officials, Nagoya often learns from the successful development strategies of the slightly larger, Yokohama city.

Second, many competitions between metropolitan regions, actually involve groups of municipalities contending for large central government public works projects and special policy initiatives (e.g., airports, the national capital relocation, the World Expo, MITI's "Science Cities" and "Technopolis" Programs). In these instances, success depends on intra-metropolitan cooperation among communities, rather than competition. As a result,

these competitions have fostered greater inter-municipal cooperation in the Nagoya Auto Region, especially within its sub-regions (i.e. Kita Owari, Hokusei, Mino, etc.).

For example, as mentioned in Chapter 7, municipalities in the eastern part of the Mino Sub-region who have been working closely on a bid to gain the relocated national capital, see their competitors as the Tōhoku Region, and not their neighbors in the San-En Sub-region of the Nagoya Auto Region. In fact, both sides expressed hope that the capital would be relocated in one of the two Nagoya Auto Region sites, rather than in a region close to Tōkyō. While the same feelings would probably be expressed by municipalities in the Detroit Auto Region if they were in a similar situation, there seems to be a much greater appreciation for the “greater good,” and a feeling of comradery among local governments in Nagoya. This appears to be especially evident when these relationships are compared to the cutthroat competition that came to exist in the Detroit Region, during the Reagan years of New Federalism. Nagoya planners, especially those in economic development, seem to have had a much greater appreciation, as compared to Detroit economic development planners, for the theory that if the region does well, then each municipality will do well.

However, the main reason why inter-regional competition has actually enhanced intra-metropolitan cooperation, and has not produced greater uneven metropolitan development in Nagoya Auto Region, has been the coordinating efforts of prefectural governments. By prodding, guiding, instructing, and being wise enough to organize their administrative areas around historical ties, prefectural governments have facilitated inter-municipal cooperation and garnered local support for metropolitan planning. These efforts, of

course, have then been bolstered tremendously by the national government requirements that: 1) each prefecture draft their own comprehensive master plan, in accordance with Chūbu's Regional Development Law; 2) each municipality adopt its own comprehensive master plan, in accordance with City Planning Law– including the defining of Urban Growth Boundaries; and 3) municipal, prefectural, regional, and national development plans be well integrated (i.e., consistent with one another). However, it has been the prefectures themselves that have held together intra-metropolitan cooperation in the face of central government induced inter-regional competition.

The prefectures have gotten their municipalities to cooperate in an effort to maintain balanced growth in the midst of inter-regional competition. Their approach has been similar to the national government's strategy of promoting economic nationalism as a path to international competitiveness. In other words, prefectures have asked their municipalities to cooperate and sacrifice, to promote regionalism and regional growth. Localities then expect that any rewards will be dispersed evenly across the prefecture. This approach is in direct contrast to the individualistic separatist capitalism that pervades the Detroit Auto Region. As a result, neither the State of Michigan, nor its county governments, have been able to cultivate inter-local cooperation or planning in the region.

VIII. Research Conclusions

In this dissertation, five related, but basic research questions were investigated:

- 1) What type of metropolitan development patterns (balanced or uneven) have evolved in Detroit and Nagoya Auto Regions, over the past three decades?

- 2) What kind of inter-municipal relations have come to exist in each region, during this period?
- 3) What has been the political-economic context for inter-municipal relations and metropolitan development in the U.S. and Japan, since 1969?
- 4) What has been the relationship among political-economic context, inter-municipal relations, and metropolitan development in these two regions?
- 5) What, policies or lessons from the Nagoya Region, if any, are transferable to the Detroit Region, and vice versa?

The answer to these questions can be summarized as follows. Within the political-economic context of: 1) the U.S. Federal Regulatory State– with its political decentralization and substantial local autonomy; 2) Michigan local government laws– which have fostered inter-municipal conflict, fragmentation, and racial and class separatism; 3) New Federalism– whose anti-interventionist policies de-emphasized intergovernmental cooperation, and promoted inter-municipal competition and economic growth via tax subsidies, which favored wealthy suburban areas; 4) Racial and Class Conflict– with its accompanying divisive politics; and 5) Fordist production practices– with its limited local commitment, deskilling of workers, adversarial labor-management which have encouraged residential stratification by occupation, and arms length manufacture-supplier relations; competitive, non-cooperative inter-municipal relations have come to exist in the Detroit Auto Region. These relations can be best described by the terms: “competitive separatism” and “competitive avoidance.” In other words, municipalities have either deliberately not cooperated, or have acted as if whatever happened outside their corporate limits was of no concern to them and had no bearing on them.

This context has also fostered little to no local support for inter-municipal planning, not to mention metropolitan planning. The existence of inter-municipal competition, accompanied by the absence of comprehensive metropolitan planning, has resulted in extremely uneven, almost polarized, metropolitan development in the Detroit Auto Region over the past three decades. To put it another way, the region has suffered highly uneven employment and population growth, rising income inequality, race, class, and city-suburb conflict, urban decay, and large concentrations of poverty.

In contrast: 1) Sectional Centralism– with its emphasis on bureaucratic control; 2) a local government system– which has favored consolidation in the name of efficiency, inter-municipal equity, and municipal interdependence over local autonomy; 3) Japanese Developmentalism– which has emphasized balanced national and regional development, and has required integrated national, prefecture, and local development planning, and vertical intergovernmental cooperation; 4) an absence of race and class conflict; and 5) Toyotaism– with its strong local commitment, skilled workers, peaceful labor-management (which has encouraged residential inclusiveness), and mutually beneficial manufacture-supplier relations; have combined to promote cooperative inter-municipal relations in the Nagoya Auto Region. These relations can be best described by the term “lateral interdependence.” In other words, municipalities have depended on one another, and inter-municipal relations have been both cooperative and mutually beneficial.

This context has also provided strong national and prefectural support for comprehensive metropolitan development planning. However, it has been the prefectural government’s administrative planning areas, built upon historical ties among

municipalities, which have cultivated local support for metropolitan planning. The net result of the context for development, inter-municipal cooperation, and considerable local support for metropolitan planning, has been balanced metropolitan development in the Nagoya Auto Region over the past three decades. To put it simply, the region has experienced fairly evenly distributed inter-municipal growth in employment, population, and income, and has no large concentrations of poverty.

As for what policies can be transferred between regions, or what lessons can these regions learn from one another, the next chapter answers these questions by recommending policy options for each region to take.

Chapter 8-Endnotes

1. Ku or Ward is not included in this total. Of this total, there were 665 cities and 2,571 towns and villages in 1995 (1995 Population Census of Japan). This compares to 275 Cities, 258 Villages, 125 Charter Townships, and 1,117 General Law townships in Michigan in 1998 (MSPO, 1995a: 3.2-3.3; State of Michigan, 1998a; Michigan Township Association, 1998).
2. See State of Michigan (1998a).
3. Two in particular are: the revisions to the Charter Township Act made in June 1978, and detachment legislation. For further discussion see Chapter 6.
4. Tōkyō-to did receive a small share to distribute to its municipalities in FY 1998 (Asahi Shimbun, 1998:2). It.
5. The example Murakami offers as corporate commitment is lifetime employment. Allinson compares Toyota's commitment in Kariya city with GM's in Ypsilanti city.
6. These ten regions according to the Fourth National Comprehensive Plan were: Hokkaidō, Tōhoku, Kantō, Chūbu, Hokuriku, Kinki, Chūgoku, Shikoku, Kyūshū, and Okinawa (National Land Agency, 1987).
7. Restrictive covenants are private contracts written into a homeowner's title in which, the buyer agrees not to sell his or her property to a person of a certain race, religion, or ethnicity. In Detroit these were generally used to keep Blacks out of certain neighborhoods and even entire municipalities (Thomas, 1997b). Steering involves real estate agents showing Blacks or another minority group houses or apartments only in those neighborhoods willing to accept them as residents.
8. Some examples include: GM's Poletown Plant, Lafayette Park, Elmwood Park, Wayne State's University City, and Detroit's Medical Center (See among others: Mowitz & Wright, 1962; Wolf & Lebeaux, 1969; Saperstein, 1969; Darden et al., 1987; Thomas, 1988 & 1997b; and Ingrassia & White, 1994).
9. An endless supply of books and articles have discussed "Just-In-Time" Production either briefly or in-depth over the last few years. The following books have influenced this section: Friedman (1983 & 1988), Piore & Sabel (1984), Abegglen & Stalk, Jr. (1985), Cusumano (1985 & 1988), JMA (1986), Shimokawa (1986 & 1994), Okayama (1986), Womack et al. (1990), Hill (1989a, b & 1990a), Fujita & Hill (1989 & 1995), Hill & Lee (1994), Kenney & Florida (1993), and Price (1995). In some instances unique ideas have been credited to specific authors.
10. Genesee County is in its own region. The SEMCOG Region contains seven counties in all, and has 233 municipal governments. (SEMCOG, 1991:149).

11. According to ACIR (1977:260-265), SEMCOG did initially have some positive influence on regional services planning through its A-95 Review powers in the early 1970's. Governor Milliken delegated A-95 Review powers to SEMCOG for projects in the Detroit Area in 1972 (ibid.).

12. Although not discussed, planners also felt strongly that the federal/state freeway systems, the water & sewer expansion policies of the City of Detroit, and the utility extensions of Detroit Edison, also were key factors behind the region's uneven development. One planner cogently argued that the main cause of the region's extreme uneven development was not combative inter-municipal relations, but rather cooperative agreements made among municipalities on the construction of the region's water, sewer, and road systems. He clearly felt, that these cooperative arrangements had conspired to depopulate Detroit.

Chapter 9

NEXT STEP: POLICY RECOMMENDATIONS FOR THE DETROIT AND NAGOYA AUTO REGIONS

I. Introduction

As Muramatsu (1997:160) stated in the Epilogue of his book on local government in Japan, since the conclusions from this study were presented in the last Chapter, “perhaps it is superfluous to add anything” further. However, this research project would be incomplete without providing potential policy options that address some of the problems discussed in this report. This final chapter recommends policies to implement for the two studied regions/countries, and briefly postulates about their political feasibility. While some of these policies may not currently seem politically feasible, their long-term benefits justify their introduction into the political discourse.

In the first section, policy recommendations concerning the Detroit Auto Region are presented. This discussion uses examples from the U.S., to demonstrate that it is possible to transfer some of the effective policies from the Nagoya Region to the Detroit Region, Michigan, and the U.S. This is followed by a section on policy options for Japan that are specifically relevant to the Nagoya Region.

Although some of these topics were not explored deeply in the first eight chapters of this study, they were considered by local officials to be the most important challenges facing the region over the next 10-15 years. Moreover, these issues are quite pertinent to any examination of the relationship among political-economic context, intergovernmental relations and metropolitan development in Japan. While these policy topics have been gleaned from my field research, the opinions presented here are my own. Citations have been utilized, when necessary, to support my ideas.

Following these two policy sections, a brief conclusion section closes the body of my dissertation. An Afterword offers some of my reflections on the difficulties associated with conducting cross-national comparative research in two countries with distinctly different cultures and languages.

II. Policy Recommendations for the Detroit Auto Region, Michigan, and the U.S.

Based on the research from this report, five relevant policy areas in the Detroit Auto Region stand out: 1) Regional Planning; 2) Local Government Laws; 3) Rebuilding a Strong City of Detroit; 4) Infrastructure/Urban Services; and 5) Employment Accessibility for the Poor. This section briefly introduces these issues, offers policies to address them, and briefly discusses the political feasibility of each recommendation.

II-A. Regional Planning

Rusk (1993:5) wrote “that the real city is the total metropolitan area,” both the central city and its suburbs. He argued that to attack urban social and economic problems requires policies that “treat the suburb and the city as indivisible parts” (ibid.:7).

Despite the belief of some, cities are not islands unto themselves. They do not have walls or castle doors that can be closed every night. Almost every local policy regarding land use development impacts other cities and towns within a metropolitan area, either directly or indirectly. Zoning changes affect adjacent municipalities. Road policy decisions affect traffic patterns throughout the area, as do new large scale residential and non-residential developments.

Appreciating these facts, Japanese city planning and development laws mandate that municipal governments participate in multi-local land use, development, and facilities planning. As was mentioned in Chapter 7, communities must first identify Urbanization Promotion and Control areas. These zones are designated in an effort to guide growth in an efficient manner. Next, municipalities are required to partake in coordinated joint planning at the city planning area, administrative metropolis, and administrative region levels. Such activities are meant to ensure that local government development policies are consistent with what is best for the prefecture as a whole. Prefectures then participate in joint planning activities in order to coordinate development and promote equity at the multi-prefecture regional level.

To date, regional planning efforts in the Detroit Region, as in most of the U.S., have failed miserably. There have been few legal mandates, or perceived economic incentives, for local governments to participate in joint planning and inter-municipal cooperation. Some in the U.S. might ask, why is regional planning and inter-municipal cooperation so important? Rusk (1993:38) concludes that “while the global economy sets the rules, local areas can decide how to play the game.” According to Rusk, a unified metropolitan approach generally promotes both equity as well as racial and economic integration; conversely a lack of cooperation results in inequality and segregation. As the Nagoya example has demonstrated, inter-municipal cooperation and metropolitan regional planning can: 1) help reduce some of the negative impacts of inter-regional and international competition; and 2) lead to relatively balanced development and equity.

Studies of metropolitan areas in the U.S. support this claim. They also generally conclude that inter-municipal equity actually promotes greater metropolitan economic growth than inequality does. Rusk writes:

The smaller the income gap between city and suburb, the greater the economic progress for the whole metropolitan community. The National League of Cities has released a widely reported study that concluded that, of the 48 large metro areas, those with the smallest central city/suburban income gaps had the greatest jobs increases (ibid.:40)

In the study Rusk referred to, Ledebur & Barnes (1992:13) wrote:

Cities and suburbs have a common and essential stake in their shared economies. Growing disparities between these jurisdictions erode and eventually undermine the vitality of the regional economy and, hence, the welfare of both cities and suburbs. And the good performance of these urban centered regional economies is essential to improved national economic performance. Federal policy since 1980 has virtually ignored the importance of regional economies to the nation, and certainly, the

importance of core cities to the region and the nation. The link between city and suburban economic disparities and metropolitan and suburban economic performance is poorly understood. Suburban authorities and residents may seek to increasingly distance themselves from the problems of the cities in the belief that the destinies of cities and suburbs are not shared. The evidence of a direct relationship between disparities and metropolitan performance is strong, although additional research remains to be done.

However, is it then fair to ask if regional planning is even possible in such an individualistic society as the U.S.? There are at least two good examples of American states who have supported the notion that inter-municipal cooperation and metropolitan planning were both possible and appropriate: Oregon and Florida. In addition, since 1991, the federal government has gone under the assumption that metropolitan transportation planning was necessary to reduce urban air pollution. The next sub-sections discuss these three cases, and then offer policy recommendations related to regional planning.

II-A.1 Portland, Oregon's Metro: Regional Government in the Federalist State

In many ways, Portland's Metro is more similar to a Japanese prefectural government than it is a regional planning agency, and vice versa. Both Metro and the prefectures guide, instruct, coordinate, and facilitate inter-municipal involvement in the land use development process. Both have been authorized strong administrative and financial powers. The State of Oregon then plays a similar role in the process as the Unitary Japanese State.

Local comprehensive planning was first mandated by the Oregon legislature in 1973 (Portland city, 1996). Under this Act, a new state agency, the Land and Conservation and

Development Commission (LCDC) was created. Similar to Japan's National Land Agency, the LCDC was directed to formulate statewide land use goals and guidelines. It then, had to determine if local government plans were in compliance with these goals and regulations. This second monitoring activity has been conducted primarily by the Ministry of Construction in Japan (Callies, 1994). In other words, although the LCDC was authorized to set standards, the 36 counties and 241 cities in Oregon were responsible for the actual writing of plans, the issuing of building permits, the constructing of water lines, and performing "other day-to-day duties involved in land use regulation" (Lewis, 1996:112). This statement is very similar to a quote in Chapter 7, from the City of Nagoya's Master Plan regarding the role of the central, prefectural, municipal governments in Japan's planning process.

Local comprehensive plans then "provide a coordinated set of guidelines for decision-making to guide future growth and development" within every community in Oregon (Portland city, 1996:Introduction-1). In addition to local comprehensive plans, under Oregon state law, local ordinances and regulations must also comply with the LCDC's statewide planning objectives.

At the sub-state level, the state expanded the powers of the Columbia Region Association of Governments (CRAG) in 1973 to foster metropolitan planning in the three-county Portland urbanized area (Lewis, 1996). The Columbia Region Association of Governments (CRAG) had been formed in 1969 to meet federal A-95 requirements. To review, under A-95, each state was required to create metropolitan planning organizations/regional council of governments to review local applications for federal

grants, to ensure that funded projects were consistent with regional plans (see Chapter 6). However, “in 1973, CRAG was transformed into a regional planning district,” and local government membership was mandated (ibid.:106). Five years later, CRAG was merged with the Portland Area Metropolitan Service District (MSD), which then assumed responsibility for administering regional planning and local compliance thereafter. In 1992, “voters renamed MSD simply ‘Metro,’ and gave it broad new grants of authority as a home-rule government; the only directly elected regional government” in the U.S. (ibid.:105-106).

Since 1992, Metro has been enabled “a wide array of functions,” including land use powers that are “more extensive than most regional governments” (ibid.:106). In order to preserve farmland, create affordable housing opportunities, and promote orderly growth, each county and city in Oregon is required to establish an urban growth boundary. This zone designates a supply of land sufficient to serve urban growth over the next 20 years.

Beyond [this boundary], the vast majority of land had to be zoned for ‘exclusive use’ farming or forestry... These urban growth boundaries don’t just require cities to determine where growth won’t go. They also demand that they determine and plan where growth will go... Thus while bounding urbanization geographically, LCDC also forces cities to maximize buildable, serviced land. So long as they respect these guidelines, LCDC generally has allowed cities broad local play.... While the Oregon program attempts to ensure that urban development is contiguous and that rural land is preserved, it does not attempt to direct how much growth takes place— either statewide or in particular areas— or what kinds of development a locality can accommodate (ibid.:112-113).

Metro has been

given sole authority to establish and manage the [Portland] Region’s urban growth boundary (subject to state oversight), and has the power to write

functional plans that can override local comprehensive plans (ibid.:106-107).

In this way, Metro's relationships with local governments, and the Oregon LCDC, have been very similar to Aichi Prefecture's coordination of municipal Urbanization Promotion (10 year growth boundary) and Control Areas (where growth is restricted in principle), subject to the approval the Ministry of Construction.

So what has this meant for metropolitan Portland and why is it a lesson for Detroit? First, as has been the case in the Nagoya Auto Region, metropolitan development in the Portland MSA has been relatively balanced over the past three decades. Second, like Nagoya city, the City of Portland has been maintained as a vibrant center of commerce and residential life, and has a viable downtown. Third, metropolitan planning has served to "inhibit development disparities, such as job/housing imbalances" (ibid.:163). Finally,

in the 1980's, the Portland Metropolis was the fastest growing area in the country for the electronics industry, and most of these firms were accommodated in suburban sites. Of particular interest is Washington County's 'Sunset Corridor,' which is sometimes cited as the most successfully planned high-tech corridor in the country (ibid.:113)

The catch is, if local governments do not comply with regional and state plans, "they are punished by a cut-off in cigarette, liquor, and gas tax revenues, which the state normally shares with localities" (ibid.:112). In other words, local autonomy has only been slightly sacrificed, in exchange for balanced and sustained economic growth that has preserved environmental amenities for the entire metro area.

II-A.2 Florida, Unified Development Standards and Regional Planning

While Portland was a U.S. example of how regional planning can lead to balanced metropolitan development, the State of Florida provides a U.S. illustration of how state planning regulations can promote metropolitan planning and inter-municipal cooperation. Under Florida's "Local Government Comprehensive Planning and Land Development Regulation Act," all municipal governments are required to adopt a comprehensive land use and development plans (State of Florida, 1998a, d). Like in Oregon, as well as in Japan, Florida's State Comprehensive Plan provides "long-range policy guidance for the orderly social, economic, and physical growth of the state" (State of Florida, 1998k). The State Plan does not dictate how any individual land owner or any city may develop their land, it merely requires that development projects, especially large-scale ones, be consistent with local comprehensive plans.

Florida planning regulations also stipulate that local master plans be compatible with those of adjacent municipalities, the county, adjacent counties, and their regional council's Strategic Regional Policy Plan (State of Florida, 1998b). In addition, within their master plan, municipal governments are mandated to assess the impact of local development projects on adjacent communities, and include a statement of how they will coordinate development activities with other municipalities (*ibid.*). As is the case in Japan and Oregon, each metropolitan region is required to develop a comprehensive plan that is consistent with Florida's State Plan. They must also be reviewed and updated every five years (State of Florida, 1998, h, i, j).

The following excerpts from regional planning councils further explain the depth of Florida's regional development planning and intergovernmental cooperation mandates.

As required by Section 186.507, Florida Statutes,...each of the eleven (11) regional planning councils located within the state must prepare and adopt a Strategic Regional Policy Plan (SRPP). The SRPP must contain regional goals and policies for developing a coordinated program of regional actions directed at resolving identified problems and needs...Each SRPP must address, at a minimum, the following areas: Affordable Housing; Economic Development; Emergency Preparedness; Natural Resources of Regional Significance; and Regional Transportation. [Among] the purposes of the SRPP are: 1) to provide long range policy guidance for the physical, economic, and social development of a region; 2) to establish public policy for the resolution of disputes over regional problems, needs, or opportunities; 3) to establish goals and policies, in addition to other criteria established by law, that provide the basis for review of developments of regional impact, regional review of federally assisted projects, and other activities of the regional planning council; 4) to establish land development and transportation goals and policies in a manner that fosters region-wide transportation systems; [and] 5) to set forth economic development goals and policies that promote regional economic growth and improvement (West Florida Regional Planning Council, 1999a).

Based mostly on the recommendations of the Florida Environmental Land Management Committee and the Florida Advisory Council on Intergovernmental Relations, the 1993 Florida Legislature enacted numerous changes to Florida's growth management laws. [One change in particular] significantly affects the Development of Regional Impacts review process. This is a process in which large-scale developments are reviewed for their inter-jurisdictional impacts by regional planning councils which forward recommendations for approval, denial, or approval with conditions, to local governments... The current process is to be gradually phased-out and replaced with new and expanded local government intergovernmental coordination elements. Local governments will be required to establish a means by which to address the inter-jurisdictional impacts of development (North Central Florida Regional Planning Council, 1999).

The Development of Regional Impact review process was created by the legislature in 1973 to provide state, regional, and local agencies the opportunity to evaluate the impacts of large-scale development projects.

The Council's involvement includes determination of the facilities and services that will be needed to accommodate these projects. The potential impacts of each project on adjacent governmental jurisdictions and on regionally significant natural resources are also reviewed by the Council. After coordination with affected governmental agencies, recommendations are provided by the Council, (after a formal hearing), to the local jurisdiction for inclusion in the project's development order (Central Florida Regional Planning Council, 1998).

Municipal governments in Florida must also periodically (every seven years) assess the success or failure of their comprehensive master plans, examine how adequately they reflect current trends and conditions, and whether or not they remain consistent with changes in state policy regarding planning and growth management (West Florida Regional Planning Council, 1999b; State of Florida, 1998d).

Similar to Japan's land development laws and broader administrative districts, Florida's planning regulations and regional planning councils require local governments to frequently interact and to draft local master plans that consider territory that is beyond their corporate limits. While parts of southern Florida do suffer greatly from uneven development, for the most part, Florida is seen as a state with progressive land use planning regulations (Popper, 1995). Moreover, since the mid-1980's, Florida had been praised for its growth management and intergovernmental coordination policies (DeGrove & Metzger, 1995).

II-A. 3 TEA-21 Promotes Metropolitan Transportation Planning

"In the 1990's, concerns about urban air pollution and long commuting patterns emerged on the national policy agenda" (Judd & Swanstrom, 1998:205). First, the 1990

Clean Air Act Amendments (CAAA) was passed by the U.S. Congress. “The CAAA required that all Regional Transportation Plans developed by Metropolitan Planning Organizations (MPOs) be certified as to their the Attainment with Air Quality Standards” (SRPEDD, 1993, Ch.23:1). A year later, a supplementary law, the Intermodal Surface Transportation Efficiency Act (ISTEA) was passed. ISTEA stipulated that each MPO was to produce a long range transportation plan that addressed their transportation needs over the next 20 years (GCMPC, 1994a). It also mandated, in those areas that were designated as in non-attainment of the CAAA, such as Detroit and Flint, that those plans design transportation improvements that reduced air pollution (Lewis, 1996).

This meant, after 1991, in order to receive a portion of Michigan’s federal surface transportation funds for road and transit improvements, municipalities in the Detroit Auto Region had to cooperate with one another, and with the State Department of Transportation. Judd & Swanstrom (1998:205) wrote,

the significance of ISTEA is that it took substantial authority [related to federally funded surface transportation projects] from...state transportation departments...and ...put decisions about urban transportation systems in the hands of Metropolitan Planning Organization (MPO)...governed by delegates representing municipal governments within urban regions.

In June of 1998, President Clinton signed into law ISTEA’s successor, the Transportation Equity Act for the 21st Century, or TEA-21 for short (STPP, 1999). Authorized through 2003, TEA-21 continues ISTEA’s mandates for regional transportation planning and coordination between each state’s Departments of Transportation and their regional MPOs. In general, areas with high population and economic growth will receive the most new money. However, this money may further

fuel uneven development and sprawl. This is because TEA-21, like ISTEA before it, does not require MPOs to adopt their transportation plans, in accordance with regionally developed comprehensive plans. In other words, no differently than most of the major highways constructed in the past, new transportation projects will be designed primarily based upon traffic congestion/flow rather than on sound metropolitan land use planning.

Policy Recommendation:

Amend TEA-21 to require a regional land use planning component in the regional transportation planning process. For a metropolitan region to be eligible for federal surface transportation funds, each MPO must design a Regional Transportation Plan that is based upon an adopted metropolitan comprehensive land use plan. Regulations on highways and intersection improvements alone will not have a significant effect on air pollution. Regional transportation plans will have (and have had) little effect on pollution, unless they are based upon land use plans which contain implementation strategies to improve air quality. In the past, increased air pollution has often been caused by development that occurred prior to, or in absence of, local land use planning. Non-mobile sources and development patterns also require stricter regulation.

Political Feasibility (totally impossible-1 to extremely possible-10): 3

If federal regulators were serious about improving the nation's air quality, they would have adopted these measures. While TEA-21 does provide some funds to integrate metropolitan land use and transportation planning, such coordination is not mandated under the law. Moreover, if last year's world environmental summit in Kyōto, Japan is any indication of the U.S.' commitment to improving the nation's air quality, it can not be

expected that the federal government will regulate states and municipalities any more than they already have.

Policy Recommendation:

Introduce a State Law that requires all counties, cities, townships, and villages in Michigan to participate in Regional Land Use Planning, as a part of TEA-21's Regional Transportation Planning process, in order for them to be eligible for state and federal surface transportation funds. Municipal master plans shall be reviewed by each county government and by the regional MPO, for consistency with county and regional master plans.

Political Feasibility (totally impossible-1 to extremely possible-10): 2

As evidenced by SEMCOG, requiring regional land use requirements without financial incentives or mandates, is political infeasible in the Detroit Region. It might be more feasible in other parts of Michigan that are less racially divided.

Policy Recommendation:

Introduce a Michigan State Law requiring all communities to develop comprehensive master plans subject to review by county and regional officials for consistency. This responsibility can be delegated to County Officials for township areas. Municipal master plans should define areas of expected future growth to aid in the planning for future urban facilities, region-wide.

Political Feasibility (totally impossible-1 to extremely possible-10): 4

Again, not very likely in the Detroit Region. However, this may be more politically acceptable in other parts of the state which are less developed and wish to protect farmland.

II-B. Annexations, Incorporations, and Home Rule

In his book, *Cities Without Suburbs*, David Rusk wrote that for a city's population to grow, it must be "elastic." He stated, that if a city has vacant land within its corporate limits, it has room to grow. However, if it is already densely populated, and there is little or no vacant land for new development, it can not get more dense and still attract middle class American families. Thus, the only method it can utilize is territorial expansion (i.e., the annexation of land from another community). Rusk writes,

boundary expansion contributed most to municipal elasticity. Between 1950 and 1990, more than four-fifths of the 522 central cities in the U.S. expanded their boundaries by 10 percent or more... The cities with the greatest elasticity had vacant city land to develop and the political legal tools to annex new land. These I will call "elastic cities." At the other end of the spectrum were the "inelastic cities"—typically older cities already built out at higher than average densities and, for a variety of reasons, unable or unwilling to expand their city limits. This pattern of urban development is sufficiently universal (at least, in America) to embolden me to state the first law of urban dynamics: only elastic cities grow (Rusk, 1993:10).

Conversely, Rusk states, "when a city stops growing, it starts to shrink" (ibid.:17). While "elastic cities 'capture' suburban growth, inelastic cities 'contribute' to suburban growth" (ibid.:20).

In the Nagoya Auto Region, cities have been elastic. They have regularly annexed land, entire towns, villages, and in some instances, even adjacent cities. Moreover, consolidations have been encouraged by the central government. On the other hand, annexations in the Detroit Auto Region basically stopped 35 years ago. The City of Detroit has not expanded for over 70 years. Or as Rusk aptly described, poorly designed state local government laws have “hobbled” Detroit, placing “restrictions on its annexation authority,” and allowed its neighbors to encircle and “trap” the central city, “leaving it nowhere to grow” (ibid.:20-23).

As mentioned several times, the main causes of Detroit’s inelasticity have been Michigan’s strong home-rule, liberal incorporation and weak annexation laws. To restate, until 1970, as little as 750 residents were entitled to organize a home rule city and only 150 were needed to incorporate as a village. This has made the region a fragmented, segregated metropolis, of which Rusk writes:

For most Americans, smaller is better and home rule is an unassailable democratic good. But the sad reality is that the smaller the jurisdiction or school district, the more narrow and exclusive the population served. In general, the more highly fragmented a metro area is, the more segregated it is racially and economically. Smaller jurisdictions are typically organized to promote and protect uniformity rather than diversity. Conversely, areas characterized by geographically large, multi-powered governments and more unified school systems tend to promote more racial and economic integration, and achieve greater social mobility. The critical issue is the number of different governments that control planning and zoning decisions...What is clear is that, absent federal and state mandates, a metro area in which local government is highly fragmented is usually incapable of adopting broad, integrating strategies (ibid.:33-35).

However, Michigan home-rule laws have been, extreme even by American standards of local autonomy. To again use Florida as an example, in counties with more than

75,000 in population, 5,000 residents have been required to incorporate a new city (State of Florida, 1998f). In addition, an area proposed for incorporation (town or city) must be at least two miles from the boundaries of the nearest existing municipality within that county (*ibid.*).

Furthermore, Florida's "Formation of Local Governments" statute specifically states:

The purpose of this act is to provide standards, direction, and procedures for the formation of municipalities in this state and the provision of municipal services so as to: (1) allow orderly patterns of urban growth and land use municipalities; (2) assure adequate quality and quantity of local public services; (3) ensure financial integrity of municipalities; (4) eliminate or reduce avoidable and undesirable differentials in fiscal capacity among neighboring local governmental jurisdictions; (5) promote equity in the financing of municipal services (State of Florida, 1998e).

No such concerns are detailed in Michigan's incorporation laws. (State of Michigan, 1991a, d, g).

Finally, in Florida, much as in most southern states, territory is either within a home rule municipality, or is considered under the auspices of county government.

Unincorporated areas can be freely annexed by a city or a town (State of Florida, 1998g).

This is quite different from Michigan, where prior to 1972, annexations could easily be prevented by either incorporations or a vote of township residents (VerBurg, 1996).¹

Since 1972, annexation petitions have been regularly blocked by court actions or detachment threats.

In addition, unlike Florida's unincorporated county areas, most of the townships in the Detroit Auto Region have become chartered. Since 1978, Charter Townships have become municipal corporations (quasi-cities), which has protected their boundaries from

city annexations. However, Charter Townships have different taxing powers and service requirements than cities. Without state guidelines which have stipulated that townships above a certain size become cities, or provides city-like services, several townships in the Detroit Region have grown to more than 50,000 in population (Clinton has over 90,000), but have not installed physical infrastructure to accommodate populations of this size. Uncontrolled growth has led to not only the shrinking of the Detroit Region's urban core, but it has further exacerbated the region's environmental problems (See Chapter 6).

As a result of Michigan's home-rule laws, the state has almost 1,800 municipal governments, the seventh most in the U.S. By comparison, Florida only has only 390 municipal governments (1992 Census of Governments). Although Florida incorporation laws are relatively strict by American standards– the national average is about 700 local governments per state– they demonstrate that fragmentation could have been prevented if more thought had gone into Michigan's local government statutes.

Policy Recommendation:

Michigan should repeal its Charter Township designation. Any township over 50,000 should be designated a city by state law. The residents in Charter Townships with between 25,000 and 50,000 in population, should be offered the choice of becoming a city, with the same service requirements and taxing powers as a city, or a General Law Township. All Charter Townships with less than 25,000 in population, should be reverted back to General Law Townships. General Law Townships should be required to follow county and/or state guidance regarding the land use and development process.

In the future, home-rule status should be granted to only communities with greater than 25,000 in population. Next, annexations of townships and villages should be made easier by preventing court challenges to State Boundary Commission rulings. A Boundary Appeals Board could be formed to hear grievances, but overall the decisions of the Boundary Commission must be upheld or they will be rendered powerless. Only actual property owners should be allowed to petition to have their land detached from a city. Other township or city residents should not have a vote on the matter. The Boundary Commission should have authority to determine if such petitions have merit.

While these changes to Michigan's local government laws may be too late to help Detroit, they would help Flint, and also prevent cities like Ann Arbor and Novi from becoming inelastic in the future.

Political Feasibility (totally impossible-1 to extremely possible-10): 3

The Michigan Municipal League would support such a law. However, the Michigan Township Association, which has a much stronger legislative lobby, would oppose it. The Township Association has already won many concessions for townships since the 1970's. Any legislation that favors cities would reduce this power; therefore, it is doubtful such legislation, regardless how logical it is, could pass Michigan's anti-city legislature.

Policy Recommendation:

Michigan should eliminate split non-contiguous areas of the same township. Cities should be required to annex township lands in their former township which are adjacent to them, but completely disconnected from any other township lands. This could be called the Royal Oak Township Law.

Political Feasibility (totally impossible-1 to extremely possible-10): 7

This law seems reasonable and practical to most local officials. Wisconsin, which also has a township structure of government, has a similar statute preventing split townships. This provides Michigan with a precedent for action.

II-C. The Detroit Auto Region Needs a Stronger City of Detroit

While inelasticity has played a major role in the City of Detroit's decline, its deteriorating neighbors and over-dependency on the auto industry, have also contributed greatly to its overall decline. As Rusk wrote, for a metropolitan region to continue to thrive, it needs a strong central city to complement its growing suburbs. Therefore, for the Detroit Auto Region to continue to grow in the future, it needs a re-invigorated City of Detroit. While Toyota provided the engine, a healthy and growing Nagoya city was also a major impetus behind its region's growth.

According to Short (1989), livable cities need strong neighborhoods, open space, recreation, new subdivisions. Detroit also needs vibrant industrial districts and a region committed to balanced region-wide economic development. This can not occur if every municipality is chasing the same smokestack or group of auto suppliers.

As Alfred Marshall (1919) wrote so many years ago, there are only so many large factories to go around. In Marshall's time, massive factories were located in close proximity to their raw materials. However, in today's world of advanced transportation and communication, large companies have what Barnett & Müller (1974) called, a "global

shopping center” to choose from. In other words, they can choose to locate in the community that offers them the greatest concessions (i.e., the best price).

On the other hand, as the Nagoya, Toyota, and Hamamatsu areas demonstrate, Marshall’s conclusions about light industries still ring true. He wrote that “light industries seek large cities and their environment,” because they can provide them with the proper “industrial atmosphere” or vitality to spur innovation and growth (Marshall, 1919:283, 287). One company’s innovation and expansion then leads to more work for local companies and city residents (Jacobs, 1984). When Detroit initially expanded to 250,000 people, its growth was based on a variety of small light industries. When the auto industry spread across the region, these companies followed them and were never replaced by new ones.

Heeding a lesson from Detroit’s past and the Nagoya Auto Region of the present, the City of Detroit and the Detroit Auto Region need to further diversify their employment bases into other industries besides automobile production. If the late 1970’s and early 1980’s seem like a distant memory, the losses incurred by GM and the region during the labor stoppage of the summer 1998 should remind local officials that the region is still too dependent on the auto industry.

Toyota Corporation is involved in high value-added textiles, telecommunications, and housing construction. What better places could there be than Detroit and Highland Park—two cities who had a hand in the beginning of mass production and who are now in desperate need of quality affordable housing— to start the mass production of affordable

manufactured homes? This industry has grown between 10-20% per year since the early 1990's, but has not yet achieved national acceptance (U.S. Census, 1999).

Honda, Suzuki, and Yamaha make a large assortment of products in the Hamamatsu-Iwata area, many born out of an outgrowth of their expertise in the manufacture of engines. Detroit once was a leader in marine engines. Why has that industry all but disappeared in the city? The city should be competing with these Japanese companies and areas in producing lawnmowers, motor boats, and motorcycles.

Mitsubishi (cars) and Kawasaki (motorcycles) also produce aerospace equipment in Komaki and Kakamigahara, respectively. Why isn't some company building aerospace-related equipment in Warren's old tank plant or in Ypsilanti township's closed Willow Run plant?

Finally, the City of Detroit also needs to accept the fact that its population will probably never surpass one million in the future. Today's middle class residential subdivisions, retail centers, and industrial parks need much more land than in the past. Conversely, current household sizes are much smaller than in the past. Thus, the city can become strong and increase its tax base without population growth.

Policy Recommendation:

The City of Detroit should create a comprehensive development plan based on a future city of 750,000. This plan should focus on strengthening its existing neighborhoods and accommodating larger lot residential and non-residential subdivisions. In addition, the city should adopt an economic development strategy that focuses more on creating competitive small businesses and industrial districts of light manufacturing, rather than

focusing on the recruitment of large factories and downtown skyscrapers. While bringing GM back to Detroit brought many new jobs to the city, it provided few jobs for Detroit residents.

Political Feasibility (totally impossible-1 to extremely possible-10): 5

The recommendations of the city's 1995 study, *A Framework for Action: A Report for Community Discussion*, suggest that the city is already moving forward in this direction. This report suggests the city is planning for a future population of between 600,000 to one million. It also stresses the need to create a city-wide greenbelt, revitalize the Woodward Avenue Corridor, improve public transit, and restructure residential spaces to better meet current demands (less densely populated subdivisions). It also pinpoints areas for the development of light industrial, business, and research parks. Finally, the city is currently using its federal Empowerment Zone funds to clear abandoned structures in preparation for larger lot subdivisions and retail centers.

However, successful implementation will require regional cooperation and a regional approach to land use and economic development. Intergovernmental relations are not even mentioned in this plan. Moreover, while the city is making respectable strides to rebuild, small business development still remains secondary to industrial recruitment.

Policy Recommendation:

City and suburban leaders need to work together to rebuild Detroit. This can only be done if the region is willing to create an integrated comprehensive development plan that stresses the need for a strong Detroit, a more diverse economic base, and balanced regional development.

Political Feasibility (totally impossible-1 to extremely possible-10): 3

It is hard to teach old dogs new tricks. Especially since Auburn Hills, the fulcrum of high-technology in the region, continues to rapidly grow driven primarily by automotive related firms. However, as a result of other regional issues, (namely it being in the Pontiac school district), related population growth has gone to Rochester Hills and other parts of northern Oakland County. This demonstrates that local economic growth strategies can not address region-wide problems.

II-D. Infrastructure/Urban Services Tax Grant for Michigan

In Japan, the central government provides municipalities and prefectures with a Local Allocation Tax Grant if their projected revenue falls below their expected need for a standard level of public services. Along with uniform tax rates, this program has greatly reduced urban service disparities among municipalities and inter-municipal competition over tax base. It has also helped to promote relatively balanced metropolitan development.

On the other hand, the need to expand the local tax base in order to pay for adequate urban services, has been a prime source of intergovernmental competition in the Detroit Auto Region. Moreover, large differences among communities in tax rates and the quality of urban services have been major causes of uneven development in the region. Perhaps the greatest reason why local governments have had to compete so fiercely has to do with the fact that in Michigan, like in most of the U.S., municipalities rely heavily upon local property taxes to fund their urban services. As Lyons (1991:113) writes:

The property tax is often the only local tax available to boards of education, park districts, public libraries, and other similar units of local government. For cities, especially ones that are middle-sized and smaller, it can be the largest single generator of local taxes... This centrality of real estate in local finance arises because real estate is tied to local government in ways that other tax bases are not and cannot be. Sales taxes, for example, migrate from one municipality to another when shopping patterns change. Local income taxes, where they exist, suffer when job or residence locations shift.

According to Browne & VerBurg (1995:313), in 1990, property taxes “accounted for 62 percent of all locally generated revenue,” in Michigan, and 40 percent of all local revenue. They maintain that school districts in Michigan are the main cause of high property taxes, “because the perceived failure of public education is seen as hurting economic growth” (ibid:304). However, irrespective of school districts, larger and older cities incur higher maintenance costs for roads, sewers, social services, and other municipal facilities than do smaller, newer suburbs (Peterson, 1995). This situation has been exacerbated, as mentioned above, by the fact that cities have not had the ability to enlarge their tax base through boundary expansion. The net result has been that larger and older cities have much higher tax burdens than do smaller and newer areas.

A strange twist in this quest to grow involves tax abatements. Several local governments in the Detroit Auto Region have used this economic development tool in an effort to increase local employment. The thinking has been that if a large company locates in a municipality, the resulting multipliers— new residential and commercial development, as well as supplier employment— will produce a net gain in local tax base. However, in his discussion of the impacts of tax abatements, Lyons (1991:130) argued that:

Reduced assessments are subsidies to capital. If they have any effect at all, it is in reducing the cost of capital relative to labor. Thus, property tax abatements encourage investment in capital-intensive processes rather than labor-intensive processes, even when the latter may be more efficient.

According to Lyons, by directly subsidizing capital, rather than employment, property tax abatements have actually raised unemployment levels above what they would have been if a subsidy had not been given. He writes that, “even if new factories were built that would not otherwise have been constructed, their total addition to the work force will be less” than if the amount of the foregone taxes had been spent on direct subsidies to labor (ibid.:130).

In agreement with Luger (1984), Smith (1988), and Kleinberg (1995), Lyons claimed that because tax laws frequently discriminate arbitrarily, tax abatements have often produced divisiveness between new and existing firms, between business owners and individuals, and among political jurisdictions. In reference to inter-municipal divisions, Lyons wrote:

Property tax abatements create dissension among units of governments... whenever one government, usually the state or municipality, can abate taxes that would otherwise be collected by another jurisdiction (Lyons, 1991:132).

Lyons’ comments accurately describe the situation in the Detroit Auto Region. For example, the capriciousness of tax laws can be evidenced by the tendency of reduced assessments only being offered to those firms who construct new factories in affluent communities. Rather than promoting employment growth in the region, tax abatements have resulted in what Luger called a shuffling of jobs from one community to the next. However, as easy as it seems to criticize communities such as Auburn Hills for luring

away Chrysler to their city by way of tax abatements, the city can hardly be blamed. Local leaders were just playing by the rules of the game that were established by higher levels of government. Michigan and U.S. tax laws and policies have allowed these methods. In fact, the Reagan Administration promoted them.

Since the Local Allocation Tax Grant, in Japan, is based on potential tax revenue collected and not on actual funds received, this program has effectively eliminated the use of tax subsidies in Japan. While a few cities in the Nagoya Auto Region have short-term (three years maximum) tax forgiveness policies, none have been willing to use them, out of fear it would result in a loss in Local Allocation funds.

A final factor in the Detroit Region involves the lack of municipal government and private accountability. Local development projects in the region do not require state or regional review and county governments have been granted relatively little authority regarding such matters. This has resulted in haphazard and leapfrog development, the over-zoning and construction of retail centers and industrial parks, and the inefficient utilization of infrastructure. For example, as roads in the suburbs have become choked with traffic, volumes on the miles of urban roads have declined. Or, as schools are being closed in some areas, new ones are being built in neighboring districts.

On the other hand, large private developments are highly regulated by Japan's central and prefectural governments. This is especially true of large retail establishments. Such projects are evaluated as to their compatibility with surrounding uses and their impacts on local businesses (Upham, 1993b, 1996). If they are deemed inappropriate, they can be stopped or decreased in size by the central government.

While this is rather restrictive for the U.S., development regulation is still possible without prohibition. Again, the State of Florida's planning regulations serve as an excellent example. Florida is one of the few states that has strict Concurrency Laws. Under the state's Concurrency Laws, developers are assessed impact fees based on the square footage of their project. These exactions then go into a fund that the local governments can spend for improvements to schools, roads, water & sewer lines, parks & recreational facilities, and transit, as well as on environmental protection. In addition, before approving any new large scale projects, local officials must evaluate and describe in writing how the project will affect other areas (State of Florida, 1998c).

Michigan's lax development regulations, suburban tax abatements, large disparities in local tax burdens and in the quality of municipal infrastructure, have been some of the major causes of uneven development in the Detroit Auto Region. The resulting economic disinvestment in the region's urban core has led to fiscal instability. This has made it extremely difficult for these cities to replace their older outdated infrastructure and provide adequate urban services; thus, it has created a vicious cycle of disinvestment, higher taxes, and reduced services in Detroit and the region's older cities.

Policy Recommendation:

The State of Michigan should set aside an adequate proportion of sales, cigarette, and liquor taxes to create an Infrastructure/Urban Services Grant Program. Awards should be based on a community's urban service needs and fiscal capacity. County Tax Assessor records on the assessed value of property, rather than actual taxes collected, should be used to determine a municipality's potential tax revenue. The cost of living, in each

region within the state, must also be factored into this formula, to account for differences that exist across the state. A re-authorization of Federal General Revenue Sharing would also be desirable. However, if instituted, it should be calculated based upon an area's fiscal capacity, as well as its population.

Political Feasibility (totally impossible-1 to extremely possible-10): 6 or 7

Proposal A has already been one attempt to de-emphasize the connection between property taxes and local urban service disparities. When this law was passed in 1994, Michigan's state sales tax was raised to six cents, with four of every six cents to be dedicated to the state's school-aid fund (Browne & VerBurg, 1995).

Policy Recommendation:

The State of Michigan should prohibit the use of municipal tax abatements, especially as a method of recruiting companies to relocate from other Michigan municipalities.

Political Feasibility (totally impossible-1 to extremely possible-10): 7 or 8

The Michigan Economic Growth Authority Program (MEGA) is already one attempt to discourage local abatements or keep employment in the state, through the use of state rather than local tax subsidies. If the Nagoya Region provides a good example, a state infrastructure fund which allocates funds based on fiscal capacity, will greatly reduce the need and incentive for local tax abatements.

Policy Recommendation:

The Michigan State Legislature should adopt a stronger development review process regarding large developments, especially major shopping malls such as Auburn Hills's Great Lakes Crossing. The state should also authorize local governments the power to the

levy impact fees on large developments projects. These fees should then be placed into an account for each region in the state to use for infrastructure improvements. Regional Planning Commissions should be created to assess the developments impacts of projects in their and assess fees accordingly. Infrastructure improvements should then be made based on a priority list of projects identified in each area's adopted regional land use plan.

Political Feasibility (totally impossible-1 to extremely possible-10): 3 or 4

Many local officials in the region believe that greater state oversight is needed on large development projects. They feel strongest about adopting regulations that require townships to conduct land use planning and hire professional planning staff. They claim that many townships have been pro-growth, but have not had the proper staff to evaluate the impacts that their large developments have had on other parts of the region.

However, Michigan is now a pro-business state. This combined with a fiscally conservative Governor, make it highly unlikely that development impact fees or stricter development regulations/standards, such as in Florida, would pass the Michigan Legislature.

II-E. Transit and Employment Accessibility for the Poor

A final policy area that needs addressing in the Detroit Auto Region concerns improving the employment access of the region's low-income residents. As discussed in Chapter 7, public transportation (train, bus, and subway), has been a major reason why Nagoya city has remained the locus of retail, service, and financial activity in the Nagoya Auto Region. Nagoya Station, which incidently, is currently undergoing another

expansion, has been vital to the city's continued success. Public transit has also been why other major cities in the region, such as Yokkaichi, Gifu, and Hamamatsu, have continued to have vibrant central business districts. Finally, transit has also enabled non-car owners to have consistent access to jobs throughout the Nagoya Auto Region.

Conversely, the spatial dispersion of economic activities, and the lack of public transportation options, have severely limited the employment opportunities of non-car owners in the Detroit Auto Region. This lack of accessibility has also had profound effects on their overall quality of life. Short (1989:59) writes, that transportation improvements have "only addressed the concerns of the car-user, and even in this respect, they were only partial solutions." He adds that the proliferation of urban highways has generated more traffic, has been extremely expensive and has "involved the destruction of existing communities as neighborhoods" (ibid.:59). He suggests three ways in which to help the carless: 1) reducing the cost of cars; 2) improving public transportation or 3) reordering the city (ibid.:59).

While it is too late and politically impractical to re-organize metropolitan Detroit, such that the center of employment is returned to the City of Detroit, it is not too late to devise a method to bring Detroit residents to existing suburban work sites. This can be done through a well thought out public transportation system. Options include: fixed-route inter-city buses; demand-response vans/buses systems; subways; monorail; light rail; and automated guidance systems. As Short wrote:

whatever the scheme adopted,...few public transport schemes are self-financing. The necessary subsidies can become an easy target for criticism and political point-scoring. It is important to consider all the costs and

benefits of alternative transport schemes. The high energy costs of private car usage, congestion, accidents, air pollution and the need for adequate parking are all hidden costs, which need to be uncovered in any comparison of public and private schemes... The real question is not the choice between public and private, but how we make private transport (which has a lot of benefits) less antisocial and less expensive, and how we ensure that public transport (which has many constraints) becomes more responsive to client preferences and needs (ibid.:1989:59-60).

Subway, monorail, and light rail service are all extremely expensive systems, and are basically, only practical in an area with a concentrated center of employment. Light rail, using existing freight line right-of-way, may be possible for some parts of the Detroit Region. However, residential and economic activities are much too dispersed to warrant the huge expense. Moreover, for the region to receive federal support for such a capital-intensive project, would require a local consensus that rail service is region's highest surface transportation priority. This would probably require the region to sacrifice a lion's share of its highway money to support such a plan. This can not be expected in the home of the auto industry. Even if such a system was accepted by local governments, it is highly doubtful that an extensive enough system could be built to transport poor residents in Detroit and its inner ring, to the region's multiple work sites.

On the other hand, bus service is a much less costly alternative. Nevertheless, an effective fixed-route bus system also requires employment concentrations and high residential densities. Lacking this, the most feasible transit alternative for the Detroit Auto Region would be the creation of a demand-response system.

Demand-response bus service, or paratransit, is a transportation system that serves clients from many origins and many destinations (SRPEDD, 1993). "It is referred to as

demand-response because all trips are arranged by appointment” (ibid.:Chapter 12:1). In the past, such systems have generally only been provided to a small number of clients, primarily the elderly and handicapped, by human service agencies and private taxi/limousine companies. However, demand for paratransit has continued to grow over time (ibid.). In addition, the small buses or vans that would be used to shuttle workers from the City of Detroit to suburban employment sites would be less costly to operate and to maintain than commuter rail or fixed-route vehicles.

Finally, as long as a demand-response system is included in SEMCOG’s Regional Transportation Plan and the State Transportation Improvement Program, it is eligible for federal TEA-21 funds in two categories: “Bus Programs” and “Job Access” (STPP, 1999). The latter program provides discretionary grants to transit service providers who create transportation systems that seek to improve the employment access of low-income city residents (ibid.)

Policy Recommendation:

The State of Michigan should create a dedicated tax, or use a portion of existing gas taxes, specifically to develop a demand-response system. The primary purpose of this system should be to transport City of Detroit, and other area residents, who are financially or physically unable to own a dependable car, to and from work daily. Moreover, the State and SEMCOG should list such a program as one of the top priorities in their Transportation Improvement Programs. This will make it eligible for TEA-21 funds. Finally, the federal government should create more incentives/provide more grants for

metropolitan areas to implement demand-response transit services. TEA-21 Jobs Access funds are a start, but a strong state commitment is necessary for such a project to succeed.

Political Feasibility (totally impossible-1 to extremely possible-10): 6-7

According to municipal economic development directors, private employers in the Detroit Auto Region would most likely support such a program. Some companies are already providing their own van pooling services, but their numbers are few. One of the biggest obstacles to any new transit system in the region would be the political battle over who should oversee the program. Southeastern Michigan Transit Authority (SEMTA) and the City of Detroit have had too many coordination problems in the past, to allow either administration responsibility for such a program. Therefore, the state government should delegate SEMCOG as its agent to administer this program.

Since such a program would be eligible for TEA-21 monies, a small system could easily be started. Nevertheless, the possibility of a state dedicated tax to expand and possibly take over the maintenance of such a program during periods of federal cuts, seems unlikely under Michigan's current political climate.

III. Policy Recommendations for Nagoya Auto Region and Japan

Local officials in the Nagoya Auto Region generally agreed on four major policy issues which needed attention over the next few years: 1) local autonomy/financial dependency; 2) land prices; 3) the greying of the population; and 4) the revitalization of downtown retail districts. This section briefly introduces these issues, offers policies to address them, and briefly discusses the political feasibility of each recommendation.

III-A. Local Autonomy and Financial Dependency

As discussed in Chapter 7, in contrast to Michigan's strong home rule, municipal governments in the Nagoya Auto Region have limited administrative and financial autonomy. Through administrative guidance, national development regulations (such as City Planning Law), and limited taxing powers, municipalities are still highly supervised by the central and prefectural governments. While this situation sounds more oppressive than it really is, many local governments in the Nagoya Auto Region have clearly been prevented from developing and implementing innovative policies to address problems that are unique to their cities. This terribly frustrates them, especially those who feel that if allowed, they could create something positive for their city.

Although this is the case for many municipalities, all officials in the Nagoya Region do not work under the same conditions. As Reed (1982, 1986) found, local financial strength in Japan translates into administrative authority and flexibility. As was presented in Chapter 7 and 8, municipal population and/or employment size generates local wealth in Japan. Size then produces status in Japan's hierarchy of cities, which provides a local unit with greater administrative authority and flexibility.

Nevertheless, with the exception of a few elite cities, most municipalities in the Nagoya Auto Region must choose from a small menu of policy choices offered to them by their prefectural government. Prefectures, which are also ranked in a size/wealth status hierarchy, receive their own menu from the central government. The prefecture then acts as the middleman between the municipalities and the central government, ensuring that the locals implement programs that are consistent with national and regional plans. Yet,

despite this role, prefectures no longer act as agents of the state; they haven't for over 25 years now. Instead they provide policy guidance, information, and assistance to their municipalities. They coordinate inter-municipal planning and foster cooperation among neighboring communities.

Still, some communities in the Nagoya Auto Region feel their hands are tied by the prefectural government. In the words of one official:

Our area is unique from the rest of our prefecture. We need to be allowed to have some more uniqueness in our city plans. The ken is looking at the whole prefecture and makes policies based upon that direction. That is fine, but sometimes we don't fit within this plan. Yet, we still have to conform to these policies. This makes us feel very restricted.

Japan's central government plans to rectify this situation by providing local governments with more administrative autonomy. However, municipal officials worry that the central government's decentralization efforts will give them administrative responsibilities, without a commensurate amount of financial authority. This, they believe, will result in a poorer quality of urban services for their citizens.

In contrast, as was detailed in Chapter 6 and 8, municipal governments in Detroit have too much local autonomy; or at least they have enough administrative and financial flexibility to not compel them to cooperate, or even interact, with their neighbors. They also generally have the financial power and administrative flexibility to implement innovative new policies and programs to solve unique local problems. It is true that some units can not solve their problems on their own. However, this is because their problems are much bigger than their corporate limits. This is where their lack of cooperation has made it impossible for major local and regional problems to be solved, despite their

relative flexibility compared to their Nagoya colleagues. Thus, somewhere in between Michigan's strong home rule and Japan's limited local authority lies the future path for Nagoya's/Japan's municipalities.

Policy Recommendation:

Japan's central government should cautiously follow through with its plans for decentralization. Government reformers should not rush headlong, just because national newspapers, academics, and foreign governments suggest they should. First, they need to decide clearly, how much financial authority municipal governments should have. After doing so, they should determine what constitutes the equivalent amount of new administrative responsibilities. Reformers should not merely decentralize administrative duties first, and then later provide some financial autonomy.

Currently, municipal governments collect in local taxes, about one-third of what they spend. With the exception of local bonds, which also must be approved by the central government, they receive the remainder of their funds from the central government (some are passed through from the prefectures). Thus, it is often said that local governments have only one-third autonomy, or discretion over one-third of their revenue. If the central government is willing to adjust this share so that municipalities can collect and have complete discretion over 50% of their revenue, then, municipalities should have authority over an equivalent amount of administrative responsibilities; no more, no less.

How this is estimated could be very tricky, and it should not be done politically. The central government already has an objective method in which to calculate the average cost of basic local services: the Ministry of Home Affairs' Local Allocation Tax formula. This

can be utilized to determine what amount of service responsibilities goes with what amount of financial authority.

With control over 50% of their revenues, local governments should then have the added flexibility they need to address their own special needs. The remaining 50% of their revenues can still be passed down by the central government, (through subsidies and the Local Allocation Tax), with the same administrative regulations as before. Moreover, municipalities should still be required and helped to provide local residents with a prescribed adequate level of urban services. They must also continue to participate in cooperative planning for their city planning area, broader administrative metropolis, and administrative region, including the designating of Urbanization Promotion and Urbanization Control Areas, subject to prefectural approval.

Thus, instead of the 30% autonomy they are reported to have, local governments will now have 50% autonomy. While this is less than the two-thirds autonomy that municipalities in Detroit possess, roughly, (see Chapter 8) this substantial increase should prove workable. Moreover, by maintaining the inter-municipal planning and cooperation elements that are coordinated by the prefecture, municipalities will remain accountable for their actions. This has not been the case in Michigan.

Political Feasibility (totally impossible-1 to extremely possible-10): 7

Both the central government, prefectural, and municipal governments are looking for a fair way of decentralizing administrative and financial authority. While local officials are extremely skeptical that the central government will ever relinquish financial powers, the state will have no other choice, if they want to decentralize service responsibilities.

Otherwise, they will have chaos at the local level. The current recession is already strengthening the calls by prefectural and municipal governments for reform. The situation can only be helped by the unfortunate fact that even the Tokyo Metropolitan Government, supposedly the richest prefecture in Japan, is having tremendous financial difficulty (Morishita, 1999). A 50-50 split seems a reasonable compromise between local autonomy and unitary control.

III-B. Land Prices and Quality of Life Issues

Local officials in the Nagoya Auto Region maintained that one of the biggest potential threats to the continued success of large cities in the region was ultra high land prices. They stated that this situation had already forced people and industries to move to suburban areas, where prices are lower. Although “Japan’s commodity-price inflation has long been among the lowest of industrial countries, the rate of land-price inflation in the 1980’s had no parallel” (McCormack, 1996:91).

The soaring price of land in the late 1980’s, in Japan’s major urban centers, especially the Tōkyō-Yokohama Metropolitan Region, sparked national debate over land and housing policies. Although the crisis of land price inflation was generally attributed to excess liquidity and [rampant] speculation, deeper more fundamental causes were widely recognized (Haley & Yamamura, 1992:1).

Noguchi (1992:11) writes that while it is true that land prices were inflated by the speculative bubble of the late 1980’s, “even if the short-run bubble element is removed, land prices in Japan are still high, compared to those in other countries.” He claims that the major cause of high land prices is not the often perceived physical scarcity of land, but

rather “economic factors that prevent the effective use of land” (ibid.:12). He maintains that the supply of developable land is substantially decreased by a tax system that makes it more profitable to hold land than it does to sell or develop it.

Yamamura (1992) and Koo (1998) agree with Noguchi on these last two points.

Yamamura blames the Liberal Democratic Party (LDP) for creating land-related policies that were geared primarily, to perpetuate their hold on political power. On other hand, Koo finds fault with the bureaucracy. He adds that construction regulations, such as those that severely limit building heights and floor area ratios in major cities, have resulted in the underutilization of urban land.

Archordoguy (1992:77) writes that in the Tōkyō-Nagoya-Ōsaka corridor, land prices are so high that the average white-collar worker can “no longer afford to buy even a small condominium within reasonable commuting distance of work.” She argues that this situation has led to growing inequality, with the “haves” being those who can own land, and the “have-nots” being those who can not. She contends that a lack of inter-ministry coordination at the national level has been the major reason why this issue has not been properly resolved. She states that too many ministries have input regarding land issues, and turfism has prevented consensus (i.e., the Ministries of Agriculture, Construction, Finance, Home Affairs, MITI, and National Land Agency). Mera (1998) also argued that inter-ministry competition, and a lack of national leadership, have resulted in a failure to create policies to ameliorate this problem.

Tachibanaki (1992) also cautions that high land prices continue to be a potential source of inequality. Similar to Noguchi, Yamamura, and Koo, he points a finger at

Japan's land tax system. Moreover, he believes that if this problem is not solved, it will threaten Japan's future economic success by limiting the employment opportunities of the average worker.

Hanley (1992), Wegener (1994), and McCormack (1996) maintain that artificially high land prices, particularly in Japan's largest metropolitan areas, have greatly impacted the lifestyle decisions of Japanese people. They write that high land prices have forced Japanese people to live in small, cramped housing and have less children; driven them to save, rather than consume; limited their social interactions at home, which has resulted in lavish entertainment spending; increased work and school commuting times; pushed the elderly into the countryside, far away from their children and grandchildren; and widened social divisions between males and females. Wood (1992:52) went so far as to say that the "land spiral has diluted the social glue that holds Japan together."

Kuroda (1992) argues that the central government's agricultural support programs have greatly contributed to land inflation. He claims that rice support has acted as a land price subsidy, discouraging land owners from selling their land and preventing the transition from small to large-scale farms. This has further reduced the supply of land for non-farm uses, causing the price of developable land to further rise.

Finally, high land prices have cut into company profits. As the cost of land has risen and worker commutes have lengthened, company-supplied housing and transportation allowances have also skyrocketed. By the same token, the fall in land prices that has occurred since the beginning of the 1990's, has also cut into corporate profits— as many

large companies believing prices would continue to rise, heavily invested in land during the 1980's (Wood, 1992).

Perhaps one lesson that Nagoya and Japan can learn from the Detroit, is that land should be assessed and taxed based on its location, rather than its land use. In other words, the assessed value of land of two equal and adjacent parcels of land, one with a farm and one with a factory, should be the same. So should be the tax rates paid on them. Moreover, while detrimental in many ways, the decentralization of white-collar employment in the Detroit Region has produced some benefits for the middle class. Decentralization has meant high-priced land has been dispersed. As a result, the cost of land has not impeded the development of single-family housing within a short distance of major work centers. This has made housing in the Detroit Auto Region more affordable, open space more plentiful, and commuting times relatively short, at least when compared to other large metropolitan regions, such as New York, Chicago, and Los Angeles. In other words, while decentralization is not desirable, over-concentration in Japan's Tōkaidō Megalopolis (Tōkyō-Nagoya-Ōsaka corridor), has also had significant negative consequences on the Nagoya Auto Region.

Policy Recommendation:

The Agricultural Fundamental Law (of 1961) is again due for revision in the year 2000. At that time, the central government should reduce or eliminate rice price-support programs on land in major cities, and assess taxes evenly on agricultural and non-agricultural lands located in major metropolitan areas. The government should also loosen or eliminate development restrictions on agricultural land within Japan's largest

cites (i.e., Designated and Core Cities). This should encourage the more efficient use of agricultural land in less urbanized parts of Japan, and increase the supply of developable land in the Nagoya Region. This should help to reduce land prices. Lower land prices should make housing more affordable, lessen commute times, and increase the size of housing units. Perhaps, this will encourage families to have more children and/or consume more durable goods, which would stimulate the economy.

Political Feasibility (totally impossible-1 to extremely possible-10): 5

Even though rice subsidies were reduced in the 1990's, the LDP remains closely tied to Japan's agricultural community. Despite continued foreign pressure to change, the central government continues to protect small rice farmers (Morishita, 1998). Moreover, in recent years, the Ministry of Agriculture has gained more power over development, at least in the Nagoya Region. Therefore, any further cuts in rice supports or a lessening of development restrictions on agricultural lands, would require reciprocal benefits to farmers in the form of income subsidies. Otherwise, the Japanese Diet would reject such proposals. However, limiting these changes to land only within Japan's Designated and Core Cities, all of which still have a surprising amount of agricultural land in the Nagoya Region, should reduce resistance to such measures.

Finally, although reduced land prices would benefit all of Japan in the long run, large companies and the financial sector still depend heavily on high land prices. If land prices drastically fall, corporate assets will decline and capital investment will slow; as inflated land prices continue to serve as a valuable source of collateral for companies wishing to secure bank financing (Inamoto, 1998). Until this changes significantly, and there are

some signs that it might be, as a result of the country's banking crisis, there will never be enough political will to introduce measures that cause urban land prices to fall. That is, unless a scientific correlation between land prices and fertility rates could be clearly demonstrated to lawmakers.

III-C. The Aging Society: Women and the Over 55 in Work Force

A third issue that requires attention, according to local official in Japan, involves the aging or greying of Japanese society; in other words, a long life expectancy, combined with declining birthrates. Local officials expect to provide an increasing share of social services for the elderly, but they are unsure how they will pay for these services. They fear that the benefits that will be provided to the elderly by Japan's public pension system will not be sufficient enough to sustain them, and there will not be enough young people to pay for elderly services.

As mentioned above, Hanley (1992), Wegener (1994), and McCormack (1996) maintained that declining birth rates have been caused by Japan's inordinately high urban land prices. However, from the radical perspective, Burkett & Hart-Landsberg (1996) contend that this situation is merely one of many negative side effects caused by the highly exploitative nature of Japanese-style capitalism. They argue, that despite the fact that for several years now the western scholars have praised the Japanese employment system, even the most privileged of the country's workers, those who work for Japan's largest companies, represent how non-progressive this system has been.

'Lifetime employment' is based on early retirement at or below 55 years of age, after which core workers are normally farmed out to smaller-and medium-sized enterprises, at much lower wages. Accelerated seniority wage scales, retirement bonuses, and other corporate welfare features are used (in conjunction with an underdeveloped welfare state) to raise worker's cost of job loss,' and force them to accept long work-hours and high labor intensities that would be socially unacceptable to U.S. workers. Meanwhile, female workers are predominantly marginalized from core production jobs (not to speak of managerial positions), and relegated to super-exploitation in smaller manufacturing and service enterprises, with this class process being legitimized by Japan's patriarchal 'family' ideology... The subjection of Japanese workers [is]...underpinned by the threat of being relegated to even more exploitative and insecure-labor market segments, based on gender-and education-based factionalization... Growing numbers of Japanese workers are literally working themselves to death for stagnating or falling wages, at the same time that the country faces a growing crisis of female and youth unemployment and underemployment (Burkett & Hart-Landsberg, 1996:72-74, 77) .

While this description represents the extreme case, its underlying points do provide insight into some of the problems behind Japan's greying society. First, Japan's seniority-based wage employment system has been built upon the premise that workers will retire from their full-time occupations at a rather young age. Until 1980, when the country's 15 largest steelmakers consented to raise their mandatory retirement age to 60, employees in the majority of Japan's largest companies were generally required to retire around the time they were 55 (Hiwatari, 1998; Koike 1996). Still, as Burkett & Hart-Landsberg mentioned, many of these retirees did find work, albeit at a reduced salary, for smaller firms where the retirement age was generally closer to 60 (Koike, 1996).

By 1984, private railway companies and large textile employers had also raised their retirement age to 60 (Hiwatari, 1998). However, it wasn't until 1986, when the Japanese government enacted the Elderly Employment Stabilization Law, that age-60 retirement

was fully accepted by the country's major employers (*ibid.*). In addition, at that time, the Japanese government began to urge companies to allow their employees to stay on the job until they were at least 65 (Harada, 1998). This was fortunate, considering that in 1985, the average life expectancy in Japan had reached almost 75 years of age for men and 80 for women (*ibid.*). This meant on average, Japanese citizens were receiving pension benefits for 15-20 years.

With the average life-span now at 77 and 83, respectively, and the Japanese government's pension's fund running low, in 1999, the central government finally decided to raise the minimum age to receive earnings-related pension benefits to 65. This change will go into effect beginning in the year 2013, when the retirement age is raised to 61. Every three years after 2013, the age minimum will again be raised by one year until it reaches 65 in 2025 (Nikkei Weekly, 1999d). The government also began encouraging employers to allow their workers to stay on the job until they were 70 (Harada, 1998). However, Japan's current economic downturn has seen a continual rise in the unemployment rate for persons over 55; as many of these workers have been unable to find re-employment after they were asked to retire by their original companies (Nikkei Weekly, 1999c).² In addition, the public corporation managing Japan's national pension system was about \$10 million in the red, in Fiscal Year 1998 (Nikkei Weekly, 1998d).

Second, Japan's employment system continues to be much more patriarchal than in most industrialized nations. According to Osawa's (1998:166) theory of "Japanese companyism," it is the responsibility of women to raise "the next generation of workers, i.e., the children," and to "ensure the ongoing ability of her husband to perform at work."

Uno (1993), claims that the role of women in the country's social division of labor remains similar to what it was in feudal times. She writes that private companies continue to formulate their employment policies under the assumption, "that wifehood and motherhood [come] first for women" (Uno, 1993:303). Men, on the other hand, are expected to be loyal company soldiers, who place their company's success above all else, and to show this dedication by working inordinately long hours. Lebra (1992) calls this dichotomy of roles domestic matriarchy in tandem with public patriarchy.

In any case, women are severely underemployed, underpaid, underutilized, and segregated, both within companies and among companies, especially when compared to other advanced industrial nations (Osawa, 1998). Women are extremely under-represented in managerial, professional, and technical jobs compared to the U.S., and over-represented in clerical, sales, and production related employment (Osawa, 1998; Lebra, 1992). Moreover, female workers are more concentrated in small companies than males, and comprise over almost 80 percent of the part-time workforce (Osawa, 1998). Conversely, "the percentage of men in small companies is 45 percent...[and] 70 percent of regular workers are men" (ibid.:153, 158). Finally, in addition to earning substantially lower salaries than men, women have much less job security, and have limited chances for upward mobility (Upham, 1993a).

All of this is related to the implied role of women in Japanese society. Thus, despite the growing participation of married women in the workforce, the "rigid division of labor between the sexes in family life and at the workplace" continues unabated (Harada, 1998:179). Women are still expected to "retire" from their full-time employment careers

after they become married, or at the very latest, after they have children (Upham, 1993a; Lebra, 1992). They are then supposed to become full-time caretakers of their children and husband. Since typically Japanese companies prefer to train their own right out of college, women who “retire” but then need to return to the labor force to help support their families, usually have limited employment options (*ibid.*).³ Moreover, as the country’s private daycare system is not yet well developed, women with children can generally accept only part-time employment (Harada, 1998). According to Hanley (1993), this combination of factors has induced more and more women to delay marriage and having children.

In sum, gender-based workforce discrimination, inadequate private daycare, and the previously discussed high cost of housing, may have resulted in a precipitous drop in fertility rates since 1989. At the same time, the life expectancy of Japanese people has continued to lengthen. The end product has been the greying of Japanese society.

On the other hand, workers in Japan are expected to retire at a rather young age, especially when compared to their life expectancy. Yet, the country’s social welfare system is ill prepared to economically support this situation. For many years, based upon the ideology that caring for the elderly was the responsibility of the family, Japan’s national and private pension systems are now inadequate to meet current, let alone expected future demands (Harada, 1998). The same can be said for its elderly care facilities (*ibid.*). Declining birthrates have further compounded this problem, as there continues to be fewer full-time workers to financially support the nation’s welfare system. Finally, although they expect to share a greater portion of the load in the future, most

local governments, even in the prosperous Nagoya Auto Region, are not financially equipped to handle any greater responsibility for social services.

Policy Recommendation:

Changes in Japan's employment and social systems are necessary to both strengthen social security for the aged and reverse declining birth rates. Taking a lesson from the Detroit Auto Region, and the U.S. in general, Japanese companies must completely incorporate and integrate women and individuals over 55 years of age into the full-time work force. This may also be the only way to re-stimulate the Japanese economy. However, this requires revisions to the seniority-based wage system.

First, the Ministry of Labor must immediately raise Japan's mandatory retirement age from 60 to 65. Private and public employers should not be entitled to require their employees to retire at age 60, when they have a life expectancy of roughly 80 years. At the same time, the central government should move forward the effective dates that raise the minimum age for all Japanese citizens to receive earnings-related pension benefits.

A 1994 revision to Japan's Employees' Pension Insurance Program (EPIP), is scheduled to gradually raise the minimum eligible age for males to collect their basic flat-rate EPIP benefits, from 60 to 65, beginning in 2001 (Iwamura, 1995; Seike, 1996; Watanabe, 1998). However, the minimum age for earnings-related EPIP benefits will not change until 2013. Age adjustments to employee-related pensions and flat-rate benefits should go into effect at the same time, regardless of gender. These changes should be promulgated in 2001, or at the latest 2006, when the women's flat-rate benefit age will be gradually raised (Watanabe, 1998).

As for Japan's seniority-based wage system, unlike what some suggest, it should not be eliminated. This system has been one of propelling forces behind Japan's post-war growth. Rather it should be altered to allow older individuals the chance to work longer for their original company. A tremendous amount of knowledge is now being lost to companies who retire their workers while they are still in the prime of their lives. Once a worker reaches a certain age— which should vary based on the worker and the industry— either, their hours should be cut back slightly, or their hourly-wage rate reduced, or some combination thereof. This could be done incrementally, similar to the way in which salary increases have been rewarded to workers upon gaining experience. Otherwise, companies will not be able afford to keep their older workers.

For example, some companies raise their employees' base salaries by five percent a year. These firms could set their peak wage age at 60 (former the retirement age). Thereafter, an employee's salary could be reduced by five percent a year, or his/her work week could be reduced by one-and-a-half hours per week, per year. To further illustrate this point, take a person who was making a base salary of \$50,000 at age 60. On an average work week of 40 hours, with two weeks vacation, this employee would work 2,000 regular hours per year, at a rate of \$25 per work hour. If their salary was reduced five percent per year, they would be making a salary of \$38,689 at age 65. If they decided to work until age 70, they would be making slightly less than \$30,000 per year.

On the other hand, if this same worker had their hourly work week reduced by 1.5 hours every year beginning at age 60, at 65 they would be working 31 hours a week. Over 50 weeks at the same \$25 per hour rate, they would then earn about \$38,750 per year. By

age 70 they would be working 23.5 hours a week for \$29,375 per year. Either way, the employee would be allowed to continue at a decent wage, and the company would hold onto a valuable asset. Moreover, the employee would continue to be a productive tax and pension paying member of society. Lastly, under the central government's current plan, their pension benefits would also be significantly reduced (Nikkei Weekly, 1999d). Of course, such a system would require amendments to Japan's Labor Laws, in order to properly regulate these changes.

As for women, they should not be penalized by the fact that they bear children. While gender-based discrimination has been prohibited in the workplace since the passage of the Labor Standards Law in 1947, few women have been able to move into the management-track of the Japanese employment system (Upham, 1993a). Even after the Equal Employment Opportunity Act (EEOA) went into effect in 1986, Japanese companies still found subtle ways to discriminate against women. This included:

increased overtime, inconvenient shift work, and sudden transfers. The EEOA also did nothing to hinder the trend toward increasing use of part-time employees, most of whom were women. Nor did it reverse the decline in women's relative wages (ibid.:337).

Japan's employment system should be changed to allow women to re-enter the workforce as full-time employees with wages commensurate to their education and skills. Japanese society must also be more willing to accept women as full-time wage earners. This includes enforcing regulations that require employers to not treat women differently than men. It also requires a fundamental change in the way men are utilized by Japanese companies. Men must be entitled to share with women, the responsibilities of raising

children and caring for their elderly relatives. They can no longer be expected to work all their waking hours in the name of the company. Moreover, Japan's private/public daycare and elderly care programs need to be greatly improved. It also must become publicly acceptable for these institutions to contribute their rightful share in the caring of the aged and the young. After all, if it takes a village to raise a child, women should not be expected to carry this burden alone. Until such changes are made, it is doubtful that the birthrate in Japan will rise. That is, if there is only one full-time wage earner and only one caretaker, Japanese couples will continue to be unable to both financially and emotionally afford more than one child:

Political Feasibility (totally impossible-1 to extremely possible-10): 7

Over the years, the Japanese government has continually urged the private sector to broaden employment opportunities for the aged. As the Japanese economy recovers from its current recession, large companies will be more willing to incorporate older workers, if a modified pay-scale can be agreed upon. Otherwise, small companies will be more than happy to take on their wealth of experience. Nevertheless, in its attempt at fairness, the government has moved too slowly to raise both the mandatory retirement age and the minimum age threshold to receive earnings-related pension benefits.

An equally important key to Japan's future, is the full integration of women into the workforce. Without this, the Japanese economy will be hard pressed to progress into the next stage of mature capitalism. The recent revisions to the Labor Standards and the Child & Family Care Leave Laws have been positive steps in this direction. According to these changes, all firms will be required to allow both women and men the right to take to

up to three months leave in order to care for an ill family member. In addition, they will have the right to request exemptions from night work, in order to care for an otherwise unsupervised or sick child. (Yamakawa, 1998; Imada, 1998).

The Ministry of Health & Welfare has also recently started a campaign to encourage fathers to take a more active role in child rearing. However, the transformation of gender roles in Japan has been and will continue to be, a slow and arduous path. As of yet, the enforcement of Equal Opportunity Laws has been lax. It has taken the U.S. more than 30 years to reach its current stage of female employment acceptance. Hopefully, it won't take Japan that long to catch up.

III-D. The Revitalization of Downtown Retail Districts

Along with figuring out how to pay for the greying of Japanese society, Nagoya area officials believed that downtown redevelopment, especially the revitalization of older retail districts, was the second most important issue “that will determine whether or not the 21st Century is bright or difficult.”⁴

The traditional “downtowns” of most cities in the Nagoya Auto Region were built around either commuter rail stations or historic castles. The train station area has often served as the central retail district of many of these cities. However, over the past 10-15 years, these areas, (save Nagoya), have seen their shares of retail sales decline. As modifications were made to Japan's Large-Scale Retail Stores Law, a rise in department stores began to threaten the success of those small businesses that have traditionally occupied a large portion of the space in downtown retail districts (Upham, 1996).⁵ While

many of these department stores were located within train station terminals or adjacent to them, larger superstore chains were built on former factory sites in smaller cities and on the outskirts of the region's largest cities.⁶ As small retailers have either gone out of business or moved to new locations within the city, the traditional downtowns of many cities in the Nagoya Auto Region have suffered disinvestment.

As a result of international pressure from large U.S. retailers attempting to get into the Japanese market, the Large Scale Retail Law was again amended in 1998 (effective in 2000). The new law will decentralize to the prefectural and municipal governments, some of the authority to regulate retail centers. It will do this by increasing the size threshold before a project is subject to central government review. Many officials in the Nagoya Region feel their efforts to rebuild their downtowns will be adversely affected by these revisions. This is because smaller cities wishing to grow will be more than willing to accommodate outlet malls, large shopping & entertainment centers, and large discount retailers such as Wal-mart. Officials expect many more small downtown stores will be unable to compete and go out of business, while those that survive will move to these new malls. They felt this will primarily hurt elderly and young residents of city who are unable to drive to these new suburban malls. They also believe that these malls will increase automobile use and thereby, traffic congestion.

Finally, some city officials worry that the social fabric of these old downtown areas will be torn apart by these changes. According to local officials, new businesses that rent space in their old downtown retail districts have generally been short-term tenants, without any commitment to the area. On the other hand, small businesses had

traditionally, played more roles than just merchants to these locations. They maintained their area, acted as the eyes and ears of the community, and provided a feeling of familiarity and stability for elderly residents. This connection, local officials fear, will be lost in the future.

Policy Recommendation:

To ensure elderly and youth access, reduce traffic congestion, and maintain train usage, cities and prefectures should require new malls to locate near existing passenger train lines. Parking spaces should be limited to encourage train usage. With Japan's population greying, downtown retail districts should be redeveloped, with unique niche stores and uses that will serve elderly residents and attract other transit dependent residents. Rail stations in general, but especially in these areas, need to be significantly upgraded to better accommodate the physically disabled and impaired. The current lack of elevators and handicapped ramps will become even more detrimental to downtown business as Japan's population continues to age.

Political Feasibility (totally impossible-1 to extremely possible-10): 8

Local commerce & industry officials and city planners are already thinking of innovative ideas to redevelop their old downtowns and protect them from further disinvestment. Moreover, the central government has shown that it is committed to the rebuilding of city downtowns by recently passing the Law for the Promotion of Downtown Revitalization. Finally, some local officials feel the deregulation of large stores will help their downtowns redevelop, as locational advantages (population density and transit) will attract more superstores to these areas. In addition, in the past, large

stores were often denied access to some areas, or downsized by the central government, due to the successful lobbying efforts of small downtown retailers.

IV. Study Conclusion

This dissertation was written for the purpose of providing more knowledge about the relationship among political-economic context, intergovernmental relations, and metropolitan development in the Detroit Region and the U.S. The comparison of Detroit and Nagoya has illustrated how different contextual environments can produce quite dissimilar inter-municipal relations, and how these two phenomena then, can combine to foster dichotomous patterns of metropolitan development.

Knowing this, it is my hope that this report will spark greater debate among national, state, and local policymakers regarding the problems of uneven development in Detroit and in U.S. metropolitan areas. As expected, the Nagoya example has provided one idea of how inter-municipal inequities could be reduced. While the concepts of a managed economy and reduced local autonomy are not transferable, TEA-21, Portland's Metro, and the State of Florida demonstrate that Nagoya's cooperative inter-municipal relations and metropolitan planning can be replicated in Detroit and the U.S..

Another important factor that requires more attention in the literature, regards the region-wide economic and equity benefits of mass transit. Rail service has played a key role in the promotion of balanced development in the Nagoya Auto Region. It has also been a crucial factor behind Nagoya city's continued employment growth. The incorporation of a region-wide demand-response bus service or some other form of

regional mass transit, is a must for the future economic health of the Detroit Auto Region. A quality transit system would be a major step towards improving the employment opportunities of the residents of the City of Detroit and the region's older urban core.

On the other hand, the issues of how rapidly Japan should decentralize and deregulate development also warrant discussion. What has occurred in Detroit over the past three decades should provide some guidance on how to, and how not to, proceed. Careful planning is required to ensure that future local administrative and financial autonomy are equivalent, and that inter-municipal cooperation and planning are not forsaken. The prefectural governments must be allowed to continue to play a coordinating role in this process.

Finally, for those advocating rapid deregulation in Japan, it would be easy to explain away Detroit's inequalities and uneven metropolitan development as problems of racial strife and to believe that this will not happen in Japan. However, while inter-racial conflict has been a major source of inequality, the U.S. Federal Regulatory State has also greatly contributed to this situation. Moreover, it was only 40 years ago, prior to the institution of the current system of developmentalism, that Japan itself, a country with a population that is only one percent minority, suffered from considerable income inequality. While this has been conquered, the society has, as of yet, failed to correct its noticeable, gender-based social hierarchy.

Nevertheless, as Japan's famous Vice Minister of Finance, Mr. Yen himself writes:

Japan requires Japanese style reforms... The law of survival of the fittest lowers the quality of life for most citizens... Although it is essential that we learn from other countries in the internationalized world of today, we

ignore our own history at our peril. Pronouncements and policies that only look outward for guidance, can at most succeed in destroying the old system and fomenting chaos in its stead. Destruction and chaos are certainly one sort of “revolution,” for which we must not take the activities of the self-styled reformist lightly. But in the meantime, we must get on with the work of creation and construction, or we may discover too late, that our core has been extinguished (Sakakibara, 1998:85, 87-88).

In closing, as one Detroit area planner commented, the State doesn’t have to be powerful, but it has to protect its resources, human and natural. That is when it needs to step in. For all the benefits of local autonomy in America, and the economic growth of the 1990's, it is also important to remember the words of John Short (1989:4), who wrote, “human communities can be destroyed more easily than they can be created.” In other words, success can be hollow if it is enjoyed by only a few and your neighbors are left to suffer because of it.

V. Afterword: Reflections On Cross-National Comparative Research

After completing as extensive a research project as a dissertation, it seems appropriate to reflect on the process itself, such as the obstacles that were necessary to overcome, and things that could have been done differently. This seems to be especially pertinent for a study that involved cross-national comparative research. In this section, I chronicle some of the highlights and lowlights of my research in the Detroit and Nagoya Regions.

In her article, “The Imperfections of Comparisons,” Else Oyen, then Chair of the International Sociological Association’s Research Council wrote:

There is no reason to believe there exists an easy and straightforward entry into comparative social research. All the eternal and unsolved problems

inherent in sociological research are unfolded when engaging in cross-national studies (Oyen, 1990:1).

She states that cross-national sociological research can be approached through four different perspectives. On the one hand, a sociologist can “stand firmly in the belief that conducting comparative research across boundaries is no different [from] any [other] kind of sociological research” (ibid.:5). On the other hand, a researcher can take an approach of ignorance and pursue his or her “ideas and data across national boundaries, without ever giving a thought to the possibility that such comparisons may add to the complexity in interpreting the results of the study” (ibid.:5). A third perspective is to be “aware of the many problems of doing cross-national research,” but “consciously ignore” them in an attempt to “make the tools of sociological analysis provide new insights (ibid.:5). Finally, a researcher can take an approach that acknowledges the viewpoints of other perspectives, “but argues that in order to advance our knowledge about cross-national research, it is necessary to raise questions about the distinctive characteristics of comparative studies” (ibid.:5, see Ragan, 1987).

Ragan (1987) warns that it is easy to allow the potential data comparability problems of cross-national data collection, to alter our basic research questions. He suggests that researchers must find a way to “bridge the gap” between these quantitative and qualitative conflicts and remain true to their theories.

Oyen’s and Ragan’s comments illustrate some of the major pitfalls and concerns that arose during my research. Interestingly enough, one of the most difficult aspects of my research, data comparability, was within my own country, not Japan. However, as was

discussed in Chapter 1, while it was difficult to match data sets between Detroit and Nagoya, the same problems would have arisen if I compared Detroit with Chicago, or Miami, or any metropolitan region within the U.S.. This is because, due to U.S. confidentiality laws, which protect companies, municipal employment, by place of work, is extremely difficult to obtain. Neither the U.S. Census, nor the Michigan Employment Securities Commission, releases place of work employment at the municipal level.

In the Detroit Auto Region, the only sources of place of work estimates, have been the regional planning agencies: SEMCOG, and the Genesee County Metropolitan Planning Commission. Municipal employment estimates from these two agencies have been quite reliable since 1990. However, data prior to this date has been more suspect. I had to thoroughly review whatever figures I was able to obtain prior to 1990. This was because, in some instances, employment for small cities and their former townships were reported together as one figure (e.g. Plymouth and Plymouth township for 1970). In other cases, estimates of employment for certain municipalities were never completed (i.e. townships and villages in Genesee County prior to 1990). Moreover, the methodology used to estimate such employment over time, has often changed with employee turnover.

The situation has improved somewhat, since the U.S. Congress passed the Inter-modal Surface Transportation Efficiency Act (ISTEA) in 1991. Consequently, regional planning agencies in the state have had to estimate current municipal and future employment, using 1990 as their base year, to input in their regional transportation plan models.

Conversely, I did not have any difficulties securing employment by place of work for communities in the Nagoya Auto Region. Collecting this data required extra effort only while I was still in the U.S. While in Japan, I was able to easily retrieve employment information over time, from the same reliable source, the Establishment Census of Japan.

As was discussed in the data collection section of Chapter 1, due to my difficulties collecting employment data for the Detroit Region, I struggled to follow Ragan's instructions and still maintain my theoretical approach. There were times when I felt it would be much easier, although less meaningful theoretically, to compare the two regions since 1980/81. There was much less missing data for the Detroit Region in 1980, than there was in 1970, although Genesee County still presented a problem. In any case, since many of the arguments I gleaned from my theoretical research were premised on changes that occurred in 1969 or 1970, such as the beginning of "New Federalism," I was determined to move forward. As Oyen stated, I wanted to provide new insight, among other things, into the causes of uneven development in Detroit and the U.S., and into the comparative literature on the U.S. and Japan.

However, it probably would be most accurate to describe my research approach as a combination of naiveté, impetuosity, and determination. I was so determined to complete my study that I sometimes rushed, headlong, into obstacles that I never thought would arise such as: 1) my interpreter not being quite as exhilarated as I was about traveling to a new city every day, for two straight weeks, to conduct an interview; or 2) finding out about cancellations of scheduled appointments, only after I had already

completed the 80-mile drive from Lansing to that city; or 3) arriving at an interview and being asked to meet with someone other than the intended interviewee.

Events such as these have provided me with many valuable lessons to build upon in my future research, as well as tips for others interested in undertaking cross-national research. Some of my lessons apply primarily to Urbanists; however, most have transferability to other research topics (e.g., confirming appointments, if possible, in advance of traveling to the interview site).

First, I believe it is important to know the municipality in which you will hold an interview, fairly well, prior to conducting an interview in that community. This was sometimes difficult for me in the Detroit Region, especially in February 1998, when I had appointments scheduled in two different cities, on the same day, for a two-week period. Since the Detroit Region was within driving distance, I would drive back to Lansing after each interview. Then, I would get up the next morning, and drive to a new community for another interview. During this February stretch, it was occasionally difficult for me to thoroughly assimilate completed interviews or prepare for new ones. On the other hand, my intense interview schedule also had its advantages, as I often was able to quickly detect patterns which I could follow up on, immediately, in the next city. Overall, I found, the more I knew about a city beforehand, the more directed my interview questions were. It also resulted in more time efficient interviews; which for me, generally led to better information gathering.

One way to learn about an area that I discovered, was to call ahead and ask for materials and maps to be sent to me. Although there was a considerable fee involved, in

some cases, or I was directed to the local library, it was usually worth the effort, even when the material I received was in a foreign language.

Nevertheless, if I were to conduct interviews in Detroit again, I would allow for more spacing between interviews. If money were not an issue, I think it would have been wiser to stay a couple nights in each place. In Japan, I was able to spend a day in each city, meeting with people and experiencing things. It was also helpful that I stayed in the Nagoya Region for two months, during my interviews. With only one interview scheduled per day, and “off” days built in, I was able to really get to know several cities and towns in the Nagoya Region. While I conducted interviews in more municipalities in Detroit than in Nagoya, the number of places I met with proved to be, in some ways, less valuable, than the background research that was gained from staying longer, in each city in Nagoya. In other words, sometimes less may be more.

In the same vein, I was also enlightened by my automobile excursions in the Detroit Region. Having had access to a car, I was able to drive through a number of communities in the region, and survey industrial, commercial, and residential areas. While I was able to visit cities for a longer time in Nagoya, I was unable to visit as many areas in each city, as I would have been if I had had access to a car. Again, if money had not been an issue, or if rates had been lower, I could have rented a car, or taken a taxi cab, and surveyed each city in which I had scheduled an interview.

On the other hand, I was able to view many things while traveling by train in Nagoya, such as small factory districts, and partial layouts of each city and its surrounding area. Train travel also allowed me to more thoroughly review notes from interviews I had just

completed, and better prepare for upcoming appointments, something I was unable to accomplish while driving. Overall, however, I think access to a car would have improved my research experience in Nagoya, especially if I had been able to hire a driver.

Of course, in general, travel within Japan is still much more convenient by train than by car. For example, in several cases, such as in Kakamigahara city, the train station was only one block away from the city hall. In some cases, the lack of a car also created openings for informal conversations with local officials. On three or four occasions, when I had late afternoon meetings, and the train station was quite a distance from the city hall, officials drove my interpreter and I, to the station after our interview. This allowed me to explore more of the city, and speak with these officials in an informal setting, which proved very informative. Moreover, having never driven in Japan, I was unsure of how much allotted time would be necessary for a drive from Nagoya city to my interview destinations. A train schedule, and Japan's efficient train system, made everything much easier.

On a related note, in Nagoya, I learned how vital it can be to be familiar with my study region prior to scheduling any interviews. Without this knowledge, I wasted time and money conducting interviews and collecting data in a couple of places that were not really a part of the Nagoya Auto Region. Nevertheless, I found these trips informative, as they enabled me to more clearly define the boundaries of the region.

In any case, travel problems are a minor distraction on the list of concerns for a cross-national researcher, when language is an issue. This is especially true for a researcher not fluent in the language of the country or region of study. The first issue concerns literature.

Being unable to fluently read Japanese, I was unable to review much of the literature written by Japanese scholars on the Nagoya Region. This could easily have biased my research theories and conclusions. Nevertheless, there have been several important scholarly works that have been translated into English, such as Michio Muramatsu, *Local Power in the Japanese State*, which I have cited many times in this study.

However, relying on a few studies that have been translated can be precarious. This was one of the reasons why I decided to conduct so many face-to-face interviews, through an interpreter, with municipal government officials in Nagoya. I felt local officials would be as knowledgeable as anyone about what went on in their region. I also took the time to speak informally with a few scholars in Japan, all of whom were fluent, and have been published in English. One of these scholars is well known in Japan for his work on local government, having published several articles and books on the subject in Japan.

As for comparative qualitative field research, the single greatest lesson that I learned was how utterly crucial it was to have a translator in whom I could trust. I believe it is imperative for a researcher conducting comparative work in a foreign tongue, to have a translator who they can trust implicitly, both linguistically and personally.

First, you need someone who really knows how to read and speak both languages very well. I was fortunate because I have had four years of close experience with my translator. I was acquainted with both her scholarly and interpreting skills from two prior trips to Japan. It was also key that she thoroughly enjoyed doing translation work. This can not be overemphasized. Translation is an art and it is also very difficult work; therefore, it is important to find someone who both is proficient at it, and enjoys doing it.

However, in the ideal world, the translator also needs to have some “ownership” of the project; that is they must derive benefits from it other than money. Ownership can entail a future publication from the research, but perhaps, the most important aspect, is a keen interest in the topic of study. In this way, when you get tired of the rigors of such a tight research schedule, your translator/colleague has the strength to urge to forge ahead. This, unfortunately, is not always possible. In my case, I had a translator who really wanted me to succeed. On the other hand, it was sometimes difficult for me to ask her to do certain things, because she didn’t have any ownership over the project. She had little interest in “my” topic. Understanding this, we both have agreed to conduct further research in Japan, only involving topics of mutual interest.

Of course, this problem could have been easily avoided, had if I been proficient in both languages. If there was one thing I would have done differently, it would have been to learn Japanese much more thoroughly. By the time I decided on my research topic, there wasn’t enough time to learn the language well enough to conduct interviews independently. This shortcoming was especially apparent in Japan, where language and culture are as intertwined as in any society (Reischauer, 1988). Both written and spoken words are very much tied to Japanese culture, how the people express themselves, and what is acceptable or unacceptable to say. Also, to truly comprehend how Japanese people speak, you have to learn how to see beyond their words, to read their true intent. This suggests to me that, I would need to study the usage of non-verbal communication intensely, in addition to learning the Japanese language thoroughly.

Without the appropriate language skills, it was difficult for me to really appreciate everything that was said during my interviews in Nagoya. Moreover, since I could not directly communicate with my respondents, I was, occasionally, unable to control the flow of my interviews. This, sometimes, resulted in unexpected topic changes, or in too much discussion on issues that were not as important as others. However, after these occurrences, my translator and I worked harder to better coordinate our interviews, to avoid digressing too much in the future. Consequently, this was not a major problem in my field research, but it easily could have been.

Therefore, if asked, “if you could recommend one thing to anyone before they conduct research in Japan, what would that be?” I would respond, “be Japanese.” I believe it is difficult for anyone to truly understand Japan, unless he or she is Japanese, or at least someone who has spent most of their life in the country. Otherwise, to adequately conduct research about Japan, no matter how well a researcher can speak or read Japanese themselves, he or she must have a colleague or qualified translator who is Japanese. I remember, on several occasions saying, “If I ever do this again, I either need to be totally fluent in Japanese, or somehow become Japanese, to do this right. Maybe I should just compare regions of the U.S., because this is too difficult.”

Yet, from my dissertation research, I learned that you can never give up. No matter how frustrating, the only way to learn about a culture/society and compare it to your own, is to experience it. I feel that these experiences, positive and negative, have made me better prepared for future research endeavors.

Of course, I also learned that money can be a great inhibitor to cross-national comparative research. Fortunately, I was lucky enough to be awarded a six-month Hosei University International Fund, Foreign Scholars Fellowship, and to have lodging in Japan. This afforded me the opportunity to conduct many more interviews in the Nagoya area than I had expected. Living in Japan for six months, and having people close to me that were Japanese, greatly improved my research. Eventually, during my study, I began to better understand, through eye contact and other non-verbal communication, what was really being expressed, even without completely understanding all of the spoken words. Nevertheless, it would take many years of studying, before I could really understand the nuances of spoken (and written) Japanese. As Dore (1987) wrote, I now firmly believe the only way to do quality cross-national research, is to spend time living in both countries. The more time in the second country the better.

A good understanding of the language is also important in collecting data and material about the cities or the topic you are studying. Although my reading ability remains limited, I have learned enough Japanese kanji syllabary to be able to read the names of almost all the cities and towns in the Nagoya Auto Region. As a result of these language skills, and my urban planning experience, I was able to read maps and some elements of city plans (e.g. zoning density codes). It also made it much easier to gather all of the population, employment, and income data that I presented in Chapter 5, on my own.

On the other hand, my limited language skills made me not capable of understanding many of very valuable documents I collected in Nagoya, such as: the city master plans and information packets I received from each municipality I visited. This report would

have been much easier to complete, and far better overall, theoretically and informatively, if I were fluent in reading Japanese.⁷

Another important reason, that I discovered, that necessitates fluency in the language of the country you are researching, involves the interview scheduling process. Asking someone to participate in a controversial qualitative study, involves explaining why your research is important, how the information will be used, and how the respondents will be protected. This can be difficult if you can not directly communicate in your own words. In my study, I eventually dealt with this issue through a detailed letter that was translated into Japanese; however, going from point A to B was a difficult and frustrating process, mainly because of my inability to speak Japanese.

The first five or six interviews in Nagoya almost were not scheduled, because I couldn't personally explain the whys and hows on the phone, as I had done in Detroit. This was quite unexpected for two reasons: 1) my pre-tests had gone so well; and 2) I had followed all the instructions given to me by my pre-test interviewees. I gave all the government units more than one month of advance notice. I offered them several dates to choose from. I also allowed them to freely choose the time of day for the meeting. Finally, I clearly explained the topics to be discussed, in a letter that was translated into very polite Japanese, and sent the letter to them, along with some sample questions.

Unfortunately, either the questions I chose, or what I had translated, seemed to make a few municipalities hesitant to grant me an interview. Perhaps, this was because I had made my contacts, and had completed my pre-tests, prior to many of the now famous bureaucratic scandals that became public in Japan. It seems that after all the negative

publicity about government officials in Japan, some places may have been worried that I would write something that would make them be seen in an unfavorable light. However, the most likely cause of my initial difficulties in securing these interviews, was my inability to speak Japanese and convey my purposes properly.

In Detroit, the process went much more smoothly. All I needed to do, was to call an official on the phone, and explain my purposes, and I was able to schedule an interview. I would state, "I am working on my Ph.D. at Michigan State, and I am doing a comparison of the Detroit Region with the auto region of Japan." I could tell them I had six years of experience in city and regional government, and therefore, I appreciated their position, and I had no intention of jeopardizing their standing with their municipality. I could give them a clear understanding of how I was going to utilize their interview's notes, and how I was going to protect their confidentiality. Since I wasn't able to do this in Japanese, I was almost unable to even get started.⁸

However, again, by not giving up, and taking time to step back, I drafted a new letter, which more clearly detailed: 1) my purposes, 2) who I was; 3) the topics that would be discussed; 4) how I was going to utilize the interview information; and 5) how confidentiality would be protected. I expressed in writing, almost exactly what I had told officials in Detroit on the phone. My interpreter then translated this new letter, inserted all the appropriate polite Japanese phrases, and faxed it to the first group of cities we had contacted by phone. Thereafter, the second group of municipalities (Week 2) to be interviewed, were faxed the same letter, and everything was scheduled fairly smoothly.

My mistake cost me about two weeks, which made my first trip to Nagoya much closer in sequence to my second visit than originally planned.

Again, I was fortunate to have the extra time that residing in Japan for six months afforded. Had I not been able to do so, obviously, I would have completed far fewer interviews. I spent a little over three weeks in Nagoya on the first trip; two weeks interviewing, and one week scheduling appointments for my second trip. Learning from the mistakes I had made in the first round of interviews, I brought a translated copy of the aforementioned new letter. I then hand delivered it, along with a business card, a definite must in Japan, to the municipal departments to be interviewed during the second trip to Nagoya. As a result, I did not have any problems in scheduling my second group of interviews. The face-to-face meeting also established a trust between me and my prospective interviewees, which made everything run much more smoothly during my second trip to Nagoya.

In closing, perhaps the greatest wisdom I attained from my study, was how important language skills are to comparative research. I now also have a much greater respect for the connections between language and culture, and for the art of translation. Translation work is extremely taxing on the mind. Therefore, you have to be strong-minded, as well as skilled, to be a good translator. Although I learned some Japanese, and could understand a fair amount of the interview responses by the end of the project, I would not have been able to properly compare Detroit and Nagoya, without the help of my translator.

Chapter 9- Notes

1. Prior to 1972, annexation voting procedures stipulated that all residents within both the township and city affected by an annexation petition were entitled to vote on the issue (VerBurg, 1996; State of Michigan, 1991i).
2. According to Nikkei Weekly (1999c:3), the jobless rate for men aged 55 to 64 was 6.5% in December 1998. This was up from 5.4% in December 1997. The December 1998 jobless rate was 4.3% for men and women of all ages.
3. According to Harada (1998:188), 57.8% of all women employees, in 1993, were married, and another 9.4% were widowed or divorced.
4. This was a quote from a local official.
5. According to Upham (1996:279), "the number of small retailers began to decline for the first time in history after 1982."
6. According to Upham (1996:270), department stores were defined "as single unit stores of more than 1,500 square meters" in size. On the other hand, "a superstore consisted of several legal entities, each of less than 1,500 square meters, operating under a common corporate identity within a single building" (ibid.:270).
7. I did not ask my interpreter to translate any written material. The one reference where I did ask for help, involved a clarification of historical events written in two different sources. This Japanese source has been cited in Chapter 4, and credit is given to my translator in the bibliography.
8. Of course sometimes, no amount of explanation was enough, even in Detroit. I was refused an interview in one small city in the Detroit Region where it was claimed that everyone was too busy to speak with me. A couple of other municipalities never returned my numerous phone calls. Fortunately, all of these municipalities were very low on my interview priority list. In one city that was key, I did have to re-schedule my appointment three times, before I could actually interview the appropriate person. In another case, I was told when I arrived at my appointment, that my interview did not have time to meet with me, and I met with an assistant. However, this turned out to be a lucky break, as the assistant had much more experience in the city, and expertise on the topic, than did his boss.

APPENDICES

APPENDIX A

Table 17. Detroit Auto Region Municipalities by County

Genesee County (33)

Argentine township
 Atlas township
 Burton city
 Clayton township
 Clio city
 Davison city
 Davison township
 Fenton city
 Fenton township
 Flint city
 Flint township
 Flushing city
 Flushing township
 Forest township
 Gaines township
 Gaines village
 Genesee township
 Goodrich village
 Grand Blanc city
 Grand Blanc township
 Lennon village
 Linden city
 Montrose city
 Montrose township
 Mount Morris city
 Mount Morris township
 Mundy township
 Otisville village
 Otter Lake village
 Richfield township
 Swartz Creek city
 Thetford township
 Vienna township

Macomb County (28)

Armada Village
 Armada township
 Bruce township
 Center Line city
 Chesterfield township
 Clinton township
 Eastpointe city

Fraser city
 Grosse Pte. Shores village (pt.)
 Harrison township
 Lake township
 Lenox township
 Macomb township
 Memphis city
 Mount Clemens city
 New Baltimore city
 New Haven village
 Ray township
 Richmond city
 Richmond township
 Romeo village
 Roseville city
 Shelby Charter township
 St. Clair Shores city
 Sterling Heights city
 Utica city
 Warren city
 Washington township

Oakland County (61)

Addison township
 Auburn Hills city
 Berkley city
 Beverly Hills village
 Bingham Farms village
 Birmingham city
 Bloomfield Hills city
 Bloomfield township
 Brandon township
 Clarkston city
 Clawson city
 Commerce township
 Farmington Hills city
 Farmington city
 Ferndale city
 Franklin village
 Groveland township
 Hazel Park city
 Highland township
 Holly township
 Holly village

Huntington Woods city
 Independence township
 Keego Harbor city
 Lake Angelus city
 Lake Orion village
 Lathrup Village city
 Leonard village
 Lyon township
 Madison Heights city
 Milford township
 Milford village
 Northville city (pt.)
 Novi city
 Novi township
 Oak Park city
 Oakland Charter township
 Orchard Lake Village city
 Orion township
 Ortonville village
 Oxford township
 Oxford village
 Pleasant Ridge city
 Pontiac city
 Rochester Hills city
 Rochester city
 Rose township
 Royal Oak city
 Royal Oak township
 South Lyon city
 Southfield city
 Southfield township
 Springfield township
 Sylvan Lake city
 Troy city
 Walled Lake city
 Waterford township
 West Bloomfield twp.
 White Lake township
 Wixom city
 Wolverine Lake village

Table 17 (cont'd)

Washtenaw County (28)

Ann Arbor city
 Ann Arbor township
 Augusta township
 Barton Hills village
 Bridgewater township
 Chelsea village
 Dexter township
 Dexter village
 Freedom township
 Lima township
 Lodi township
 Lyndon township
 Manchester township
 Manchester village
 Milan city
 Northfield township
 Pittsfield township
 Salem township
 Saline city
 Saline township
 Scio township
 Sharon township
 Superior township
 Sylvan township
 Webster township
 York township
 Ypsilanti city
 Ypsilanti township

Grosse Pte. Shores village (pt.)
 Grosse Pointe Woods city
 Grosse Pointe township
 Hamtramck city
 Harper Woods city
 Highland Park city
 Huron township
 Inkster city
 Lincoln Park city
 Livonia city
 Melvindale city
 Northville city (pt.)
 Northville township
 Plymouth city
 Plymouth township
 Redford township
 River Rouge city
 Riverview city
 Rockwood city
 Romulus city
 Southgate city
 Sumpter township
 Taylor city
 Trenton city
 Van Buren township
 Wayne city
 Westland city
 Woodhaven city
 Wyandotte city

Wayne County (44)

Allen Park city
 Belleville city
 Brownstown township
 Canton township
 Dearborn city
 Dearborn Heights city
 Detroit city
 Ecorse city
 Flat Rock city
 Garden City city
 Gibraltar city
 Grosse Ile township
 Grosse Pointe city
 Grosse Pointe Farms city
 Grosse Pointe Park city

APPENDIX B

Table 18. Nagoya Auto Region Municipalities By Sub-region and Metropolis #

Hokusei Sub-region (18)

Kuwana-Inabe Metropolis

Kuwana-shi
Tado-chō, Kuwana-gun
Nagashima-chō, Kuwana-gun
Kisosaki-chō, Kuwana-gun
Hokusei-chō, Inabe-gun
Inabe-chō, Inabe-gun
Daian-chō, Inabe-gun
Tōin-chō, Inabe-gun
*Fujiwara-chō, Inabe-gun

Suzuka-Kameyama Metropolis

Suzuka-shi
*Kameyama-shi
§Kawage-chō, Age gun
*Seki-chō, Suzuka-gun

Yokkaichi Metropolis

Yokkaichi-shi
Komono-chō, Mie-gun
Kusu-chō, Mie-gun
Asahi-chō, Mie-gun
Kawagoe-chō, Mie-gun

Kita Owari Sub-region (40)

Ama-Tsushima Metropolis

Tsushima-shi
Shippō-chō, Ama-gun
Miwa-chō, Ama-gun
Jimokuji-chō, Ama-gun
Ōharu-chō, Ama-gun
Kanie-chō, Ama-gun
Jūshiyama-mura, Ama-gun
Tobishima-mura, Ama-gun
Yatomi-chō, Ama-gun
Saya-chō, Ama-gun
Tatsuta-mura, Ama-gun
Hachikai-mura, Ama-gun
Saori-chō, Ama-gun

Nagoya Metropolis

Nagoya-shi

Owari Chūbu Metropolis

Nishi Biwajima-chō, N. Kasugai-gun
Toyoyama-chō, Nishi Kasugai-gun
Shikatsu-chō, Nishi Kasugai-gun
Nishi-haru-chō, Nishi Kasugai-gun
Haruhi-chō, Nishi Kasugai-gun
Kiyosu-chō, Nishi Kasugai-gun
Shinkawa-chō, Nishi Kasugai-gun

Owari Hokubu Metropolis

Kasugai-shi
Inuyama-shi
Kōnan-shi
Komaki-shi
Iwakura-shi
Ōguchi-chō, Niwa-gun
Fusō-chō, Niwa-gun

Owari Seibu Metropolis

Ichinomiya-shi
Bisai-shi
Inazawa-shi
Kisogawa-chō, Haguri-gun
Sobue-chō, Nakashima-gun
Heiwa-chō, Nakashima-gun

Owari Tōbu Metropolis

Seto-shi
Owari Asahi-shi
Toyoake-shi
Nisshin-shi
Tōgō-chō, Aichi-gun
Nagakute-chō, Aichi-gun

Mino Sub-region (44)

Chūnō Metropolis

*Seki-shi
*Mino-shi
*Mugegawa-chō, Mugi-gun

Gifu Metropolis

Gifu-shi
Hashima-shi
Kakamigahara-shi

Kawashima-chō, Hashima
Ginan-chō, Hashima-gun
Kasamatsu-chō, Hashima
Yanaizu-chō, Hashima-gun
Kitagata-chō, Motosu-gun
Hozumi-chō, Motosu-gun
Sunami-chō, Motosu-gun
Shinsei-chō, Motosu-gun
Itonuki-chō, Motosu-gun
*Takatomi-chō, Yamagata-gun

Ibi Metropolis

*Ibigawa-chō, Ibi-gun
Ōno-chō, Ibi-gun
Ikeda-chō, Ibi-gun

Kamo Metropolis

Minokamo-shi
Kani-shi
Sakahogi-chō, Kamo-gun
Tomika-chō, Kamo-gun
Kawabe-chō, Kamo-gun
Yaotsu-chō, Kamo-gun
Mitake-chō, Kani-gun
Kaneyama-chō, Kani-gun

Nakatsugawa-Ena Metro.

*Nakatsugawa-shi
*Ena-shi

Ōgaki Metropolis

Ōgaki-shi
Kaizu-chō, Kaizu-gun
Hirata-chō, Kaizu-gun
Nannō-chō, Kaizu-gun
Yōrō-chō, Yoro-gun
Tarui-chō, Fuwa-gun
Sekigahara-chō, Fuwa-gun
Gōdo-chō, Ampachi-gun
Wanouchi-chō, Ampachi-gun
Ampachi-chō, Ampachi-gun
Sunomata-chō, Ampachi-gun

Table 18 (cont'd)

Tōno Seibu Metropolis	San-En Sub-region (34)	
Tajimi-shi		
Mizunami-shi	Mikawa Bay Area (San)	
Toki-shi		
Kasahara-chō, Toki-gun	Hoi Metropolis	# Alphabetized by Sub-Region and Metropolis. Ordered within Metropolis by Japan's Municipal Numbering System
Nukata Sub-region (27)	Toyokawa-shi	
Chita Peninsula Area	Gamagōri-shi	
Chita Metropolis	Otowa-chō, Hoi-gun	
Tōkai -shi	*Ichinomiya-chō, Hoi-gun	
Ōbu-shi	Kozakai-chō, Hoi-gun	
Chita-shi	Mito-chō, Hoi-gun	
Handa-shi	Toyahashi-Atsumi Metropolis	* Not in the Chūkyō Major or Hamamatsu Metro Areas
Agui-chō, Chita-gun	*Toyohashi-shi	
Higashiura-chō, Chita-gun	*Tahara-chō, Atsumi-gun	
Tokoname-shi	*Akabane-chō, Atsumi-gun	§ from Chūsei Region, Tsu-Hisai Metropolis
Minami Chita-chō, Chita-gun	*Atsumi-chō, Atsumi-gun	
Mihama-chō, Chita-gun	*+Shinshiro-shi	@ from Hokuen Metropolis
Taketoyo-chō, Chita-gun	Hamanako Area (En)	
Nishi Mikawa Area	Chūtōen Metropolis	+ from Shinshiro-Namboku Shitara Metropolis
Kinuura Tōbu Metropolis	Iwata-shi	
Hekinan-shi	Fukuroi-shi	
Kariya-shi	Kakegawa-shi	
Anjō-shi	*†Sagara-chō, Haibara-gun	† from Suraga Region, Shida-Haibara Metropolis
Chiryū-shi	Ōsuka-chō, Ogasa-gun	
Takahama-shi	Kikugawa-chō, Ogasa-gun	
Nishio-Hazu Metropolis	Mori-machi, Shuchi-gun	
Nishio-shi	Asaba-chō, Iwata-gun	
Isshiki-chō, Hazu-gun	Fukude-chō, Iwata-gun	
Kira-chō, Hazu-gun	Ryuyo-chō, Iwata-gun	
Hazu-chō, Hazu-gun	Toyoda-chō, Iwata-gun	
Okazaki-Nukata Metropolis	Toyooka-mura, Iwata-gun	
Okazaki-shi	Seien Metropolis	
Kōta-chō, Nukata-gun	Hamamatsu-shi	
Nukata-chō, Nukata-gun	@Tenryū-shi	
Toyota-Kamo Metropolis	Hamakita-shi	
Toyota-shi	Kosai-shi	
Miyoshi-chō, Nishi Kamo-gun	@Tatsuyama-mura, Iwata-gun	
Fujioka-chō, Nishi Kamo-gun	Arai-chō, Hamana-gun	
Obara-mura, Nishi Kamo-gun	Maisaka-chō, Hamana-gun	
Asuke-chō, Higashi Kamo-gun	Yūtō-chō, Hamana-gun	
	Hosoe-chō, Inasa-gun	
	Inasa-chō, Inasa-gun	
	Mikkabi-chō, Inasa-gun	

APPENDIX C

Table 19. Population, Employment, and PCI Change in the Detroit Auto Region

	Population Change 1970-96	Employment Change 1969-96	PCI Change 1969-89
Detroit Auto Region	(118,719)	478,821	NA
Genesee County	(9,461)	7,144	10,280
Argentine township	2,598	177	NA
Atlas township	3,181	572	NA
Goodrich village	338	194	NA
Balance of Atlas Township	2,843	378	NA
Burton city	(5,183)	589	NA
Clayton township	2,882	221	NA
Lennon village (Genesee Co. pt.)	(21)	NA	NA
Balance of Clayton Township	2,903	NA	NA
Clio city	174	458	NA
Davison city	356	467	10,588
Davison township	8,094	694	NA
Fenton city	1,421	1,348	11,731
Fenton township (2)	3,925	447	NA
Flint city	(58,436)	(21,821)	7,186
Flint township	2,767	6,469	NA
Flushing city	1,232	666	13,026
Flushing township	3,007	183	NA
Forest township	1,497	206	NA
Otisville village (Genesee Co. pt.)	(2)	57	NA
Otter Lake village (Genesee Co. pt.)	51	0	NA
Balance of Forest twp.	1,448	149	NA
Gaines township	2,576	147	NA
Gaines village	24	NA	NA
Balance of Gaines township	2,552	NA	NA
Genesee township	(1,577)	1,044	NA
Grand Blanc city	3,128	1,181	15,528
Grand Blanc township	7,183	8,046	NA
Linden city (2)	1,081	255	NA
Montrose city (3)	(35)	298	NA
Montrose township (3)	1,774	243	NA
Mount Morris city	(551)	16	8,041
Mount Morris township	(4,069)	(165)	NA
Mundy township	4,488	2,107	NA
Richfield township	2,446	271	NA
Swartz Creek city	(101)	1,912	13,186

Table 19 (cont'd)

Thetford township	2,561	311	NA
Vienna township	4,220	802	NA
Genesee County Mean Change	(286.70)	216.48	10,280.00
Genesee County Standard Deviation $\bar{x}^*$	10,598.95	4,252.94	2,742.42

Table 19 (cont'd)

	Population Change 1970-96	Employment Change 1969-96	PCI Change 1969-89
Macomb County (St2)	108,421	165,837	12,582
Armada township	1,944	1,368	NA
Armada Village	117	808	NA
Balance of Armada twp.	1,827	560	NA
Bruce township	2,436	991	NA
Romeo village total	(324)	(1,155)	11,859
Romeo village (Bruce twp. pt.)	(230)	NA	NA
Balance of Bruce twp.	2,666	2,146	NA
Center Line city	(1,923)	4,572	9,338
Chesterfield township	19,211	8,979	NA
Clinton township	42,870	25,616	NA
Eastpointe city (4)	(13,117)	1,835	10,488
Fraser city	2,603	8,729	11,313
Harrison township	6,327	6,296	NA
Lake township	(37)	49	NA
Grosse Pointe Shores village total	(71)	82	43,373
Grosse Pte. Shores village (Macomb Co. pt.)	(37)	49	NA
Lenox township	2,459	700	NA
New Haven village	1,143	(141)	NA
Balance of Lenox twp.	1,316	841	NA
Macomb township	25,571	2,675	NA
Memphis city (Macomb Co. pt.)	128	400	NA
Mount Clemens city	(3,306)	10,997	9,809
New Baltimore city (St2)	1,769	2,800	12,655
Ray township	843	575	NA
Richmond city	1,216	1,850	10,676
Richmond township	1,110	621	NA
Roseville city	(9,254)	8,387	10,154
St. Clair Shores city	(24,028)	6,299	12,921
Shelby township	26,671	13,000	NA
Sterling Heights city	57,333	47,649	13,334
Utica city	1,269	2,204	10,806
Warren city	(41,182)	7,295	11,558
Washington township	7,508	1,950	NA
Romeo village (Washington twp. pt.)	(94)	NA	NA
Balance of Washington twp.	7,602	NA	NA
Macomb County Mean Change	4,015.59	6,142.11	12,582.00
Macomb County Standard Deviation $\bar{x}^*$	18,690.25	9,846.05	1,211.72

Table 19 (cont'd)

	Population Change 1970-96	Employment Change 1969-96	PCI Change 1969-89
Oakland County	254,341	459,140	16,610
Addison township	3,313	886	NA
Leonard village	(18)	6	NA
Balance of Addison twp.	3,331	880	NA
Auburn Hills city (5,8)	6,669	36,740	NA
Berkley city	(5,113)	2,850	11,567
Birmingham city	(6,376)	12,047	30,895
Bloomfield township	1,328	9,818	NA
Bloomfield Hills city	685	9,562	57,452
Brandon township	9,675	1,728	NA
Ortonville village	491	180	NA
Balance of Brandon twp.	9,184	1,548	NA
Clarkston city (6)	(54)	1,339	NA
Clawson city	(3,858)	3,963	12,394
Commerce township	12,622	3,814	NA
Wolverine Lake village	479	419	13,841
Balance of Commerce twp.	12,143	3,395	NA
Farmington city	(258)	627	16,506
Farmington Hills city (7)	31,224	57,401	19,984
Ferndale city	(6,365)	(4,682)	8,874
Groveland township	2,986	694	NA
Hazel Park city	(4,050)	(179)	7,740
Highland township	11,224	4,142	NA
Holly township	2,554	2,648	NA
Holly village total	1,669	2,087	9,744
Balance of Holly twp.	885	561	NA
Huntington Woods city	(2,231)	1,419	22,063
Independence township (6)	12,227	6,372	NA
Keego Harbor city	(157)	1,266	NA
Lake Angelus city (5, 8)	(244)	54	NA
Lathrup Village city	(374)	2,365	NA
Lyon township	5,559	1,136	NA
Madison Heights city	(6,033)	17,995	10,656
Milford township	7,048	8,441	NA
Milford village	1,645	4,839	14,299
Balance of Millford twp.	5,403	3,602	NA
Northville city total	1,097	(1,076)	20,332
Northville city (Oakland Co. pt.)	1,121	724	NA
Novi city	33,966	25,404	16,917
Novi township	(1)	50	NA
Oakland township	6,080	1,132	NA

Table 19 (cont'd)

Oak Park city	(6,790)	(13,065)	9,825
Orchard Lake Village city	859	1,008	NA
Orion township	11,170	6,690	NA
Lake Orion village	57	963	14,081
Balance of Orion twp.	11,113	5,727	NA
Oxford township	5,520	3,110	NA
Oxford village	642	508	14,674
Balance of Oxford twp.	4,878	2,602	NA
Pleasant Ridge city	(1,297)	(84)	17,882
Pontiac city	(14,808)	(8,664)	6,982
Rochester city	398	6,544	15,861
Rochester Hills city (9)	42,895	19,509	NA
Rose township	3,435	258	NA
Royal Oak city	(21,296)	17,073	13,765
Royal Oak township	(1,350)	(72)	NA
Southfield city	6,899	62,295	15,115
Southfield township	(3,249)	8,759	NA
Beverly Hills village	(3,146)	2,052	27,847
Bingham Farms village	549	5,985	NA
Franklin village	(628)	722	47,643
Balance of Southfield twp.	(24)	0	NA
South Lyon city	5,382	2,450	14,075
Springfield township	7,590	1,648	NA
Sylvan Lake city	(320)	1,004	NA
Troy city	39,701	95,158	18,492
Walled Lake city	2,913	5,634	15,035
Waterford township (8)	12,194	19,664	NA
West Bloomfield township	31,421	13,754	NA
White Lake township	11,419	3,045	13,337
Wixom city	8,488	3,666	NA
Oakland County Mean Change*	4,169.52	7,526.89	16,610.00
Oakland County Standard Deviation $\bar{x}$ *	11,248.46	16,832.95	10,880.61

Table 19 (cont'd)

	Population Change 1970-96	Employment Change 1969-96	PCI Change 1969-89
Washtenaw County	61,046	72,143	13,348
Ann Arbor city	8,723	62,163	13,673
Ann Arbor township	820	2,373	NA
Barton Hills village (10)	(52)	55	NA
Balance of Ann Arbor twp.	872	2,318	NA
Augusta township	207	679	NA
Bridgewater township	247	(526)	NA
Dexter township	2,817	282	NA
Freedom township	271	151	NA
Lima township	1,245	4,049	NA
Chelsea village total	222	3,843	NA
Chelsea village (Lima twp. pt.)	79	NA	NA
Balance of Lima twp.	1,166	206	NA
Lodi township	2,545	314	NA
Lyndon township	1,122	76	NA
Manchester township	899	1,221	NA
Manchester village	110	1,083	NA
Balance of Manchester twp.	789	138	NA
Milan city (Washtenaw Co. pt.)	(92)	650	NA
Northfield township	3,137	1,240	NA
Pittsfield township	13,283	7,052	NA
Salem township	1,174	821	NA
Saline city	2,382	4,192	13,947
Saline township	543	34	NA
Scio township	5,407	1,512	NA
Dexter village	(108)	(3,427)	NA
Balance of Scio twp.	5,515	4,939	NA
Sharon township	737	285	NA
Superior township	3,759	2,473	NA
Sylvan township	1,370	297	NA
Chelsea village (Sylvan twp. pt.)	143	NA	NA
Balance of Sylvan twp.	1,227	NA	NA
Webster township	1,732	(163)	NA
York township	302	(457)	NA
Ypsilanti city	(6,493)	(1,630)	7,712
Ypsilanti township	14,909	(14,945)	NA
 Washtenaw County Mean Change	 2,180.21	 2,576.54	 13,348.00
Washtenaw County Standard Deviation $\bar{x}^*$	4,094.51	12,010.84	2,876.80

Table 19 (cont'd)

	Population Change 1970-96	Employment Change 1969-96	PCI Change 1969-89
Wayne County	(533,066)	(225,443)	9,511
Allen Park city	(9,324)	(2,122)	12,827
Belleville city	1,340	802	NA
Brownstown township	13,896	(356)	NA
Canton township	58,803	13,686	NA
Dearborn city	(12,781)	13,855	12,455
Dearborn Heights city	(18,565)	(3,179)	12,510
Detroit city	(513,791)	(280,028)	6,216
Ecorse city	(5,243)	(14,663)	6,951
Flat Rock city	2,054	(2,523)	9,652
Garden City city	(9,528)	(142)	11,025
Gibraltar city	526	(2,061)	13,284
Grosse Ile township	3,018	1,357	23,133
Grosse Pointe city	(942)	121	30,266
Grosse Pointe township	(34)	33	NA
Grosse Pte. Shores village (Wayne Co. pt.)	(34)	33	NA
Grosse Pointe Farms city	(1,518)	159	31,542
Grosse Pointe Park city	(2,772)	136	20,308
Grosse Pointe Woods city	(4,050)	78	20,900
Hamtramck city	(8,521)	(12,828)	6,330
Harper Woods city	(5,231)	(746)	12,551
Highland Park city	(15,656)	(21,168)	4,230
Huron township	3,777	1,902	NA
Inkster city	(7,603)	(1,768)	7,669
Lincoln Park city	(10,817)	(50)	9,685
Livonia city	(5,010)	38,706	15,179
Melvindale city	(2,616)	(2,579)	9,202
Northville city (Wayne Co. pt.)	(24)	(1,800)	NA
Northville township	11,311	885	NA
Plymouth city	(2,088)	(2,365)	15,805
Plymouth township	9,429	10,404	NA
Redford township	(16,117)	(8,873)	NA
River Rouge city	(4,856)	(6,839)	5,960
Riverview city	2,908	(2,716)	14,207
Rockwood city	40	710	7,210
Romulus city (11)	757	19,829	NA
Southgate city	(2,471)	6,789	11,859
Sumpter township	3,848	549	NA
Taylor city	1,919	21,772	9,741
Trenton city	(2,653)	(2,161)	13,363
Van Buren township	11,859	2,399	NA

Table 19 (cont'd)

Wayne city	(393)	3,590	9,519
Westland city	4,049	7,627	11,672
Woodhaven city	9,262	697	13,776
Wyandotte city	(9,258)	(2,562)	9,760
Wayne County Mean Change	(12,396.88)	(5,242.86)	9,511.00
Wayne County Standard Deviation $\bar{x}$ *	78,239.29	43,464.51	6,395.17
Detroit Auto Region Mean Change**	(624.84)	2,520.11	14,522.02
Detroit Auto Region Standard Deviation $\bar{x}$ **	39,227.81	24,105.75	8,696.00

* For PCI, the Standard Deviation of the Mean ($\bar{x}$) is of only those municipalities where data were available for 1970 and 1990

** For PCI, the Region Mean Change and the Grand Standard Deviation of the Mean are equal to the Standard Deviation Median PCI for the 83 municipalities where data were available for both 1969 and 1989. This included only cities and villages with populations of greater than 2,500 in 1970.

Sources for Population and Income data: 1970 & 1990 Census of Population. Employment is by Place of Work as was based upon SEMCOG (1980 & 1998); GCPC (1994b); 1970 & 1990 Census Journey to Work Data; and State of Michigan MESC data (1998b); and 1969 & 1996 County Business Patterns.

NA= Not available. PCI for townships and places less than 2,500 in population was not available in the 1970 U.S. Census of Population (PCI 1969)

(St2) Macomb County's boundaries were changed after 1970 to include all of New Baltimore city which formerly also was partly in St. Clair County. Macomb's and New Baltimore's 1970 population figures include the total for the entire city in 1970 which includes 895 persons in St. Clair County. See 1980 Census of Population for Michigan, Table 4, p. 21.

- (1) In 1972 Burton township incorporated to become the city of Burton.
- (2) The village of Linden incorporated as a city in 1988. It was formerly part of Fenton township. Fenton township figures for 1970 and 1980 do not include Linden.
- (3) The village of Montrose incorporated as a city in 1980. It was formerly part of Montrose township. Montrose township figures for 1970 and 1980 do not include Linden
- (4) The city of East Detroit changed its name to Eastpointe in 1992.
- (5) In 1983, the remainder of Pontiac township minus the village of Lake Angelus was incorporated as Auburn Hills city. Totals before 1990 for Pontiac township do not include Lake Angelus
- (6) The Village of Clarkston incorporated as a city in 1992. It was formerly part of Independence township. Independence township figures for 1970-90 do not include Clarkston
- (7) Farmington Hills was incorporated in 1973 by the consolidation of Farmington township and villages of Quakertown and Woodcreek Farms. The 1970 population and 1969 employment totals of these three units of government, see 1980 Census, Table 4 cited above, p. 21.
- (8) The village of Lake Angelus incorporated as a city in 1989. It was formerly part of Pontiac and Waterford townships.
- (9) Rochester Hills incorporated as a city in 1984, it was formerly known as Avon Twp.
- (10) Barton Hills incorporated as a village in 1973. 1970 population includes village area as of 1980, again, see 1980 Census, Table 4, p. 21.
- (11) Romulus township. incorporated a city in 1970. The 1970 total is for Romulus township.

APPENDIX D

Table 20. Population, Employment, and PCI Change in the Nagoya Auto Region

	Population Change 1970-95	Employment Change 1969-96	PCI Change 1970-90
Nagoya Auto Region	2,318,009	2,173,857	NA
Hokusei Sub-region	191,063	151,213	NA
Kuwana-Inabe Metropolis	56,070	41,444	NA
Kuwana-shi	22,029	10,986	1,137,000
Tado-chō, Kuwana-gun	712	3,278	964,000
Nagashima-chō, Kuwana-gun	5,451	3,597	1,042,000
Kisosaki-chō, Kuwana-gun	3,873	2,065	1,043,000
Hokusei-chō, Inabe-gun	2,416	3,321	985,000
Inabe-chō, Inabe-gun	1,723	3,839	972,000
Daian-chō, Inabe-gun	3,821	6,995	964,000
Tōin-chō, Inabe-gun	16,673	6,559	1,064,000
Fujiwara-chō, Inabe-gun	(628)	804	1,029,000
Suzuka-Kameyama Metropolis	69,187	53,978	NA
Suzuka-shi	58,615	41,345	1,095,000
Kameyama-shi	8,008	7,847	1,061,000
Seki-chō, Suzuka-gun	303	1,652	895,000
Kawage-chō, Age gun	2,261	3,134	1,022,000
Yokkaichi Metropolis	65,806	55,791	NA
Yokkaichi-shi	55,845	43,277	1,091,000
Komono-chō, Mie-gun	10,930	7,919	1,108,000
Kusu-chō, Mie-gun	(1,327)	(688)	1,028,000
Asahi-chō, Mie-gun	100	929	1,200,000
Kawagoe-chō, Mie-gun	258	4,354	1,130,000
Hokusei Mean Change	10,614.61	8,400.72	1,046,111.11
Hokusei Standard Deviation from Mean	17,558.23	12,329.15	72,469.07

Table 20 (cont'd)

	Population Change 1970-95	Employment Change 1969-96	PCI Change 1970-90
Kita Owari Sub-region	758,330	880,245	NA
Nagoya Metropolis	116,131	435,232	NA
Nagoya-shi	116,131	435,232	1,349,000
Ama-Tsushima Metropolis	95,373	66,899	NA
Tsushima-shi	12,282	7,009	1,120,000
Shippō-chō, Ama-gun	8,137	4,514	1,081,000
Miwa-chō, Ama-gun	9,295	4,822	1,122,000
Jimokuji-chō, Ama-gun	12,392	9,707	1,053,000
Ōharu-chō, Ama-gun	10,817	5,225	1,139,000
Kanie-chō, Ama-gun	11,989	7,380	1,124,000
Jūshiyama-mura, Ama-gun	546	3,155	1,158,000
Tobishima-mura, Ama-gun	351	9,513	1,367,000
Yatomi-chō, Ama-gun	13,452	9,385	1,158,000
Saya-chō, Ama-gun	10,914	4,267	1,113,000
Tatsuta-mura, Ama-gun	922	732	869,000
Hachikai-mura, Ama-gun	344	614	910,000
Saori-chō, Ama-gun	3,932	576	1,067,000
Owari Chūbu Metropolis	32,624	49,375	NA
Nishi Biwajima-chō, Nishi Kasugai-gun	(2,490)	3,778	1,116,000
Toyoyama-chō, Nishi Kasugai-gun	2,508	14,721	1,099,000
Shikatsu-chō, Nishi Kasugai-gun	15,766	10,624	1,199,000
Nishiharu-chō, Nishi Kasugai-gun	11,364	14,676	1,160,000
Haruhi-chō, Nishi Kasugai-gun	2,460	4,214	1,218,000
Kiyosu-chō, Nishi Kasugai-gun	4,357	3,694	1,222,000
Shinkawa-chō, Nishi Kasugai-gun	(1,341)	(2,332)	1,194,000
Owari Hokubu Metropolis	236,988	196,705	NA
Kasugai-shi	115,754	73,657	1,256,000
Inuyama-shi	20,748	16,533	1,196,000
Kōnan-shi	17,525	11,308	1,092,000
Komaki-shi	57,559	67,373	1,239,000
Iwakura-shi	12,332	9,199	1,120,000
Ōguchi-chō, Niwa-gun	4,133	13,792	1,184,000
Fusō-chō, Niwa-gun	8,937	4,843	1,190,000
Owari Seibu Metropolis	82,309	43,558	NA
Ichinomiya-shi	48,088	23,634	1,052,000
Bisai-shi	5,787	1,029	1,007,000
Inazawa-shi	20,566	17,105	1,116,000
Kisogawa-chō, Haguri-gun	3,983	(1,418)	997,000
Sobue-chō, Nakashima-gun	2,996	1,484	981,000
Heiwa-chō, Nakashima-gun	889	1,724	982,000

Table 20 (cont'd)

Owari Tōbu Metropolis	194,905	88,476	NA
Seto-shi	36,712	14,352	1,159,000
Owari Asahi-shi (A)	36,439	14,687	1,334,000
Toyoake-shi	35,093	16,901	1,302,000
Nisshin-shi	38,825	19,530	1,656,000
Tōgō-chō, Aichi-gun	20,663	8,223	1,395,000
Nagakute-chō, Aichi-gun	27,173	14,783	1,502,000
 Kita Owari Mean Change	 18,958.25	 22,006.13	 1,164,950.00
Kita Owari Standard Deviation from Mean	26,284.27	67,828.31	149,503.50

Table 20 (cont'd)

	Population Change 1970-95	Employment Change 1969-96	PCI Change 1970-90
Mino Sub-region	366,376	306,795	NA
Chūnō Metropolis	22,834	19,887	NA
Seki-shi	22,838	16,294	957,000
Mino-shi	(452)	2,581	824,000
Mugegawa-chō, Mugi-gun	448	1,012	817,000
Gifu Metropolis	148,040	146,900	NA
Gifu-shi	21,407	59,776	1,131,000
Hashima-shi	15,887	8,254	993,000
Kakamigahara-shi	53,846	31,715	1,131,000
Kawashima-chō, Hashima-gun	2,545	794	945,000
Ginan-chō, Hashima-gun	9,648	9,798	1,166,000
Kasamatsu-chō, Hashima-gun	(230)	3,104	1,065,000
Yanaizu-chō, Hashima-gun	2,354	5,870	1,010,000
Kitagata-chō, Motosu-gun	6,172	3,537	1,060,000
Hozumi-chō, Motosu-gun	17,884	11,296	1,158,000
Sunami-chō, Motosu-gun	4,732	1,640	959,000
Shinsei-chō, Motosu-gun	3,905	4,386	985,000
Itonuki-chō, Motosu-gun	3,310	3,324	1,002,000
Takatomi-chō, Yamagata-gun	6,580	3,406	869,000
Ibi Metropolis	16,908	10,148	NA
Ibigawa-chō, Ibi-gun	2,943	1,823	917,000
Ōno-chō, Ibi-gun	7,047	4,981	939,000
Ikeda-chō, Ibi-gun	6,918	3,344	948,000
Kamo Metropolis	77,483	53,835	NA
Minokamo-shi	10,990	13,250	1,030,000
Kani-shi	58,132	31,009	1,162,000
Sakahogi-chō, Kamo-gun	3,347	1,902	957,000
Tomika-chō, Kamo-gun	990	1,756	1,005,000
Kawabe-chō, Kamo-gun	1,065	2,267	948,000
Yaotsu-chō, Kamo-gun	(2,073)	1,129	832,000
Mitake-chō, Kani-gun	5,182	2,536	916,000
Kaneyama-chō, Kani-gun	(150)	(14)	806,000
Nakatsugawa-Ena Metropolis	10,362	17,128	NA
Nakatsugawa-shi	6,163	10,671	919,000
Ena-shi	4,199	6,457	917,000

Table 20 (cont'd)

Ógaki Metropolis	45,947	46,181	NA
Ógaki-shi	14,817	18,389	1,114,000
Kaizu-chō, Kaizu-gun	4,427	3,715	928,000
Hirata-chō, Kaizu-gun	828	2,911	918,000
Nannō-chō, Kaizu-gun	5,233	2,758	915,000
Yōrō-chō, Yoro-gun	5,928	4,077	810,000
Tarui-chō, Fuwa-gun	5,496	1,932	973,000
Sekigahara-chō, Fuwa-gun	(1,383)	(279)	988,000
Gōdo-chō, Ampachi-gun	7,072	3,740	1,046,000
Wanouchi-chō, Ampachi-gun	1,200	2,891	860,000
Ampachi-chō, Ampachi-gun	2,761	6,191	974,000
Sunomata-chō, Ampachi-gun	(432)	(144)	1,037,000
Tōno Seibu Metropolis	44,802	12,716	NA
Tajimi-shi	37,748	8,102	1,061,000
Mizunami-shi	3,724	2,622	930,000
Toki-shi	4,845	3,216	966,000
Kasahara-chō, Toki-gun	(1,515)	(1,224)	1,083,000
Mino Mean Change	8,326.73	6,972.61	976,613.64
Mino Standard Deviation from Mean	12,792.91	10,651.11	95,357.27

Table 20 (cont'd)

	Population Change 1970-95	Employment Change 1969-96	PCI Change 1970-90
Nukata Sub-region	587,124	472,805	NA
Chita Metropolis	137,927	106,093	NA
Handa-shi	25,789	24,373	1,124,000
Tokoname-shi	(3,314)	1,426	1,016,000
Tōkai-shi	13,130	25,397	1,160,000
Ōbu-shi	24,136	20,822	1,312,000
Chita-shi	38,368	12,198	1,148,000
Agui-chō, Chita-gun	5,391	3,699	1,122,000
Higashiura-chō, Chita-gun	17,859	2,226	1,183,000
Minami Chita-chō, Chita-gun	(2,859)	4,373	876,000
Mihama-chō, Chita-gun	6,849	3,923	1,054,000
Taketoyo-chō, Chita-gun	12,578	7,656	1,126,000
Kinuura Tobu Metropolis	124,423	119,794	NA
Hekinan-shi	10,023	13,256	1,275,000
Kariya-shi	37,634	36,605	1,363,000
Anjō-shi	55,157	50,329	1,323,000
Chiryū-shi	16,682	11,545	1,293,000
Takahama-shi	4,927	8,059	1,242,000
Nishio-Hazu Metropolis	27,780	32,859	NA
Nishio-shi	23,573	25,433	1,266,000
Isshiki-chō, Hazu-gun	879	2,080	1,181,000
Kira-chō, Hazu-gun	2,713	4,104	1,168,000
Hazu-chō, Hazu-gun	615	1,242	1,071,000
Okazaki-Nukata Metropolis	125,299	86,788	NA
Okazaki-shi	112,106	71,312	1,231,000
Kōta-chō, Nukata-gun	12,255	12,140	1,115,000
Nukata-chō, Nukata-gun	938	3,336	998,000
Toyota-Kamo Metropolis	171,695	127,271	NA
Toyota-shi	143,886	105,348	1,345,000
Matsudaira-chō, Toyota-shi (annexed by Toyota in 1970)		(1,445)	
Miyoshi-chō, Nishi Kamo-gun	20,186	15,854	1,326,000
Fujioka-chō, Nishi Kamo-gun	9,909	5,304	1,087,000
Obara-mura, Nishi Kamo-gun	(430)	801	981,000
Asuke-chō, Higashi Kamo-gun	(1,856)	1,409	1,022,000
Nukata Mean Change	21,745.33	17,511.30	1,163,259.26
Nukata Standard Deviation $\bar{x}$	33,363.50	23,486.84	124,215.64

Table 20 (cont'd)

	Population Change 1970-95	Employment Change 1969-96	PCI Change 1970-90
San-En Sub-region	416,647	367,774	NA
Hoi Metropolis	42,374	43,411	NA
Toyokawa-shi	28,520	29,388	1,115,000
Gamagōri-shi	862	3,404	1,026,000
Otowa-chō, Hoi-gun	2,377	3,174	1,132,000
Ichinomiya-chō, Hoi-gun	5,172	4,374	1,121,000
Kozakai-chō, Hoi-gun	4,650	1,227	1,150,000
Mito-chō, Hoi-gun	793	1,844	1,035,000
Toyahashi-Atsumi Metropolis	106,980	84,728	NA
Toyohashi-shi	94,435	61,839	1,126,000
Shinshiro-shi	3,550	6,377	999,000
Tahara-chō, Atsumi-gun	10,329	13,428	1,090,000
Akabane-chō, Atsumi-gun	(81)	582	823,000
Atsumi-chō, Atsumi-gun	(1,253)	2,502	887,000
Chūtōen Metropolis	103,840	104,128	NA
Iwata-shi	22,121	18,751	1,101,000
Fukuroi-shi	18,099	17,252	1,066,000
Kakegawa-shi	17,686	19,074	1,083,000
Sagara-chō, Haibara-gun	1,531	4,975	902,000
Ósuka-chō, Ogasa-gun	1,440	2,373	959,000
Kikugawa-chō, Ogasa-gun	6,343	8,405	1,017,000
Mori-machi, Shuchi-gun	(443)	3,052	924,000
Asaba-chō, Iwata-gun	7,989	7,002	1,015,000
Fukude-chō, Iwata-gun	2,987	(298)	907,000
Ryuyo-chō, Iwata-gun	7,307	8,426	1,203,000
Toyoda-chō, Iwata-gun	16,378	8,866	1,130,000
Toyooka-mura, Iwata-gun	2,422	6,250	1,032,000
Seien Metropolis	163,433	135,507	NA
Hamamatsu-shi	129,385	105,922	1,183,000
Kami-mura (annexed by Hamamatsu in 1991)	(11,131)	(11,145)	NA
Tenryū-shi	(3,603)	306	857,000
Hamakita-shi	24,218	13,217	992,000
Kosai-shi	12,499	14,913	1,119,000
Tatsuyama-mura, Iwata-gun	(1,398)	(114)	707,000
Arai-chō, Hamana-gun	2,089	2,416	1,064,000
Maisaka-chō, Hamana-gun	1,188	(730)	1,074,000
Yūtō-chō, Hamana-gun	2,536	1,088	1,134,000
Hosoe-chō, Inasa-gun	6,139	5,120	1,172,000
Inasa-chō, Inasa-gun	1,064	1,910	876,000
Mikkabi-chō, Inasa-gun	447	2,604	981,000

Table 20 (cont'd)

	Population Change 1970-95	Employment Change 1969-96	PCI Change 1970-90
San-En Bay Mean Change	12,254.32	10,816.88	1,029,470.59
San-En Standard Deviation	24,952.66	18,604.29	114,004.70
Nagoya Auto Region Mean Change	14,230.31	13,367.07	1,072,447.85
Nagoya Auto Region Standard Deviation $\bar{x}$	24,259.49	37,097.98	142,102.75

(A)- known as Asahi-chō, Higashi Kasugai-gun in 1970.

The Mean Changes and Standard Deviations from the Mean for the Nukata, San-En Sub-Regions, and the Nagoya Auto Region include the annexations of Toyota (Matsudaira-cho) and Hamamatsu (Kami-mura). Therefore, these figures are based upon total change for that area.

The PCI Mean Change is presented for information purposes only. The PCI Mean Change listed above is equal to the average of all municipal PCI Change. The Standard Deviations of the Mean ($\bar{x}$) for each Sub-region's PCIs are calculated in the same way.

On Sunday, April 1, 1990, the Interbank Rate was 1 US Dollar = 159.550 Japanese Yen, source: Oanda inc.. Until 1971, the US \$1 was fixed at 360 Yen.

Sources: 1970, and 1995 Population Census of Japan; 1969 & 1996 Establishment Census of Japan; Kojin Shotoku Shinyo, 1972 and 1992.

List is alphabetized by Sub-Region and Metropolis. It is ordered within Metropolis by Japan's Municipal Numbering System.

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