

Municipality and the World : Sister City Relationships and the Challenge for Japan's Local Governments in the Twenty-First Century

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1. Background to Understanding Japan's Sister City Relationships

This story begins in Australia where I was professor of Japanese studies from 1994 to 2010. Seriously engaging with Japan long-term requires learning Japanese and absorbing aspects of Japanese culture over an extended period. It also demands of one an on-going interest in how Japan is changing and gives one a stake in speculating about Japan's future, both professionally as an academic, and socially as a person networked on both professional and personal levels in Japan. Many who engage in area studies come to combine a disciplinary focus with an interest in contributing to one or more bilateral relationships. Each of these thrusts colors the research reported in this paper.

As an industrial sociologist interested in the dynamics of industrialization, economic growth and the way work is organized, my specific interest is in how Japanese citizens have mobilized or been mobilized to make the ultimate sacrifices that generate the surpluses necessary for growth-spawning investments to occur. This involves two concerns. One is the exploitation and harnessing of resources, the most important being people. The other involves the strategies to "keep it all together", that is to maintain social cohesion and keep foremost in the minds of citizens that the sacrifices and benefits are somewhat equitably distributed. This is a task connected to the widespread perception of Japan as a 90% middle class society that was pervasive at least until the mid 1990s when the mention of various *kakusa* (inequalities) began to emerge.

Throughout most of the post-war period, the management of these processes has been conceived and debated as a national project. Along the way, both Marxist and modernization theories, as well as those specifically concerned with late development and world production systems, have highlighted the extent to which processes and practices allegedly unique to Japan have served as functional equivalents to those elsewhere when it comes to the generation of the economic surpluses that underpin economic growth. Such perspectives have pointed also to some of the supra-national interdependencies or global interconnections that have now become common features of global society in the 21st century. Those perceptions are fairly widespread, and most observers today would argue that the acceleration of globalizing processes following the end of the Cold War have come to challenge policy makers in new ways. This is seen not only at the level of relations between nation states in the creation of the WTO or the Kyoto Protocol, but also in the recognition of many cross-national commonalities affecting municipalities. I refer here to trends such as the aging of populations, urbanization and the resultant pressures felt by those administering social welfare programs at the local level.

The second characteristic of many who study Japan from afar is an interest in how Japan interfaces

with their own country of residence. In my case, the bilateral relationship of record has been that between Australia and Japan. The intersection of those two shared domains—an interest in the bilateral relationship and an interest in the future of Japan—has led me to reflect over nearly forty years on mutual images Japanese and Australians have of each other, person-to-person exchanges, cultural flows between the two nations, the cross-cultural education of Australian and Japanese youth through programs of Japanese studies in Australia and Australian studies in Japan.

Among those various interests in the bilateral relationship, one focus over the past two to three years has been on “sister city” or “friendship city” relations between Japanese and Australian municipalities. I was once asked for advice by an Australian colleague who was to attend the People’s Consultative Assembly in Beijing, an advisory body convened in the lead-up to the CCP’s National Congress, which is where policies are decided. Wanting to make a positive contribution to the deliberations in Beijing and noting the fairly strong anti-Chinese sentiments that accompanied coverage of Tibet, the global journey of the Olympic torch relay, the growing economic presence of China abroad, certain human rights abuses and even the running of the Olympics itself in 2008, he was interested in how the racist-tainted acrimony characterising Australia’s relations with Japan following World War II had given way to strong expressions of friendship over just four or five decades. That kind of query gives the study of sister city relations an added significance and a new impetus. Of course, as a form of soft power, one needs to recognize that the involvement and official encouragement of the Japanese government was behind the establishment of CLAIR (Council for Local Authorities’ International Relations) in the 1980s, and its efforts to promote sister city ties and the JET program in subsequent years.

This paper traces Japan’s engagement with the global community by looking at Japan’s sister city relations with municipalities in the state of Victoria in Australia, considering those ties in the context of larger changes that are pushing Japan toward a more comprehensive interface with the world beyond Japan, and, probably most pressing, toward deepening ties with nearby nations in Asia, particularly South Korea and China.

2. Local Governments Retreating from International Engagements?

The attention given Japan’s soft power diplomacy in recent years needs to be understood in the context of Japan’s on-going internationalization over the past few decades. It began with the teaching of English in Japanese schools, efforts to increase the number of foreign students studying in Japan, and the transformation of soft power institutions, such as the Nihon Bunka Shinkōkai into the Japan Foundation in the early 1970s. These developments can in turn be seen as an extension of an even longer trajectory, stretching back to events surrounding the Meiji Restoration and of the presentation of Japan to the world at the World Exhibition held in Paris at the end of the nineteenth century. At the same time post-war Japan’s export economy generated brand names for Japan, “business tours” intent on transferring abroad the “principles of Japanese-style management” (or at least its rhetoric) and an interest in studying Japanese as a major language.

Despite the emergence of nihonjinron-based ideologies stressing Japanese distinctiveness and the appearance of “Japanese who can say ‘NO!’” as “Japan incorporated” began to flex its economic muscle in the 1970s and 1980s, the internationalization of Japanese society and culture has continued unabated

until the present. Although the 1990s have frequently been referred to as “the lost decade,” culturally Japan experienced a kind of renaissance that was accompanied by a multicultural flowering at the grass-roots level while, at the national level, a significant foreign presence was appearing in the sumo ring and in other sports. Increasingly, local governments came to grapple with the teaching of Japanese to non-native speakers, the growth of NPOs, evolving gender roles, better facilities for the handicapped and the aged, and intermarriage. In 1980, only one of 200 Japanese married a non-Japanese; by 2005 that figure had risen to one of out fifteen to twenty marriages.

While Japan’s trajectories of internationalization and multi-culturalization are likely to extend into the foreseeable future, the move in those directions seems to be uneven. For example, financial support for Japan’s sister city programs has been questioned in many city councils over the last decade. The figures in Table 1 suggest that the enthusiasm for sister city ties that characterized the 1990s may have waned since 2000. Whereas the number of Japan’s sister city links doubled between 1989 and 1999, those links grew by only 20% over the next decade to 2009. In fact, those with the US even peaked after rising to 441 in 2004 before coming back to 434 in 2009. Although it might appear that Japan had reached some kind of threshold by 2000–2005, that would be an argument hard to sustain on the basis of the evidence currently available. In 2009, there were 1728 municipalities, meaning that the number of sister city relationships (1576) already stood at 91.2 percent of the former number. Because some municipalities had multiple agreements, the percentage of cities with such ties was a bit smaller. The levelling off may also reflect a period of realignment as municipalities realign their ties to accommodate the growing presence of Japan’s two closest neighbours, South Korea and China. A further factor is the restructuring of local government as the number of municipalities has decreased from 3233 in March 1999 to 1728 ten years later. On the financial side, early tabulations from the National Census in 2010 suggested that 7% of municipalities had experienced a decline in their population base since the previous Census in 2005 (Yano Tsuneta *Ki-nenkai* 2011: 67–68).

Table 1. Growth in the Number of Japan's Sister City Links, 1989–1999 and 1999–2009

Areas with which links exist	Number of sister city links			Change expressed as a ratio (by dividing the figure for the latter year by that for the former year)	
	1989	1999	2009	between 1989 and 1999	between 1999 and 2009
United States	229	408	434	1.82	1.06
China	115	262	332	2.28	1.25
South Korea	27	76	123	2.81	1.62
Australia	38	91	108	2.39	1.19
Other countries	284	508	579	1.79	1.14
Total	688	1345	1576	1.95	1.17

Source: Calculated by the author using data from *CLAIR*, available at <http://www.clair.or.jp/e/indexd.html> in May 2009.

Many of these changes can also be seen in Australia, with amalgamations being imposed on municipalities in Victoria in the 1990s. The informal feedback I have received from interviews and other sources is that many Japanese municipalities, like their Australian counterparts, have had to reconsider some activities owing to financial pressures. As for English language teaching assistants and international coordinators coming to Japan on the JET program, those numbers also peaked between 2001 and 2003, apparently for similar reasons. Even at the national level, some of the work of bodies such as the Japan Foundation, which stands at the cutting edge of Japan's person-to-person and cultural exchanges with the rest of the world, has had to be curtailed owing to budget cuts.

One other piece of evidence comes from the author's very small exercise in content analysis comparing the focus of articles in two Japanese journals (*Toshi mondai* [Issues Facing Municipalities]) and (*Chihō chiji* [Local Government]) over the last decade. Articles listed in the table of contents in each journal were analysed for 48 issues in 1996–1999 and then for 48 issues in 2006–2009. Although a fuller analysis must wait for another occasion, some preliminary findings are shown in Table 2. The limited discussions I have had with experts in the field suggest to me that *Toshi mondai* provides the more robust test as it has a more popular focus that deals with current topics appealing to a wider audience interested more generally in local government. *Chihō chiji* is seen as a more academic journal which is less swayed by public opinion and slower to reflect changes on the "front line". At this stage, one might conclude that *Toshi mondai* shows a clear drop in international focus whereas *Chihō chiji* shows very small change, too small to be deemed significant. The hypotheses which emerge from these data are at best tentative, and beg more comprehensive testing in terms of the general public, perhaps through the close examination of a journal such as *Chūō kōron* (although the emphasis here is on what is seen as making sense for local governments which serve a demographic that is different from that of *Chūō kōron's* readership).

Table 2. Percentage of Articles in *Toshi Mondai* and *Chihō Chiji* Mentioning or Focusing on International Connections in Their Titles

Mention or focus indicated in the title	Toshi mondai		Chihō chiji	
	1996–1999	2006–2009	1996–1999	2006–2009
●International mention (number of articles in which relative word appears)				
Sister cities	0	0	0	0
国際・国際的・国際化・グローバル化	0	3	5	0
外国人・外国銀労働者	3	1	0	0
21世紀・世界	1	0	1	0
その他	18	2	19	33
Total	22	7	26	33
●International focus				
Sister cities	0	0	0	0
国際・国際的・国際化	0	1	4	0
外国人	3	2	0	0
21世紀・世界	0	0	0	0
その他	12	4	16	22
Total	15	7	20	22
●Other foci				
Economic/Regional development	22	22	5	5
Particular industry (例えば、地場産業)	2	11	0	0
Government (例えば、分権の課題)	29	29	72	63
Provision of civil / Social services	34	32	2	8
Total	87	94	74	76
Grand total	100	100	100	100
N (number of articles)	381	545	272	228
Number of issues	48	48	48	48

- Notes: (1) The unit of analysis is the article; each article was given just one value.
(2) The classification of articles according to whether a certain term did or did not appear was fairly straightforward; in no cases did two or more such terms appear in a title.
(3) Deciphering the focus was less straightforward; some article titles contained an international-type term, although the article itself did not deal much at all with non-Japanese phenomena. Accordingly, the number of articles mentioning something international was greater than the number focused on something international.
(4) Because the percentage figures have all been rounded, the line totals do not necessarily equal exactly the subtotals and the grand total.

The descriptions just provided may not be the full picture, but one impression emerging is that attention has shifted away from person-to-person exchanges at the local level to the role of popular culture—especially manga and anime—as the most contemporary expression of Japan’s soft power. The suggestion is that a very important part of Japan’s post-war diplomacy is being turned over to the market for such culture.

From the outside it is easy to oversimplify, but it seems to me that two major forces are at work. One emerges from the economic changes associated with Japan’s lost decade, changes that are likely to be universal in nature: the financial pressures felt in many advanced economies as the opening of global

markets have been accompanied by a greater demand for public accountability and the rationalization (e.g. outsourcing) of many kinds of public services. As populations age and the cost of pensions and related social services rise, the challenge to welfare states such as Greece, the United Kingdom, Ireland, France, Portugal, the United States and Japan mounts. The *shiwake* (budget cutting) exercises both in Australia and in Japan have exposed the vulnerability of the very small budgets allocated for sister city type exchanges in the public area. The second consideration is in no way less political, and is indeed the source of that vulnerability: namely the difficulty of quantifying the benefit or economic return that flows from cultural exchange to the public at large. This situation does not bode well for the future of Japan's sister city ties. While this may be of importance in terms of national interest as Japanese firms seek a competitive edge abroad, it is also a matter of importance for those who live in and want to support local communities in an increasingly globalized era. The remaining sections of this paper are an attempt to explain why that is so.

3. Seeking a Rationale for Japan's Sister Cities: Toward an Explanatory Model

In the limited literature on sister city relationships, two related themes emerge. One concerns the matching of municipalities and the likely factors accounting for success in a relationship; the other concerns the benefits that are likely to flow from such relationships. The rationale for establishing such a relationship lies in the assessment of those two dimensions.

Cremer et al. (2008) suggest that sister city relationships evolve through three stages. The first centres on a loosely defined notion of fostering international friendship and cross-cultural understanding. The promotion of person-to-person exchange is usually a first step. The relationship then enters a second stage when groups and organizations institutionalize those links, often with the injection or addition of cultural exchanges of various sorts. At this stage the relationship comes to have a momentum of its own. The third stage comes with the introduction of commercial interests. The authors argue that this progression was evident in their case study of the relationship between Hastings in New Zealand and Guilin in China.

O'Toole (2000 and 2001) laid out a generationally defined model, arguing that the first "associative stage" (combining phases 1 and 2 of the Cremer et al. model) appeared in the 1960s and 1970s, when the global goal was international friendship, and there was a perception that a municipality's economic goals would eventually require an international dimension. In his view, this is followed by a "reciprocative stage" with educational exchange becoming a goal and the involvement of various NPOs at the local level representing a "safe haven approach." His third stage is the commercial stage of "place marketing," which involves the recognition for a local municipality of its value as a "brand." This is seen as an important strategy as the wider economy becomes more globalized. He adds as a fourth stage a period during which cost-benefit assessments come to be made, but notes that only six of eighty Australian municipalities in his study had developed a formal mechanism to ensure such an evaluation occurred. Summarising the perspectives presented in those two articles, the general model that was derived is presented below in Figure 1.

Research by Martin (2003) indicated that broader medium-range economic benefits might flow from sister city ties. Based on the US experience with Japan, his research found that, among the nearly

forty American states maintaining an office in Japan, those states having more municipalities with sister city ties to Japan did significantly better at exporting to Japan than states embracing fewer such links. It was the number of such ties at the city level, rather than the budget or the nature of activities associated with an American state's representative office in Japan, that made the difference. A number of studies show that effective relationships are those that can meld educational/cultural activities with the implementation of significant economic initiatives. However, such studies have demonstrated that a quantitative relationship (i.e. a correlation) exists, but they do not elucidate the exact nature of the processes that constitute the chain of causative events, leaving one to ponder whether the causation flows in the opposite direction.

Past studies have focused mainly on the larger cities, which emphasise "place marketing" and strategic cooperation. The data of Tsutsumi and Mouer (2010 and 2011) on smaller municipalities in Australia, however, reveals that the selection of cities abroad to partner with has often been driven by non-economic considerations. As a result, it is only after the fact that the importance of suitably re-jigging such relationships has come to the fore, as the parties involved have come to see the need to derive economic advantage from such ties if the relationship is to develop any further, or indeed, if it is to survive at all. Using examples from Japan, Tabe (1998) illustrated ways in which sister city relationships might serve to enhance the social and economic possibilities in local communities. They include the exchange of information about the development of tourism in rural areas, the challenges of aging and the gender imbalances in many rural areas (a problem being tackled in innovative ways by a number of small rural municipalities in Japan), and the exchange of agricultural technologies.

An earlier test of the model shown in Figure 1 by Mouer and Tsutsumi (2010 and 2011) found that the evidence from sister city relationships between 17 Japanese municipalities and their counterparts in Victoria, Australia, indicated that the paths of causation might be run in a different direction (as shown in Figure 2. Interviews in Australia and in Japan suggest that at both ends of the relationship those responsible were struggling with financial/budgetary pressures, and groping for what might become the next stage in the development of their sister city relationship.

The remaining part of this paper argues that one scenario for local governments in Japan might be to engage their sister city counterparts in programs that would help to prepare citizens in their jurisdictions, especially young people who are so vital for the future of such communities, for what is likely to be a continuing process of globalization for Japan. In painting this scenario, it is helpful to step back and look at some facets of Japan's globalization and the opportunities on which local municipalities might capitalize.

Figure 1: Model of How Sister City Relationships Develop (A la Rolf Cremer et al. and O'Toole)

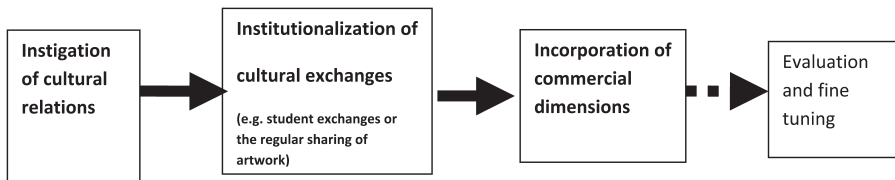
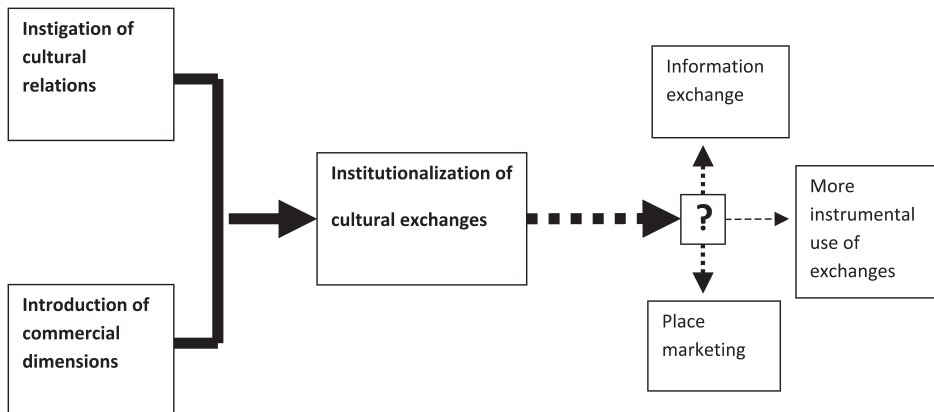


Figure 2: Victorian Model of How Sister City Relationships Have Developed and/or Are Likely to Develop



4. Some Ideas about the Requisites for Japan's Globalization and Opportunities for Local Government to Serve Their Constituencies

A common adage is that without learning from the past people are doomed to repeat it. Today, however, the speed at which the world is changing makes more difficult, and individuals and governments alike often find that such assessments are too time-consuming and will only leave them further behind and unable to escape their past. Two aspects of change are particularly pertinent for local governments.

One concerns the extent to which similar technologies and organizational structures are resulting in an increasingly common set of challenges for local governments, particularly those in small rural communities. The mega trends are increasingly similar: urbanization, aging populations, the changes in gender roles, among others. Globalization aside, these trends present municipal governments and civil society at the local level with a growing list of challenges that can better be met by sharing information with similarly placed communities around the world. Transport, information and communications technologies facilitate the sharing. In the past, Japanese governments, particularly at the national level, and business firms have been fairly adept at going abroad and "cherry picking" the best that the world has to offer. They have been less adept at evolving bilateral exchanges of mutual benefit. For example, overly bureaucratized structures have no doubt slowed the process of incorporating non-Japanese into their operations. Coupled with the organizational inertia that is fostered by such structures are the relatively low levels of second language proficiencies required in order to keep up with developments abroad. Although in the past Japan has done extremely well borrowing from abroad and innovating with knowledge gained, Japan is now no longer catching up, and the world is changing in ways that are making it more difficult to simply take away the necessary information for free, or even to protect what information or technological advantage it might currently have.

This relates to the second facet of change: the interactive dimension. This dimension means that cross-national networking and transnational relationships are increasingly important in the flow of ideas. This is a dimension increasingly being picked up by Japanese corporations. However, although some individual firms (and that might be the best way to progress for the time being), they have not yet quite found out how best to undertake the changes now being required, and nothing approximating a national strategy has yet emerged from any of the peak employers organizations. The challenge is no longer a straightforward matter of learning what global standards might be and then responding as a national collective, as was often done in the past. The challenge now being faced is one of fully integrating or articulating with the emerging world system. As an industrial sociologist, I sense that the efforts to manufacture the necessary docking mechanism will create pressures that will alter substantially the way the corporate world is configured in Japan. This is an outcome that needs to be considered in more detail on another occasion.

The two sub-sections that follow develop the above ideas a bit further. The first considers challenges that have arisen wholly from changes within Japan but are commonly found in other developed economies and represent domains in which local governments can profitably share experiences with municipalities overseas. The second sub-section considers challenges generated from outside Japan; these are changes in the world beyond that challenge Japanese to respond. While these several challenges are often interpreted as being unwelcome pressure to change, and indeed are sometimes referred to as "*gaiatsu*" (meaning

“foreign pressure”), in this paper they are presented as opportunities.

4.1. Internationalization from Within

It is common for pundits focusing on Japan to refer to the 1990s as “the lost decade”. For example, in the second edition of her otherwise excellent survey of Japan’s modern history, the respected historian, Elise Tipton (2008), tends to paint a picture heavily tinted with the negatives of that decade—shortcomings that are being carried over into this century. To be sure, there was plenty of doom and gloom. But at the same time, some amazing transformations occurred. When mentioning the rising unemployment rate, for example, one needs also to see ways in which the employment system was changing. While pointing to continuing racism, no doubt encouraged some by nascent neo-nationalist undercurrents, one needs also to recognize the jump in inter-marriages—already accounting for 1 out of 13 marriages in Tokyo by 1991 (Kitamura 1997: 173)—and the shift away from the dominant pattern of Japanese women marrying American men. In terms of gender relations, Tipton’s focus on the increased levels of domestic violence, must be balanced by acknowledging the positive changes that have occurred in notions of sexuality and the very significant decrease in sexual harassment in public domains.

While criticizing as dysfunctional the constant changing of the political guard as a merry-go-round of self-interested politicians keeping statesmen with a big vision for Japan at bay, Takahashi (2006) and others acknowledge ways in which room has been created for civil society and a broad range of voluntary service groups. The national government, once decisively leading the nation with heavy-handed administrative guidance and an extremely disciplined approach to social welfare, has receded considerably from the front lines. Whether this is because of incompetence, the revolving door of prime ministers or the financial constraints owing largely to the aging of the population and the associated costs, it is a process also underway in a number of other East and Southeast Asian countries. One outcome seems to be the widening of income differentials, and a number of *kakusa* becoming more pronounced. While being propelled by business-driven policies of deregulation, many of the related changes were set in motion largely by market forces (albeit with various power imbalances in Japan’s segmented labour markets still in place). After two decades of propaganda about Japan as a middle class society, there has since the mid 1990s been a growing acceptance and awareness that inequality is a fact of life in Japan, and that the stratification mosaic in Japan was not too different from that found in other advanced countries. In Japan, the peculiarly Japanese forms which such problems took have come increasingly to be seen in terms of functional equivalents with commensurate phenomena to be found abroad. This change opens the door for the meaningful exchange of ideas concerning such issues as unemployment, and the new class of working poor and *furitā*, homelessness, environmental issues, *karōshi*, the financial pressures of population aging and the cost of pension systems, the exploitation of sub-contracted labourers in Japan’s nuclear plants and in manufacturing more generally, the provision of medical benefits, bullying, disruptive behaviour or the drop in some kinds of academic excellence at school or the gambling of some sumo wrestlers.

Across a wide range of domains, the *nihonjinron* rhetoric of Japanese uniqueness was receding, giving way to a greater appreciation that most, if not all, of the above-mentioned problems were shared with other societies. To reiterate a point made above, one needs only to read a smattering of the Japanese

press in 2010 to sense the geographic spread being cited in the media. Alongside articles bemoaning Japan's massive debt and the general complacency with which the problem is being viewed by the general public in Japan are articles reporting on the Greek meltdown, the Hungarian comparison, the crumbling welfare model in Europe, Spain's overhaul of its labour markets, the welfare drag on the Israeli state, the move of global capital to low cost manufacturing in Indonesia. (Manufacturing costs in Indonesia are now lower than in China, and are starting to cause a "hollowing out" in a country that only one or two decades earlier contributed to the hollowing out of high cost Japanese manufacturing.) The key concept is presented as the "new austerity" but, in one way or another, all these issues have to do with the ability of each society to generate economic surplus in ways that are socially acceptable. As one might expect, an undercurrent in reporting is the resentment that ordinary people feel toward those who have accumulated wealth "at their expense". This frustration is simultaneously aggravated and blunted by the complexities of world production systems and financial and trade interconnectivities. As recent newspaper article noted, privately accumulated Chinese surpluses that are not shared with the poor in China (or with the state as their keeper) ended up in the US and facilitated the bad lending policies, which later give way to a banking crisis affecting the demand for Japanese exports to that country. People in small communities around the world struggle to understand those complexities, and often find it easier to swallow the parochially generated stereotypes associated with life in rural small-town communities around the world. That in itself is a challenge for municipal governments. The sense that there is some universality in the push for austerity stands juxtaposed with the fact that Japanese society as a whole has throughout the lost decades been able to maintain a very high standard of living that supported a range of increasingly diverse, but globally connected, life styles or life courses, especially in terms of IT-generated pop culture, so prevalent among younger generations around the world.

The impact of the 1990s has been twofold. One fold is the awareness of commonality with other societies. While not necessarily picked up by local governments, this has led to a new openness on the part of individuals willing to experiment with a wider range of personal choices. Through work-holiday schemes, for example, young Japanese have extensively experienced life "outside the system," and have made cross-cultural connections and learnt about new ways from what was happening outside Japan. At the same time, governments have been left behind with pressing financial realities. One result may have been that government, taxpayers and local communities have to some extent become inward looking. Such a conclusion would be consistent with the findings presented above in Table 2. This seems to have been particularly true of local government. As responsibility for many welfare functions was devolved under what is referred to as the "*bunken* exercise" accompanying the administrative reforms of the late 1990s, the amalgamations during early years of this century left many local administrators wondering about how to define their legal responsibilities after the realignment of the bureaucracy. The leeway to think about international affairs at the local level seems to have diminished considerably.

4.2. Internationalization from Without

Until recently, a similarity shared by Japan and Australia was the difficulty of picking up a morning newspaper and finding a sequence of front pages that did not have a reference to the USA. That has certainly changed in Japan. The USA is still there, but that coverage is buttressed by constant reference to

China, and to a lesser extent South Korea. More subtle is the increased attention given to India further back in the print media. This shift in attention is not driven by an interest in the shared problems being uncovered by internationalization at home. Rather, it is an awareness—maybe a xenophobic fear (as suggested by recent concerns that a cashed-up Chinese might start buying up Japanese real estate)—that the gap is closing on Japan's economic competitiveness in international markets (which increasingly are coming to include the once highly protected Japanese markets).

The current discourse regarding strategies that will improve corporate competitiveness in a globalized world has at least two bases. One grows out of a slow warming to the idea that a population more literate in English is inevitable. A slowly building commitment to English language education can be seen at all levels, and follows several decades of heavy investment in Japanese language education for foreigners. Perhaps as a public relations exercise, that strategy was very successful, but a cost-benefit analysis would likely reveal that it was simply not producing the numbers of native level users that Japan is likely to require for its global interface in the near future. Japan struggled to draw the 100,000 overseas students targeted for its educational institutions in the late 1980s. Rather than investing further in undergraduate programs with supplementary Japanese language units for foreign students, the emphasis over the past decade has been to develop high-level postgraduate programs that could be taught in English. In the corporate world, several firms have declared openly their commitment to making English the language for internal communications. Rakuten and Uniqlo are the most recent companies of note to join that still small group. Sony and Nissan are perhaps the best known examples of Japanese firms that have called in overseas talent to head their companies.

As mentioned above, China and South Korea are seen in the Japanese media as the two societies most vigorously “taking the game up to the Japanese” at the present time. It is often pointed out that it is no longer enough for Japan to rely on its technological advantage. The advantage of China and South Korea is in the ability of their employees to network abroad. In this regard, special attention has been paid to Samsung's program of sending large numbers of new recruits overseas for extended periods, not to work but simply to study and acculturate themselves in a range of different societies. Obviously, some of those employees opt to follow other paths after two years or so abroad, perhaps marrying locally and not returning home to continue working for Samsung. However, rather than cutting such deserters off, ways are found to maintain affiliations and keep them within the Samsung network of contacts for future use. As for China, many of its most successful entrepreneurs also have their contacts among the widespread Chinese diaspora abroad. In the background is India, a society that has developed a solid competitiveness in the software service industries by having in place the systems and a pool of workers with the English language skills necessary to set up huge call centres. In commenting on India's development of overseas markets, Vizciany (2006) describes how the Indian IT industry benefits from the networks formed by former Indian students who remained behind in the US and who, after twenty years working in American firms, are now in positions of influence useful to the emerging industry “back home.” It is the absence of these networks that puts Japanese firms at a distinct disadvantage in today's global economy.

Improving English skills and extending interpersonal networks internationally are only part of a strategy for Japanese firms. They will be increasingly pressured to open up to having non-Japanese employed as regular full time staff. Achieving that will no doubt require employment practices that

remove a number of barriers—most noticeably the door to tenured positions, but also practices that provide certainty regarding housing and pension issues as well. What does “one that...” refer to? One approach is to aggressively recruit and hire bilingual foreigners. I suspect that the pool of such persons with the right business skills and good enough Japanese is still too small to meet the needs of a rapidly globalizing corporate sector in Japan. In this regard, however, it should be noted that an academic association interested in the teaching of business Japanese formed in 2010. The other approach is to make English the language for internal business communications in Japanese companies seeking full engagement with the business world abroad—if not across the board, then at least for the higher level meetings and important business communiqués, reports and other documentation. At the present, the number of Japanese firms that have already moved in that direction is small, and there is probably a large enough pool of bilingual or semi-bilingual Japanese to satisfy their immediate needs for communicating (as opposed to interacting) with business partners and other organizations abroad. But that will not serve as a long term efficient solution that attaches a premium on interactive engagement. It is too early to detect a megatrend, but perhaps the writing is on the wall.

5. The Challenges/Opportunities for Local Government

In the preceding section I have tried to sketch a likely scenario for Japanese society as a means of indicating the kind of context or milieu in which local governments will be challenged to serve their communities. The demands on local governments will be various, but central to any plan or policy designed to revitalise a local area—or to maintain such vitality as an area already has—will need a vision as to how Japanese society at the national level is being impacted by, and responding to, the facets of globalization outlined above. By the late 1990s, the international initiatives of local governments were beginning to draw attention. Their involvement in international affairs was highlighted by a number of scholars, of whom the most notable perhaps were Yabuno (1995), Jain (1991) and Jain et al. (2006). Although local governments may have withdrawn some from the front lines of Japan’s global engagement in terms of their support for JET programs and for sister city exchanges, the need for them to remain involved has not diminished. There is ample reason for municipal governments in Japan to remain involved in the cross-cultural training of their younger citizens, especially in terms of their English language competencies and their capacity to be part of larger cross-national networks. Failure to do so will position small local communities at a severe disadvantage in the new global stratification system that is emerging.

Here two facets of that system might be mentioned. One is the urban-rural, or megacity-small city, dichotomy. Small regional communities are finding it difficult to articulate a favourable “glocal nexus” in nation states bent upon branding themselves along with their major cities as “international.” In Japan, local revitalization (*saiseika* or *kasseika*) is a major issue. To deal adequately with the set of challenges these processes involve, local communities need to retain their most able human resources, and combat the brain drain to the globalized city. As this suggests, small municipalities face a catch-22 situation. Training their youth in the requisite skills and providing the necessary knowledge and experience that will allow them to facilitate their local community’s global engagement are not only costly. They will always carry the risk that youth, so trained and so exposed to the outside world, will migrate permanently to urban

centres that offer more opportunities for an even fuller international career.

Another related facet is the emerging pattern of the rural-urban *kakusa*. Already ample attention has been paid to Japanese society as a “*kyōiku kakusa shakai*,” an approach to social organization that ties wealth to education and then education on to the creation of additional wealth in a circular fashion. We learn from the economics of education that this arrangement is by no means unique to Japan. Not only is higher education concentrated in Japan’s urban centres, but the content is shifting so that an even greater premium is placed on the use of English. Even without reference to the rural-urban gap, we can see that this dimension will produce a two-class system with (i) an elite that is bilingual and able to work and live globally and (ii) a monolingual group of citizens who will work for the elites and rely on their interpretation of how the global system works and what their own community can expect from the global system. When the rural-urban cleavage aligns with the monolingual-bilingual cleavage, the crevice between the two groups will widen and provide the dynamic for a new kind of tension. In this regard, a good deal has been written about multinational corporations that become worlds unto themselves, shifting resources—goods, people, work, and financials assets—with little regard to national interests and even less for small local communities. It will be interesting to see how the emerging bilingual elites deal with issues of personal and national identity in the new world system.

In conclusion two types of opportunities are opening up for local governments. One is to build into their sister city relationships mechanisms for the useful exchange of information with similarly positioned governments overseas. The other is to develop exchange programs that promote not just second language acquisition but also the skills and attributes required for cross-cultural networking. For such an approach to be effective, however, ways must be found to foster, strengthen and maintain local identities and affinities in those so trained. Finally, returning to the initial propositions concerning the benefits of simple cultural exchange, Japan’s local governments should not overlook the benefits that flow to Japan as a whole from their relationships. These are the warm feelings of friendship and goodwill toward Japan that underpin many of Japan’s efforts abroad. As China and South Korea begin to flex more economic muscle, it is this type of soft power that may well buttress Japan’s efforts to enjoy full global partnerships in the twenty first century. The challenge for local governments in Japan is to quantify those benefits, and then to pressure national governments to pay for the value added that is created for the nation.

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