Based on an interview with Jonathan Kushner, Vice President of the American Chamber of Commerce in Japan

Tokyo Expected to Become More Friendly for Business from Overseas

By Chaobang Ai

Olympics as a Turning Point for Tokyo and Japan

The Olympic Games have a particular significance for Japan. When the Summer Olympics were first hosted by Tokyo in 1964, they presented the world with a country at a pivotal point in its national journey: a Japan reborn from the ashes of war, recovered, rejuvenated, announcing its return to the international stage as a strong nation proud of its peace and prosperity. They were a celebration, but also a time to critically reflect on where Japan was heading; in the words of Daigoro Yasukawa, the Olympic Committee chair at the time, an event that would be "not only a display of sportsmanship by the world's athletes, but will serve to highlight the continuing efforts of the Japanese people as a worthy member of the world family of nations."

Jonathan Kushner, Vice President of the American Chamber of Commerce in Japan

With Japan now due to host the Olympics again in 2020, the parallels are striking. Once more the Games will be a challenge and opportunity, not just in terms of preparations for them, but as a demonstration of Japan's long-term vision and progress, and Tokyo's as a global city. But this time the audience will come from a world that is far more connected, competitive, and perhaps more impatient than that of 1964, making 2020 a true test of Japan's emergence as an accessible and welcoming international center, not least in tourism, business and sports. In the five years that remain before the Games, what challenges remain in bringing this vision to fruition?

Jonathan Kushner, vice president of the American Chamber of Commerce in Japan (ACCJ) and Head of Asia for Kreab, has been actively engaged in these questions. In fact, he explains straightaway, the ACCJ has just converted the Tokyo 2020 task force he was chairing into an Olympics and Sports Business Committee, meeting and holding regular events concerning not only the Olympics, but many issues relating to sports and sports business in general. That also includes the 2019 Rugby World Cup, and international sporting exchanges — Japanese athletes playing baseball in US competitions, for example.

The wider significance of big sporting events that bring in thousands of participants and tourists is self-evident, and in Japan a concern that perhaps comes up more than any other here is language. Most visitors during the Olympics will be communicating in English or other foreign languages. Japan still struggles with a reputation for being difficult in this regard, a challenge whose repercussions extend far beyond the Games themselves.

"That is going to be very important," says Kushner, "not only for the Olympic Games themselves but for their legacy, and in terms of making it easier for many foreigners to live or do business here. One of the things that we hear frequently from foreign companies who may consider sending executives to Japan is that it is often those soft issues around quality of life and language that are the key: not really issues about the job itself, but about the schools, the hospitals, the access to various cultural activities in English — having an easier, more stress-free environment where they feel more comfortable. These are critical not just for the executives but for their spouses and families."

Kreab's office in Tokyo's Minato Ward overlooks the great gate of Zōjō-ji temple. From the windows its roof rises grandly over the greenery, and behind it Tokyo Tower dominates the skyline. These are some of the most iconic tourist destinations in Tokyo. "You always see tourists walking down the main street," Kushner observes. "Always looking at maps and trying to figure out how to go; always looking a bit lost."

The inadequacy of English infrastructure in Tokyo is a recognized

issue, which the city government is seeking to address by introducing signboards consistent with international standards in time for 2020. "But in addition to signage," Kushner is keen to stress, "there is a lot we can do in terms of having volunteers available to provide friendly guidance and advice to the visitors in English or their native languages." In this light, he says, plans to have uniformed volunteers serving as city or culture guides during the Olympics seem a promising idea. "I think one of the things that is most valuable for visitors and travelers is to hear from a local. Anybody can read in a guidebook that you can go to see this temple or this landmark and so forth, but when you really want to experience a city, oftentimes the best way is to talk to a local. And if you can communicate with them, and let's say you just want to eat some authentic Japanese noodles, and the local says yes, there are lots of good restaurant that are listed in your guidebook but there is a great ramen shop over there that has *shōyu ramen*, for example — that kind of local flavor is really important, it is what builds people-to-people ties."

"But the legacy of the games is not just about globalizing Tokyo," he insists. "It is also about spreading their benefits all throughout Japan." He gives the example of the athletes who will need places to train and get accustomed to Japan's hot and humid summer: perhaps they would prefer to stay in greener places, albeit with the necessary facilities and English accessibility, creating a great opportunity to engage rural parts of Japan and make them part of the Olympic experience. "So if these regions are trying to attract tourists or athletes, or Olympic teams to their training grounds, they need to be thinking in terms of how they can make their infrastructure more friendly for foreigners with things like the signage, or having volunteers that can speak their languages. If they are successful in doing that, it could create some really good person-to-person ties and interaction between the citizens of rural parts of Japan, and athletes and visitors from around the world."

This is also relevant to other sporting events, including the 2019 Rugby World Cup. Twelve venues for that tournament across Japan were announced on March 2, among them the Kamaishi Recovery Memorial Stadium in Iwate Prefecture, in a city devastated by the March 2011 earthquake and tsunami. "We were very pleased to see that it was selected," says Kushner. "It is very important that they have an opportunity as well to participate in international sporting exchange, and that people from around the world can see for themselves the recovery efforts in Tohoku."

The Impact of Deregulation

Aside from what might be called the software side of Japan's vision, there is also the hardware side, of overarching policy and strategy. A major area of attention in recent times has been deregulation, especially of Japan's somewhat notorious bureaucratic obstacles to foreign investors. One example has been deregulation of

floor-area ratios, so as to allow business people in, say, the Marunouchi area to live and work on different floors of the same buildings. Another has been the creation of Special Strategic Zones, as test beds for looser regulations to attract foreign investment. What does the ACCJ make of these?

"I think anything that is going to improve the convenience of Tokyo as a destination for foreign investment and international talent is good," says Kushner. "Having multi-use high-rises where you have a combination of residential and office functions is a good idea — you see it being done already in Tokyo. Personally, I probably would not want to live in the same building as my office, but there are many people who do like that, not just in big companies but on the entrepreneurial side too." As for Special Strategic Zones, "Our position at the ACCJ is that we would prefer to see these reforms enacted on a nationwide basis. To the extent that they will provide an accelerated way to see whether the reforms work, and then if they are successful, to be scaled across the nation in a rapid manner, I think they can be enjoyed for the benefit of *all* businesses and *all* citizens, not just foreign businesses in Tokyo. Because it is a very competitive world out there for trying to attract the best talent and investment, not only do you have to work on getting the right kind of deregulations and packages in place, you also have to communicate that effectively to the companies and types of targets you would like to have come to Japan."

There is a political dimension too. These reforms are part of the growth strategy represented by the third arrow of "Abenomics", by which Prime Minister Shinzo Abe, both personally and politically, has strongly committed himself and his administration to "breaking through the bedrock of regulation". Might this facilitate their swift

application across the country? "I think from a political perspective having someone with the will and ability to do this is very important. Because of course the bureaucracy is a vested interest; it's important to have that balance with the political leadership as well."

Optimistic About the Future of Tokyo

Concerns about Japan's position in an increasingly globalized world are commonplace nowadays, and this is reflected in concerns about the Olympic preparations. How confident can Tokyo feel as a world-class city in, say, its training and accommodation facilities for athletes, perhaps as a barometer for the quality of what it can offer more generally?

Kushner appears to see grounds for optimism here. "There is still time for Tokyo to make the investment in those facilities, training grounds and so forth. And of course that can also be a legacy left behind after the games, for teams from around Japan that would love to come to Tokyo to practice and train, or from around the world for other international events. If you have world-class training facilities here, that can also imply good lodging opportunities, good transportation; those are all part of building a real world-class city."

So perhaps these fears about Japan falling behind other cities, including Asian ones, are not as worrying as they seem. "I think that Tokyo has a number of attributes that make it very attractive for international business, and for people who have lived in Tokyo for a while or who speak Japanese, it is really very difficult to beat." The challenge may be greater, suggests Kushner, for people new to Asia, where Japan has a more impenetrable reputation compared to, say, Singapore, where everyone speaks English and there is a more business-friendly regulatory environment.

"But at the same time there is also the downside there that in Singapore and Asia more broadly, including in China's major cities like Beijing, Shanghai and Hong Kong, things have become rapidly much more expensive; you also have to look at the yen depreciation, because in comparison Tokyo is now not so expensive anymore. There are a number of factors anyone would look at when they think about where to live or locate their business: cost, convenience of travel in and out of that market, the size of the domestic market — and Japan has a very big and attractive domestic market with a sophisticated consumer base, and great companies with a lot of R&D and innovation. So from Tokyo's perspective, I think it's important to understand where you stand, and then create the right kind of arguments to appeal to your strengths."

Japanese English Competency — a Concern?

Communication, then, is tremendously important, which first of all comes back to the question of language. Beyond signs, volunteers and infrastructure for the Olympics, the broader question of English competency in Japan has been an increasing concern. Initiatives to improve it are on the rise, especially in education: for example, the selection of 10 Tokyo high schools, and the Tokyo City University, for special programs including mandatory study abroad for one year, the invitation of foreign students to join the schools, and the teaching of subjects in English. This would require bringing in more English teachers too, and in theory would equip the graduates to contribute to making Tokyo a more internationally-friendly city as workers and volunteers during the Olympics, as well as to bearers of global talent more generally and for the longer term. But is it enough?

"I think there is no doubt that when you talk about globalization," says Kushner, "one of the key aspects is having some level of competency in English: not just to be able to read or to write in it but to be able to communicate in it. If we think about education in high schools and university as being the base for preparing students to go out into the world, then it is a great experience for them to have this kind of opportunity to study in English, to study abroad, to have the opportunity to learn about other cultures while doing so, and to get comfortable learning and communicating about their subjects in English. But it is only 10 high schools and one college — how many high schools and colleges are there in Tokyo?"

Perhaps, he suggests, this plan can mirror that of the Special Strategic Zones: to be tested out on a small scale, successes proved and lessons learned, then quickly scaled out across the whole of Japan. And as with the structural reforms, there are rigidities too: the degree system for example requires students to learn all their subjects within Japanese schools to be able to graduate. A more flexible education system in this regard might help Japan develop its base of globally competitive talent, or *gurōbaru jinzai* as it is often referred to, which Kushner identifies as so crucial for Japan.

"There is a real shortage right now of educated and experienced people in the workforce who can not only speak in English and other languages, but who also have experience working outside Japan or interacting with people of international cultures. So as Japanese companies also increasingly globalize and need to do business around the world, having a pool of talent from the school system of people who have that kind of language and cultural experience is going to be critical."

Japanese Culture — a Strength?

On the other hand, Japan does have certain strengths in presenting itself to the outside world, and one of these is undoubtedly culture. And there is plenty of opportunity to experience this culture in Tokyo, says Kushner, owing to it being such a large city. Perhaps the difficulty here is sharing with visitors what he calls the "menu of opportunities", which is so large, but is in many ways still limited to only Japanese speakers at the moment. But "if there is a way to help facilitate visitors to be able to experience these from a cultural perspective ..."

Consider the Edo-Tokyo Museum in Sumida Ward, he says, "a fabulous museum about the history of Tokyo and Edo. When you go to that museum, they have a free guide service in English and other languages, so you can request a guide, and get a volunteer who will take you around and explain all about the exhibits and the history. That is a great idea. But there needs to be more of those kinds of services, and then, for the foreign residents or visitors there has to be a better way of sifting through all of the many opportunities. There are a few websites and publications that offer some listings, but it is important to be more comprehensive, because Tokyo has so many art galleries, museums, music venues, places where you can see traditional Japanese theater and the like. In my opinion it is really one of the most complex cities in the world in terms of the amount of cultural offerings, but we have to try to be a bit more friendly in terms of how we make those available to foreigners."

As, perhaps, with restaurants. Japan's system of plastic food in the windows is not only very convenient, says Kushner, but you can actually go to Kappabashi and see where they make it all with wax. It is something quite appealing to tourists, and has itself become a unique form of Japanese culture.

Promoting the Appeal of Tokyo

In the final instance, beyond all the initiatives and reforms within Japan, there remains the question of how to communicate these changes and Tokyo's new image to the global public. Kushner sees lots of opportunities for doing this too: "What you want to do is to create a buzz, some excitement about the changes that are happening in Tokyo, and to change people's perceptions overseas that maybe Tokyo is a difficult place to visit where nobody speaks English. So if you can create some coordinated messages to talk about this, and the true advantages that Tokyo and Japan provide, that would be very valuable. That can be done through many different channels, whether it be the web, or traditional media, or advertising; increasingly it is also important to do that kind of campaign at the grassroots level, to talk to people and have them spread the word through social media like Facebook and Twitter. I think any successful campaign needs to employ all different types of channels in order to get the message out to the intended audience."

There are multiple layers to this, he recognizes. On the surface it helps to have a strong image or catchphrase, which he says should be thought about from the perspective of the intended audience and be easy to understand. "A great example is 'I love New York', with the heart mark — everyone knows that around the world. The *Yokoso Japan* campaign is an interesting one because it uses Japanese words, arguably making it difficult for people to understand, but it also sends a message that Japan has a strong culture it is very proud of."

This relates to the more substantial layer of in-depth understanding and connection between Japan and other countries. "You have to have a good, strong theme message, but also a good ability to localize that for each target audience. You have to think strategically about creating that, and to work with experts who have global experience and global reach to localize for different markets. Oftentimes people engaged in those kinds of branding campaigns will do some market research, and will look at current perceptions among different targets, and decide based on that who their primary targets are. Some of the points we discussed earlier would probably come out of the research as well, about Japan being a bit difficult to visit, or not so much English spoken there, maybe a bit too bureaucratic. But by doing the research you can test their perceptions with what the reality is, and then create the campaign and messaging to appeal to people from those individual markets to change or enhance their perceptions."

It seems a vital point, especially in a world where Japan's relationships with a more diverse range of nations — China, India, Russia, and European countries — are growing in relative significance, and attention to the diverse perceptions in these societies may be very important in attracting visitors or investors, not least to avoid such difficulties as occur between Japan and China these days.

Is Tokyo in a position to do this successfully? "I think it is very possible," says Kushner. "Certainly many other cities and countries around the world have engaged in successful national branding campaigns, and have run successful major sporting events and changed public opinion. And Tokyo can do it too." JS

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