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Townscape preservation and modernization in Japan's historic tourist attractions: Various logics and the struggle for legitimacy

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Summary:

The purpose of this paper is to discuss the struggle between "townscape preservation" activities and "conversion to modern townscapes" in Japan's historic tourist destinations from the perspective of "institutional logics."

As evident from the fact that Japan was conferred the top spot in the World Economic Forum (WEF) Tourism Competitiveness Ranking, it is attracting worldwide interest as a tourist destination (Travel & Tourism Development Index, 2021). In particular, many travellers yearn to experience not only Japan's rich natural environment, but also visit its historic townscapes, shrines, and Buddhist temples. However, such historical buildings were eliminated during Japan's reconstruction after World War II from the viewpoint of economic rationality. On the other hand, some actively tried to use these historical buildings from a business perspective, not just for their protection.

This paper discusses how both parties valued the townscape, and the actions they took to legitimise it from the perspective of "institutional logics" (Friedland and Alford, 1991; Thornton and Ocasio, 1999; Thornton et al., 2012). As a case study to illustrate this point, this paper discusses the conflict between the residents of Katori City, Chiba Prefecture, Japan, where a traditional townscape has existed for over 200 years, through the preservation of the townscape and economic activities.

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## 1. Introduction

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This paper discusses how both parties valued the townscape, and the actions they took to legitimise it from the perspective of "institutional logics" (Friedland and Alford, 1991; Thornton and Ocasio, 1999; Thornton et al., 2012). As a case study to illustrate this point, this paper discusses the conflict between the residents of Katori City, Chiba Prefecture, Japan, where a traditional townscape has existed for over 200 years, through the preservation of the townscape and economic activities.

## 2. Theoretical background

In this section, we discuss the key concept of institutional logics, including the reasons why it developed and its validity from the perspective of new-institutionalism of organizational theory.

DiMaggio and Powell (1983) set a starting point for their discussion that despite the existence of many organisations in modern societies, their organizational structures are similar. They placed the "organizational field" as the central concept of this argument. An organizational field is defined as "the aggregate of organisations that constitute a recognized area of institutional life key suppliers, resource and product consumers, regulatory agencies, and other organisations that produce similar series or products" (DiMaggio and Powell, 1983: 148). They show that as this organizational field is formed and structured, organisations become isomorphic. However, these discussions, with their emphasis on the influence of the organizational field, have led to the same old research finding that organisations conform to their environment rather than to the unique behaviour of individual organisations (Hirsch and Lounsbury, 1997). DiMaggio (1988) attempted to address this by discussing the "interests" or "agencies" of people. In other words, DiMaggio suggested that the focus should be on the actions of "institutional entrepreneurs", actors who imagine and transform organizational forms

and practices to realise their own interests. In other words, the organizational field is not predetermined and stable but emerges depending on the issue. Multiple interpretations exist and the practice of acquiring legitimacy through agencies arises.

Institutional logics constitute the conceptual device presented for analysing this act of interpretation and legitimacy-acquisition by the actors. Institutional logics consist of socially constructed and historically patterned activities, assumptions, values, beliefs, and rules. They then form the archetype of daily activities, and influence cognition and behaviour (Thornton and Ocasio, 1999: 804; Friedland and Alford, 1991: 243). The concept of institutional logics emphasises the existence of multiple institutions that are mutually contradictory under interinstitutional conditions (Friedland and Alford, 1991). Thornton et al. (2012) argue that markets, firms, professionals, the state, family, religion, and communities are sectors with institutional logics. Based on this assumption, existing research has focused mainly on macro units and has explained that market logic, which demands economic rationality in the marketplace, is dominant and that organisations exposed to this institutional environment also possess market logic. Based on this assumption, existing research argues that market logic, which demands economic rationality, is dominant in business and requires organisations to also have market logic. For example, Thornton and Ocasio (1999) and Thornton (2004) conducted a historical comparative analysis of the American higher education publishing industry and used the concept of institutional logics to illustrate the transformation from the logic of professional editorial staff, which emphasised academic value, to the logic of for-profit companies, which emphasised stock prices and market impact.

Lounsbury (2007) describes not only changes in institutional logics, but also the varied behaviour of various actors in an environment where competing logics coexist. Using an American mutual fund as a case study, Lounsbury clarified how the two logics of “fiduciary protection” and “focus on returns” differ across mutual fund companies in the two regions.

Thus, institutional logics are not always the only logic with a dominant influence on an organisation. As Friedland and Alford (1991) noted, institutional orders are diverse, thereby requiring organisations and individuals to deal with logics that are sometimes simultaneously contradictory. Situations wherein organisations encounter such diverse logics simultaneously, dealing with the multiple rules associated with each logic, are referred to as “institutional pluralism” (Kraatz and Block, 2008) or “institutional complexity” (Kraatz and Block, 2017). Recognising the simultaneous existence of these multiple institutional logics allows for the discussion of institutional sources of logic change and organizational diversity (Thornton et al., 2012), enables us to examine the micro-processes of actors and institutions, and provides a theory for examining the micro processes of actors and institutions. In particular, several studies have been conducted to better understand the mechanisms by which multiple logics are formed,

interrelated, and influenced by each other (Ocasio et al., 2015).

### **3. Current State of Japan's Tourism Industry**

Japan is of interest to the world as a tourist destination, as evidenced by the fact that it was selected as the top country in the World Economic Forum (WEF) Tourism Competitiveness Index (Travel & Tourism Development Index 2021: Rebuilding for a Sustainable and Resilient Future, 2021). In particular, one of the points wherein Japan rates highly in the WEF ranking, is the "richness of cultural resources", and is represented by its historical townscapes with rows of wooden buildings and historic temples and shrines.

In recent years, the Japanese government has been making serious efforts to revitalise the domestic tourism industry. In fact, with the enactment of the Basic Law for the Promotion of Tourism in 2007 and the establishment of the Japan Tourism Agency the following year, a framework was put in place to provide a foundation for the implementation of tourism policies. Until the 2000s, domestic tourists were the primary tourists in Japan. In fact, in terms of travel consumption, while Japan ranks third, after the United States and Germany, in terms of travel consumption, the percentage of inbound travel was not high (Japan Tourism Agency, 2014). However, due to the Japanese government's tourism policy, the number of visitors to Japan nearly doubled between 2003 and 2013, from 5,122,000 to 10,364,000, a growth rate higher than the global average.

However, there are different aspects of these historic neighbourhoods for the local economy. The Japanese economy has developed rapidly since the period of rapid economic growth in the 1960s. However, the centre of industry moved to the suburbs of cities from areas with traditional townscapes, as the latter typically comprised narrow streets, small buildings, and inadequate infrastructure. Therefore, many areas abandoned traditional buildings and adopted modern townscapes in order to develop the local economy (Okamura, Nohara, & Nishimura, 2009).

On the other hand, activists seeking to preserve the townscape began to object to this change. Although their main objective was initially to preserve the townscape, they gradually changed their activities because they felt that this alone was insufficient to cope with economic development and the resulting increase in wages. They would show that townscape preservation attracts tourists and provides economic benefits. This is discussed in the next section, focusing on Katori City, Chiba Prefecture, Japan.

### **4. The struggle over townscape preservation and modernization in Japan's historic tourist areas: The case of Katori City, Japan**

Katori City, Chiba Prefecture, is located in the north-eastern part of Chiba Prefecture,

approximately 70 km from Tokyo and 25 km from Narita Airport. From the Edo period (1603-1867) to the early Showa period (1926-1989), the city flourished as a commercial river port city using the Tone River's boat transport, and was also a commercial city with a thriving brewing industry, backed by the agricultural productivity of the surrounding area (Shirai et al., 2009).

One of the characteristics of this area is that it has been designated as an “Important Preservation District for Groups of Traditional Buildings” to attract tourists. With the 1975 amendment of the Law for the Protection of Cultural Properties, valuable historic villages and townscapes remaining in Japan were designated as such, and their preservation is now being promoted (Yuasa et al., 2015). As there are only a few of these certified areas, they are recognised by the Japanese as being of extremely high value. Therefore, they have become a local tourist resource that attracts many visitors (Yuasa et al., 2015). In addition, unlike temples, shrines, and other cultural assets, this district is characterised by the fact that ordinary residents live in this area, unrelated to tourism (Tanezaki et al., 2018). Therefore, the recognition of Katori City as this district means that the residents of the area were also recognised at the same time.

However, recognition of this district was not so important to the residents of Katori City. A survey of residents' attitudes was conducted by the City Board of Education in 1975 (City Board of Education, 1975), and residents were more focused on economic development than on townscape preservation. For example, the survey results show that only 14% of the respondents stated that their impression of the townscape was that it was "well organized and calm with many traditional buildings", while 70% felt that it was "a confusing mix of new and old buildings" and that they "want it to be more modernized". Regarding the future direction of the city, the most common response was "to promote commerce" rather than "to promote tourism". Therefore, a movement aiming to modernise the region and develop business, seemed to be emerging (Shirai et al., 2009).

However, an activist group that lived in Katori City was born with a sense of crisis over this trend and sought to find a way to rebuild the area through tourism by preserving the historical townscape (Shirai et al., 2009). The group submitted a townscape preservation plan to the city government in 1992 that included restrictions on reconstruction and subsidies for the repair of houses in the area to protect the landscape. The plan not only regulated rebuilding but also provided subsidies for the repair of houses in the area to protect the landscape. This plan was adopted by the city council, and in 1994, the city began to pay subsidies to residents.

Activists also worked on tourism by utilising the townscape. They explained the value of the historical townscape to the government and residents and showed that preservation of the historical townscape would attract tourists, which, in turn, would revitalise the businesses in

the area (Katori City, 2006). Consequent to these actions, the residents agreed with the activists' ideas, and Katori City promoted tourism using the historical townscape. Katori succeeded in attracting tourists by establishing a regional brand of traditional townscape.

## 5. Conclusion

The various actions that have taken place since the selection of the "Important Preservation District for Groups of Traditional Buildings" in Katori City are examples of how multiple institutional logics emerge and gain legitimacy among the people living there. While some residents wanted to change this townscape for the sake of economic development, there were activists who wanted to increase their economic value by preserving it. The activists not only preserved the townscape, but also demonstrated actions to achieve the economic development desired by the residents, resulting in gaining their consent. Thus, this case shows what Kraatz and Block (2008, 2017) describe as "institutional pluralism" and "institutional complexity", and it can be considered a discussion of the changes in logic and diverse actions within this context.

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