Contents

List of Figures and Tables vii

Preface x

Notes on the Contributors xi

List of Abbreviations xv

Introduction: The Dialectics of Globalization 1
Harukiyo Hasegawa and Glenn D. Hook

Part I Politics and Security

1 Janus at Large: Neo-Liberalism and Statism in Contemporary Japan 19
Atsushi Sugita

2 The Impact of Globalization on Domestic Politics in Japan 35
Susumu Takahashi

3 Between Terror and Empire: Japan's Response and the Post-9/11 Order 55
Kiichi Fujiwara

4 The Rise of China and Security in East Asia: China's New Concept of Security and Multilateral Diplomacy 69
Akio Takahara

5 Regionalization of Security Communities in East Asia: Myth or Reality? 88
Takehiko Yamamoto

6 Japan's Policy and Interface Arrangements with International Organizations: Financial and Other Resource Flows 103
Hideaki Shiroyama

Part II Economics and Business

7 The Response of Japanese Capitalism to Globalization: A Comparison with the German Case 131
Akira Kudô

8 Japanese Corporate Response to Globalization: The State's Role in Economic Development 151
Harukiyo Hasegawa

9 Reorganization of Enterprises in Japan: The Response of *Keiretsu* and Small Companies 184
Takeo Kikkawa

10 The Response of Japanese Business to the Rise of China: Competitiveness of Manufacturing Industries 203
Hideo Ôhashi

11 Globalization of Japanese and East Asian Enterprises: Towards an Economic Integration in East Asia 230
Yoshiaki Takahashi

12 Bretton Woods Institutions and Japan's Response: Past, Present and the Future 254
Kenji Aramaki

Index 289

1

Janus at Large: Neo-Liberalism and Statism in Contemporary Japan

Atsushi Sugita

In contemporary Japan, a seemingly contradictory process is underway: on the one hand, the state is being weakened in the course of neo-liberal 'reforms'; on the other, the state is being strengthened for the alleged purpose of enhancing 'security'. In this chapter, we seek to offer an interpretative framework to explain this dual process.

The first section examines how the position of Japan in a US-centred world order is perceived domestically. The second section directs attention to the complementary relationship between neo-liberalism and statism. The third section discusses how Japanese nationalism is actually intertwined with globalism, before a concluding comment is made on how to find a way out of the situation, in the final section.

A monolithic order?

One of the most discussed topics at the beginning of the twenty-first century is the status of the USA in the world. Since the end of the Cold War, but particularly after the 9/11 terrorist attacks, more and more people are turning their fearful eyes on the USA. It is true that the past century was called the American century, and the USA has always remained the focus of global interest; so-called Americanization has been witnessed in most corners of the world. What we have seen in the past decade, however, seems to be different from what has come before.

The most frequently asked question now is whether the USA has become the centre of a monolithic global order, a familiar question to a country that has maintained a close relationship with the USA for the last sixty years. However, even within the Japanese establishment, opinion is divided over what kind of relationship to maintain with the USA. Some argue that this relationship should be given the highest

priority in almost everything, an attitude not too dissimilar from the present Koizumi government. For them, the world has already become a hegemonic order under US power, and that is no bad thing (Yamazaki, 2003). Any order is better than no order (a vulgarized version of the Hobbesian 'war of all against all'). Those who are opposed to the US-centred order are cynics at best, and terrorists at worst. From this perspective, the fault of Japan in the early twentieth century was not its colonization of Asia, but its hopeless resistance to Anglo-American hegemony. The path for Japan to chart is thus clear-cut: in order to avoid another failure, it should stand shoulder-to-shoulder with the strong nations in the world.

At the same time, however, some within the establishment complain bitterly about always being ordered about by the USA.[1] These critics believe that the purpose of Japanese war-efforts in the early twentieth century was the emancipation of Asia from the shackles of Western colonization. In general, their hope is for Japan to emerge as a significant military power in the Asian region.

Of course, tension exists between the two attitudes. While the former would like to see a strengthened military alliance with the USA, the latter would like to bring about Japan's military independence. This difference is important not only for US policy-makers, but also for a number of Asian countries, which remain fearful of Japanese military expansion.

If we examine these two positions from a distance, however, they are actually complementary. For even the protagonists of military independence harbour not the slightest intention of Japan becoming the centre of a new world order – the dream is to become a semi-dominant regional power within a US-dominated world order. In that sense, a US hegemonic order is far from inconvenient for them. And even for the self-appointed friends of the USA, in order for them to have some bargaining power, the existence of murmuring non-conformists within the Japanese establishment proves at times helpful.

How power is forged

In the above context, talking about a US-led unified world order is not simply describing a fact. Protagonists of such a theory are rather trying to form a US-centred power structure 'performatively' through their enunciations (Austin, 1975; Searle, 1969). That is, by emphasizing American supremacy in terms of military force and economic influence, they wish to convince us that the USA's supremacy inevitably leads to power.

Of course, in the traditional and still prevalent conception of power, certain individuals or states gain power through power resources like weapons and money. We believe here, however, that power actually depends more on reputation and perception than on anything tangible (Sugita, 2000). If a large number of people say to each other that a certain person or state is powerful, and this becomes widely believed, then nobody would try to resist those called the 'powerful', and thus in the end the powerful seem indeed to possess power (this is akin to what Hobbes, 1998, tried to achieve with his social contract theory). To put it another way, what is now going on in terms of the talk about US supremacy is what we can call a kind of 'credit creation' of power. And such 'credit creation' is obviously not only supported by the USA, but also by other countries, especially other leading stakeholders in the hegemonic US order, such as the European Union and Japan. Such countries look after their own interests by propagating the idea that nobody can resist the USA. While urging others to acquiesce in the US-dominated order, they pretend that they, too, are subject to US supremacy, concealing the fact that they are on the winning side. 'Multilateralism', at least for these countries, is sometimes no more than an alluring word covering their complicity in the maintenance of the US order.

In that sense, the supposed conflict between US-centred unilateralism and pluralistic multilateralism is no more than a pseudo-conflict. In fact, the world is neither heading towards a unified world, nor towards a plural world, but instead towards a divided world. The globe is rapidly being bipolarized between the rich and the poor. And the boundary between these two does not necessarily coincide with state borders. In quite a few cases, such bipolarization is underway even within state borders (Kang *et al.*, 2001). This illustrates how the idea of national solidarity is breaking down and the rich are becoming increasingly unwilling to pay taxes in support of the poor.

When we talk about globalization, however, the world seems to be heading in the direction of unification, with the end result being a possible borderless world. But what is actually taking place is not the disappearance of borders, but rather their relocation. The next section suggests how this relocation is occurring in the case of contemporary Japan.

The exit/emergence of the state

During the past decade, many Japanese corporations and banks have faced bankruptcy. While the long recession following the bursting of

the economic 'bubble' at the beginning of the 1990s should be the first to be blamed for this, another factor also needs to be taken into account, namely, the abandonment of the 'convoy' industrial policy. The basis of this policy is for all corporations within a certain industry to travel together, as if in an armed convoy, with the Japanese government giving assistance to any weaker member of the convoy (Hashimoto 1995). With deregulation accompanying globalization, however, these weaker corporations were no longer helped but mercilessly discarded.

The state retreats

Of course, reasons for such policy change are not hard to find. Ever since the beginning of the Meiji Restoration in the middle of the nineteenth century, Japan sought rapid industrialization through state-initiated industrial policy. This policy has been effective, at least to some extent, and the 'economic miracle' following the Second World War might not have been possible without such a policy. However, in the face of the ailing domestic economy in the 1990s on the one hand, and the comparative success of the more competition-oriented American economy on the other, people quickly lost confidence in the traditional Japanese model. As globalization processes mean competition crosses state borders quite easily, the government can no longer protect corporations like a patron, the argument goes. So Japan's anachronistic industrial policy should be jettisoned as soon as possible.[2]

Certainly the introduction of competition is necessary to some extent. However, when the Japanese prime minister announced that the bankruptcy of corporations is evidence of successful reform, he clearly made no attempt to sympathize with the weak (*Sankei Shimbun*, 2002). Actually not all the 'inefficient' and 'uncompetitive' companies faced bankruptcy. Rather, the central government decided which company should be allowed to fail. High-ranking bureaucrats openly said that some companies were simply too big to go to the wall. Even in the case of large-scale bankruptcies, the sacrificial lambs were carefully chosen. That is, the sacrifice needed to be large enough to make people believe that even large corporations were at risk, but not large enough to damage the whole economy. Well-connected and well-known corporations were somehow protected. All in all, what emerged was not competition, but a farce directed by the national government.

And even if we assume competition to be a good thing, it makes no sense to think about competition between the tortoise and the hare. To talk about competition between a small-scale upstart and a mighty corporation is not only meaningless, but also harmful. It bears no

relationship with competition. It is rather the reaffirmation and reproduction of a given order and the reflection of an enormous disparity between the strong and the weak.

Despite bankruptcies and the large-scale layoff of workers, Japanese trade unions are not functioning effectively in the face of so-called 'mega-competition'.[3] For both structural and attitudinal reasons, Japanese workers have generally cooperated with management: unions are normally organized as company unions, and the members believed that they gain if the company gains. Given the threat of layoff, they are now more timid than before. The game is one of survival, where the disappearance of a colleague seems to improve one's own chance of surviving, reflecting the way a 'survival of the fittest' mentality has permeated society. In this situation, little sympathy is generally expressed for the weak and unemployed.

The situation is similar in the case of Japanese local governments. Due to their lack of funding and competences in a highly centralized national system, they have been described as '30 per cent self-government' (Matsushita, 1975). As most of the tax resources have been monopolized by the central government, local governments have had to depend on subsidies from the centre in order to implement their policies. The central government has taken advantage of this system, controlling local governments in every detail of their policies. This system is now being modified in the name of decentralization. Mainly for fiscal reasons, that is, the reduction of the national budget disbursed on local governments, competition between local governments is being introduced. Smaller, and in most cases weaker and fiscally less competitive town and villages are being forcefully absorbed by their bigger sisters (Shindô, 2004). While independent and self-reliant local governments can be seen to be good in themselves, we should not forget the positive role the national system of redistribution has played in making well-balanced national development possible.

Another issue making things difficult for local governments has been the reduction in the number of public works projects funded by the national government. The amount of public funding used for the construction of roads, ports, airports and public buildings has been far greater in Japan than in the other industrialized countries (Igarashi *et al.*, 1997). This is partly due to the natural environment in Japan, which is very mountainous, and prone to natural disasters like earthquakes. In that sense, a need did exist for certain kinds of public works, both in terms of the natural environment and in providing for the needs of rural communities. But public works have now been cut back, mainly as

a result of the huge national subsidies being regarded as an unjustifiable transfer of money from the urban centres to the rural periphery. In the course of industrialization, rural populations shifted to the cities, and that resulted in low productivity in the depopulated countryside. It is in this context that unnecessary public funding for rural Japan has come to be viewed as compensation for the damage caused.[4] Of course, urbanites, many of whom were born and/or have family members living in the countryside have for years acquiesced in such a transfer. In the face of the more than decade-long downturn in the economy, however, most have lost sympathy for their rural neighbours and have begun instead to criticize 'spoiled farmers'.

The need for a reduction in the budget itself is self-evident, not only from the perspective of improving Japan's fiscal condition, but also in order to avoid the political corruptions involved in public works. In this sense, a dual need exists: to change the over-centralized system of government, on the one hand, and to awaken some of the 'sleeping' local governments to the need to be more independent, on the other. Having said that, however, it is extraordinarily difficult to compare the achievements of local governments as each one is unique. While private corporations might be able to move location in order to improve their competitiveness, local governments cannot. They are geographically bound. A small town in a poor mountainous region cannot easily compete with a prosperous port city. And even if a fiscally deprived town or village tries to improve things by joining together with neighboring towns and villages, this may not lead to an improvement in either fiscal health or competitiveness.

The tide of neo-liberal 'reform' has reached Japanese universities, too, as seen in the move to make national universities independent administrative bodies (*hôjinka*) now underway (Iwasaki *et al.*, 1999). National universities are accused of having been too self-indulgent and reform-aversive. According to the Ministry of Education, Culture, Sports, Science and Technology (MEXT), the main reason why Japanese science lacks international competitiveness is the inefficiency and ineffectiveness of universities (ibid.). Academic members of staff have made no efforts to improve their performance and become internationally competitive, as their budgets have been assured, the argument runs. Following their move to so-called independent status in April 2004 universities are now expected to garner funds from the private sector and not to rely solely on government sources. In this case, too, there is no denying the need for reform on the part of universities. However, if the Japanese government really wishes to improve the standard of science in Japan and improve

its international competitiveness, the first thing it needs to do is to spend more money on research. Despite the rhetoric, the real purpose of the present 'reform' is to force smaller and weaker universities and faculties to the wall, in the name of competition. If they disappear, then more resources will be available for the remaining larger universities, without any need to increase the total sum of the educational budget. This time again, though, the analogy of the competition between the tortoise and the hare is relevant. If a small university with a limited number of researchers is asked to publish as many scientific papers as larger universities, this is hardly what we can call competition. And, even if some disciplines of relevance to industry might be able to attract funding from the private sector, what about academic disciplines like literature, philosophy or ancient history? That kind of 'reform' will lead to the reconfirmation of the existing order, rather than the creation of dynamic competition.

Reintegration of the state

As we have seen so far, the Japanese state is retreating from spheres like industrial policy, local development and education. Meanwhile, in other spheres like internal and external security, in other words, domestic security control and overseas military activities, the state is increasing its presence.

First, many laws concerning domestic security policies have been recently enacted. To start with, the Interception of Telecommunication Act, also know as the Bugging Law, passed the Diet in 1999 (Uzaki *et al.*, 2001). This law enables the police to intercept telephone calls and e-mails, when there is a so-called allegation of a serious crime. Although the purpose seems at first sight to be limited, human rights activists and concerned academics fear that the law might be abused and employed in order to monitor the communications of those who are critical of the government. There is general concern as well about the launch in 2002 of a computer network for the registration of local residents – the so-called Basic Resident Registers Network (Jûkinet) (Tajima *et al.*, 2003). Everyone is expected to report his or her residential address and family structure to the local authority, or risk ineligibility for important public services. The information collected has been so far kept within each local government, with a small number of local authorities, such as Suginami Ward in Tokyo, refusing to sign up. The main concern of the general public is that the information could be leaked, hacked or abused for economic purposes. The more serious problem, however, is that if the network is to be connected with other databases storing personal

information, then all these data will become easily accessible. Health records held by a hospital, financial records held by a bank, purchase records held by a credit-card company, and records from a rental video shop could all be combined under the same registration number.

Meanwhile, the mass media have been lamenting about the deterioration of domestic security. Newspapers and magazines are full of stories about crimes committed by foreigners. When the governor of Tokyo attributed the worsening security situation in the city to 'illegal immigrants' from neighbouring countries, the public did not demur (Saitô, 2003; Morris-Suzuki, 2002), reflecting grassroots opinion that security is being damaged by 'them', not 'us'. If we can eliminate 'them', in other words, then 'we' will be safer. It is this 'us' mentality that is behind the support for the increasing number of closed-circuit televisions (CCTVs) in shopping malls and car parks around the country – their purpose is to spot 'them' not 'us'. In this way, the boundary between two groups within society is being reinforced (Saitô, 1999).

The present Japanese constitution says nothing about emergencies. This is not necessarily a result of negligence, but is actually a corollary of the pacifist clause, Article Nine (Kempô Saisei Forum, 2003). It was commonly believed that, so long as we are not going to fight a war, no emergency legislation is needed. However, such emergency laws were enacted at the beginning of the twenty-first century. The laws authorize restrictions on the human rights of citizens in the case of attacks by foreign military forces. Illustrative of the measures allowed is the ability of a commander of the Self-Defence Forces to commandeer the land of a private citizen living on the coast in order to keep track of foreign warships. As 9/11 shows, however, security crises in highly industrialized society do not necessarily come from beyond a state's territorial borders – the planes which destroyed the World Trade Center took off from airports in the USA. And the terrorist attacks on Oklahama city were carried out by a US citizen as were the Aum Shinri terrorist attacks on the Tokyo subway by a Japanese citizen. In this sense, it is totally anachronistic to think about conventional wars between regular military forces as the main mode of emergencies facing modern industrial societies. In addition, when we reflect on the sorry state of the human rights of citizens and aliens rounded up in the USA after the event, it suggests a greater degree of caution about restricting rights in the name of security measures, especially when the country concerned has been more than willing to criticize other countries accused of abusing human rights.

Finally, major change in Japanese policy has taken place in terms of external security as well. Some argue that Japan has not gained an

'honoured place' in international society simply because of the lack of military 'contributions'. Though the country paid most of the bill for the 1990–91 Gulf War, as no Japanese soldiers were there to 'fly the flag', no words of gratitude were expressed in the advertisements posted by the restored Kuwaiti government after the conclusion of hostilities. This episode has been quoted in Japanese magazines ad infinitum, and has caused a kind of national trauma (Kunimasa, 1999). In the wake of this, successive administrations have watered down the no-war clause of the constitution, as most clearly illustrated by the Koizumi administration's decision to dispatch Ground Self-Defense to Kuwait. This followed the decision to dispatch Maritime SDF vessels to the Indian Ocean following the US attack on Afghanistan. What is most remarkable about this hollowing out of the constitution and more pro-active military role is the government's overriding concern with only one thing: the attitude of the USA. Even in the case of Iraq, little interest is shown in the ordinary Iraqis who are being helped under the banner of 'humanitarian assistance'. Such help is mainly framed in terms of extending assistance to the United States in the fight against 'terrorism'. The divisive thinking of US President George W. Bush is clearly reflected in his September 2001 Address to a Joint Session of Congress and the American People when he stated that 'either you are with us, or you are with the terrorists' (which reminds us of Carl Schmitt's (1996) friend/enemy dichotomy). And the Japanese government clearly showed it is with the United States. Indeed, in order to stay on the side of the 'winner', policy-makers seem to believe Japan has no choice. In this way, the boundary between 'us' and 'them' is being made.

Thus the Japanese state is being strengthened in some spheres, as is occurring in other industrialized states. We can find a similar tightening of security measures not only in the USA, but in European countries, too. Throughout, public attitudes to new immigrants are hardening. Here we can see the contradictory process of globalization, as in this context borders are not coming down as in the neo-liberal formulation, but states are rather tightening them.

One possible answer to the existence of these contradictory trends might be that the world is heading towards the end of states, but that the end point is still some way off; in the interim, therefore, states have some jobs to do. In other words, we are now in a transitional period, when states are trying to make a framework in order to weaken their own existence as states. This argument obviously reminds us of the old leftist theory about nationalization bringing about the end of the state.

It is doubtful, however, if the overall situation is heading in that direction. Does neo-liberalism presuppose the weakening of the state in the first place? Of course, neo-liberals will not always be friendly to states – some may even regard them as obstacles to be destroyed, especially those that are inimical to the market economy and competition. But insofar as we cannot expect the market itself to physically eliminate those who would try to weaken or destroy a competitive economy, it is necessary for the market economy to have a sort of government or governance mechanism for the job of 'cleaning'. Of course, the job need not be done by a conventional state. Other agents of governance such as 'civil society' associations or a future 'world government' could perform the same function.[5] If states are at hand, however, there is no reason for neo-liberals to avoid them.

It is clear, therefore, that there is no serious contradiction between the retreat of the state from the service sector and its greater presence in security affairs. States may not be simply expanding, but they are not simply shrinking, either. They are in fact under transformation.

Globalization and nationalism

We next turn to the recent resurgence of nationalism. Not only in Japan, but also in many other countries, nationalistic discourses seem to be increasing. In the so-called age of globalization, why is nationalism witnessing a comeback?

One of the most remarkable examples of the rise of nationalism in Japan is the emergence of a movement promoting historical revisionism. Since the end of the last war, conservative politicians and commentators have sought to justify Japanese colonization of Korea and other Asian countries, and the starting of the war itself. That kind of argument now seems to be gaining force. A group of scholars and critics have called for a new school textbook of history,[6] Existing textbooks, they argue, are contaminated by a 'self-abusive' view of history, being too critical of past Japanese deeds. Instead of pupils having to rely on such a distorted view they should be provided with textbooks viewing Japanese modern history in a more favourable light. In the first half of the twentieth century, the Japanese had only two options; to be colonized or to become a colonizer. The revisionists' answer is that the choice of becoming a colonizer is self-evident. On top of that, rather than colonization being seen as a bad thing and devastating for the colonized peoples, the revisionists see Japanese colonizers as having done many good things, such as creating a modern educational system and building infrastructure.

Discrimination against foreigners seems to hark back to these views. To be fair to the Japanese, discrimination rarely takes the shape of bloody attacks such as occurs with European neo-Nazis. But abusive remarks about foreigners can be found on Internet BBS and other anonymous sites. Asian immigrants are regarded as 'potential criminals' who damage peaceful Japan, or 'uninvited guests' to a 'homogeneous' society. In short, tolerance of foreigners and support for a multicultural society has been slow to develop.

Obviously one possible explanation is that all of this is nothing more than a hopeless reaction to the rapid progress of globalization. While money, goods, culture and even certain groups of people are crossing borders *en-masse*, local residents are vainly trying to put up resistance. It is nothing more than a transitional phase, then, soon to end. As a psychological explanation, this is relevant to some extent. One of the main causes of the obsessive fear in Japanese society is the possibility of unemployment and loss of assets. The bankruptcy of brand-name corporations and the loss of jobs by executives undercut completely the role models at the heart of postwar Japanese society. People felt that they had lost their way. And as their bank accounts turned out to be not as safe as imagined, many tried to cling to their traditional lifestyle. It is understandable that, in the face of a growing sense of fear, many Japanese people have adhered to the traditional, familiar world.

Characteristics of Japanese nationalism

At the same time, however, Japanese nationalism today has a specific characteristic: it is not combined with anti-Americanism. Of course, bitter voices can be heard rallying against American hedge funds for buying up failed Japanese companies. That the Japanese management model is no longer admired is clearly a source of concern. Similarly, those unsympathetic with the present Japanese constitution criticize the USA for having 'imposed' it on Japan. From the critic's point of view, the liberal and individualistic bias of the constitution represents one of the worst US exports, as constitutional precepts have utterly destroyed traditional family values in Japanese society.[7]

Notwithstanding these critical voices, however, we find little in the way of a sustained or systematic criticism of the American way of life, such as mass-production and mass-consumption, and Americanization more generally. This is in marked contrast to the strong campaigns against US corporations taking place around the world, where exploitative companies are under attack. The fast-food industry, for instance, which is generally seen as a symbol of Americanization, is under attack on the

grounds of environmental destruction and the impact on the health of the citizen. In Japan, in contrast, not a single demonstration has been launched against McDonald's. In fact, citizens in one small city started up a petition in order to attract a Starbucks coffee shop. (*Asahi Shimbun*, 2002).

Thus, nationalism in Japan does not go hand-in-hand with straightforward attacks on the West or the USA. Even in the textbook written by the revisionists against 'self – abusive' history, praise of Japanese culture is in relation to the West, and nothing pleases them more than flattery by Westerners. In other words, the standard is not created independently, but rather in relation to the West: Japanese colonization can be justified as Western countries did the same. They seem to show a complete lack of awareness of the difficulty faced in making different standards to compare different cultures in the first place.

In this sense, the nineteenth century dichotomy between civilization and barbarity is still alive and strong. And Japan is regarded as 'almost perfectly civilized', or at least 'as civilized as the West'. That is why there is resistance to the idea that the West and Japan are different. In this context, Asian societies are regarded as 'barbarous' or 'semi-barbarous',[8] with the boundary between Japan and other Asian countries very much emphasized.

Obviously, the most easily accessible weapon for this kind of brutal comparison is economic indices. That is why, even in the recession, they are still favoured by many Japanese and the economy remains the main basis of national pride. While viewing economic indices as the basis for measuring cultural achievement has numerous critics outside of Japan, many Japanese remain firmly tied to this viewpoint. They also believe that Japan is now a member of the West, although few are certain what the 'West' is all about. Of course, criticism of Orientalism is well-known in academia, but not on the street. Hence the existence of a paradox: on the one hand there is no real consciousness of being victims, as they do not believe they will ever be victimized; on the other there is no real sense of being victimizers, as they believe Japan has simply been following the path of the West.

In short, few Japanese nationalists have any intention of making Japan the centre of the world, preferring instead to accept the 'fact' that the USA is in this position. Or, to put it another way, they aim to secure a position for Japan by constructing a US-centred world order.

From what has been said so far about Japanese nationalism it is clear that it is not necessarily at odds with neo-liberal strategies. First, the source of nationalists' pride resides in the prospect of Japan's relative

success in global economic competition. In this sense, competition is a good thing for nationalists so long as Japan is among the winners. Second, few nationalists voice criticism of 'international society' in which a group of industrialized countries prevail, as Japan is a member of this elite group. Finally, the polarization of the world is of little concern to them, for if the process continues the relative superiority of Japan will become more salient and stable.

Against calculations

As the above demonstrates, neo-liberalism and statism are not only compatible, but also complementary. The acceptance by the general public of the strategies pushed forward under their names, however, cannot be put down to a conspiracy by a handful of politicians, bureaucrats and corporate managers. Nor can we attribute it to the act of a certain power centre like the USA. Rather, the general public has knowingly accepted those strategies, despite certain hesitation.

Of courses, some believe that due to a lack of knowledge of politics and economy, the ordinary citizen is controlled by the powerful. But we do not accept such a point of view, and instead argue that in order to understand what is going on in a highly industrialized society like Japan, we need to take the position that the ordinary citizen coolly calculates and opts for the present situation, at least to some extent. More specifically, the calculation has two parts: first, many people believe that they enjoy a fair chance of survival even under the type of harsh competition the neo-liberals are promoting. Second, they believe that they will not suffer persecution even in a surveillance society brought about by the state's security-oriented policies. In a word, most ordinary citizens think that others, not themselves, will suffer, and they will be safe.

For example, when young Japanese students talk about social problems, most are objective in thinking about labour market conditions, agreeing that the 'rationalization of labour' is needed due to the surplus of Japanese workers. Although employment opportunities for university graduates are limited, students still fail to express much concern about not finding or possibly losing a job themselves. Instead, assuming the positions the COEs of large corporations, they seem seriously concerned about the surplus work force. In the same way, when the general public talks about the emergence of a surveillance society, they are not at all fearful of their privacy being infringed or their life being interrupted through state authority. The CCTV system seems rather comforting: as long as you do nothing wrong, there is nothing to fear.

A similar way of thinking can be seen in the general attitude towards what takes place beyond Japanese borders. Few express any interest in what will become of the world's poor regions in the course of bipolarization in the name of competition, as they do not view themselves as losers. They appear similarly indifferent to the violent actions carried out by the USA in the process of making a global 'surveillance society', as they do not believe they will be a target.

What response should we make to this sort of egoistic calculation? We can, of course, affirm it. The question of whether or not there is hard evidence of increasing global poverty under globalization can continue to be asked. And even if the gap between the rich and the poor is being widened, then we can still insist on the trickle down of some of the benefits of the rich to the poor.

If you are unhappy with that kind of answer, then the second possible response might be the reinforcement of the nation-state, as some would argue that the only feasible way to resist neo-liberalism is to strengthen the nation-state. From this point of view, what is needed is to restore the sense of national solidarity in order to strengthen the willingness of all citizens to share the national burden. This is seen as the way to remove the dividing border within the nation. While this may make some sense in the national context, it does nothing to solve the worldwide problem of disparity and segregation. As we have seen above, so long as nationalism and neo-liberalism are complementary, nationalism is unable to provide any protective walls.

Then does this mean that only neo-liberalism and statism will prevail? Not necessarily. The third possible response to the above egoistic calculation is to simply point out that the calculation of ordinary citizens is incorrect. No matter how hard they may try not to think about failure, the possibility still exists. No matter how confident they might be in their own survival in a competitive environment, they may lose. If they continue to support the installation of CCTV systems, they will gradually become fearful of any blind spots, and will end up installing cameras in all manner of places. Alhough such speculation may appear like a cheap anti-utopian novel, something like this has already been achieved by Echelon and spy-satellites. If the process of liquidation starts, nobody can stop it.

Perhaps we can make another point to conclude. Even if you succeed in making some sort of boundaries, and in optimizing conditions within these boundaries, you cannot control what people beyond the boundary think of you. For 'them', there is no point in keeping that kind of order. In a sense, trying to sort out the whole situation itself makes a new

problem. The more you try to exclude risks outside, the more those who are 'outside' hate you. To be aware of this mechanism might be the first step on the way out of the situation created by the two-faced monster.

Notes

1. A cartoonist, Yoshinori Kobayashi, stands out for employing this kind of discourse.
2. Takenaka Heizô, an economist and a finance minister in Koizumi's cabinet, is one of the most prominent protagonists of that kind of view.
3. As an excellent historical review of the postwar Japanese trade unions and the Japanese Socialist Party, see Shinkawa (1999).
4. Among prime ministers in Japan, Kakuei Tanaka was the most remarkable in redistribution policies between regions.
5. Negri and Hardt (2001) say that NGOs are actually one of the main agents of the global empire.
6. The group, Atarashii Kyôkasho wo Tsukuru Kai (Association for New Textbooks) published many books. As a criticism of their activities, see Oguma and Ueno (2003).
7. As a review of constitutional reformism from a viewpoint of a defendant of the constitution, see Watanabe (1994).
8. A prominent public commentator and political philosopher in the Meiji period, Yukichi Fukuzawa was well-known for using this kind of terminology.

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Index

academic–business collaboration 197–8
accountability 123–5
action–reaction behaviour 92–3, 94
Adler, E. 95
administrative specialists 124–5
Afghanistan 7, 27, 56, 67
agglomeration
  industries in China 209–11
  regional agglomeration paradigm 185–6, 200–1
air-conditioners 219–20
Akamatsu, K. 251
Albert, M. 134–5
Americanization 29–30
  Japan–Germany comparison 134–6
Anglo–American capitalism 2–3
Anglo-Saxon capitalism 135
'angry curve' 212, 214
Anti-Monopoly Law, revision of 161–2, 163
anxiety 174–5, 176
Araki, N. 256
Asanuma, B. 185
ASEAN Free Trade Area (AFTA) 78–9, 80, 84, 98, 243, 245
ASEAN + 3 13, 71, 80, 83–4, 246, 276–7, 278, 279
ASEAN Regional Forum (ARF) 71, 76–7, 98
  Intersessional Support Group on Confidence Building Measures 77
ASEAN Security Community (ASC) 98
Asia–Pacific Economic Cooperation (APEC) 74, 76, 81, 99, 245
Asian Bond Fund (ABF) 248, 280
Asian Bond Fund Initiative (ABFI) 279–80
Asian Bond Market Initiative (ABMI) 279
Asian bond markets 278–80, 282
Asian crisis 1, 12, 50, 246, 247, 261–80, 280–1
  causes 269–72
  changes in GDP growth rates 261, 264
  changes in IMF policy after 272–5, 280–1
  changes in Japan's policy after 275–80
  China and 77–8, 84
  chronology 261, 262–3
  currency depreciation and stock market corrections 261, 264
  difference in views presented by IMF and Japan on causes and resolution measures 261–9, 280
  financial support 261, 263, 264
Asian currency unit (ACU) 248–9
Asian Development Bank (ADB) 269, 278
Asian Monetary Fund (AMF) 76, 77, 275–6
assembly of modular products 212–14
assessed contributions 110–13, 121–2
Associate Experts (AE) 116, 120
Association of Southeast Asian Nations (ASEAN) 74, 98, 232–3
  Brand-to-Brand Complementation Scheme 243
  Chiang Mai Initiative 246, 247–8, 276–8, 281
  China's approach to 76–80
  Group of Ten 246
  Industrial Cooperation Scheme (ICON) 243–4
  investment in East Asia 237–8
Aum Shinri terrorist attacks 26
automobile industry 166–7, 220–1, 235, 236
aviation 231

balance of payments 256, 257
balance of power 57–8
Bank for International Settlements (BIS) 280
Bank of Japan (BOJ) 51, 148, 280
bankruptcies 21–2, 50–1
banks 164
  Asian crisis 269–70
  closures 268
  protection by convoy system 46–7
  recapitalization of major banks 52
  SMEs and: bank failures and mergers 193; improving relations with banks 198–9, 200
Baoshan Iron and Steel 224
barbarity 30
Basic Law for Small- and Medium-Sized Enterprises 185, 186
Basic Resident Registers Network (Jûkinet) 25–6
big bang, financial *see* financial big bang
big business *see* corporations
Big Reforms, Hashimoto's 42
bilateral free trade agreements 246
bilateral swap arrangements 246, 247–8, 276–8, 282
bilateralism 65
  security in East Asia 89–95
bipolarization 21, 31
Blair, D.C. 95
Bo'ao Asian Forum 80
Bogor Declaration 245
bond markets: fostering in Asia 278–80, 282
Border Area Confidence Building Treaty 75
Bovine Spongiform Encephalopathy (BSE) 3
Brady Plan 261
Brand-to-Brand Complementation Scheme 243
Bretton Woods institutions 254–87
  Asian crisis 261–80; causes 269–72; changes in IMF policy after 272–5, 280–1; changes in Japan's policy after 275–80; difference in views presented by IMF and Japan 261–9, 280
  Japan as financial contributor 257–9
  Japan as intellectual contributor 259–61
  Japan as major recipient 255–7
  prospects for future developments 280–3
  see also International Monetary Fund (IMF); World Bank
Bretton Woods treaty 255
Brunei 74
bubble economy 139–40, 156, 203
budgetary documents 109–10
Bundesbank 148
burden-sharing rule 113–14
Bush, G.W. 27, 56, 64, 66, 67
business–academic collaboration 197–8
business strategies
  Japanese business strategy in advancing into Asia 241–4
  subcontractors' 195–7

Caihong 219
capital-account liberalization 273–5
capital controls 272, 273–4
capital goods 216
capital inflows 269–70
capital outflows, sudden 271, 272
capitalism
  comparison of Japanese and German responses to globalization *see* Germany–Japan comparison
  structural change in Japanese capitalism 153–7
Carter, J. 82
cellular phones 218–19
chemical industry 165
Cheng, J.Y.S. 74
Chiang Mai Initiative (CMI) 246, 247–8, 276–8, 281

China 7, 11–12, 58, 89, 90, 99, 203–29, 244
  adaptation to product architecture revolution 206–16; preference for modular products 211–14; transplanted industrialization 206–11
  foreign and security policy 9–10, 69–87; adoption of comprehensive security and approach to ASEAN 76–80; adoption of cooperative security 71–6; shift in policy towards Korean Peninsula 81–3
  industrial structure 216–18
  integral products 220–1
  investment in East Asia 237–8
  Japanese emperor's visit of 1992 74–5
  Japanese manufacturing industries and rise of 216–26
  missile launch across Taiwan Straits 93
  modular products 218–20
  and regional financial cooperation 281
  relationship with USA 58–9, 73, 79, 82–3, 84–5
  rise of 69, 238–41
  Shanghai Cooperation Organization 71, 75–6
  shift in policy towards Korean Peninsula 81–3
  steel companies 166
  trade 12, 203, 204, 207, 208, 209, 233, 239, 240; free trade agreements 246
  and US–Japanese security guidelines 91–2
civil society 59, 63–4, 178–9
  see also democracy
civilization 30
Clark, K.B. 185
Clinton, W. 40, 41, 64, 79
closed architecture products 204–6
closed-circuit televisions (CCTVs) 26, 31
closed division of labour in one region 242, 244
closure rate 190
Cold War 57–60, 64
  end of 58–60, 230
collaboration 197–8, 200
Collins, A. 94, 96
colonization 28
colour televisions 219, 222
Commercial Law, revision of 159–61, 163
Committee on Foreign Exchange and Other Transactions 44–5
Common Effective Preferential Tariff (CEPT) 245
common security 94–5
  East Asia 95–100
comparison methodology 131–4
competition 22–5
  Japanese nationalism and 30–1
comprehensive security 71
  China's adoption of 76–80
  East Asia 95–100
computer parts 235, 236
Conference on Fiscal Structural Reform 48–9
Conference on Security and Cooperation in Asia and the Pacific (CSCAP) 99
confidence-building measures (CBMs) 98
Constitution 63
construction equipment 225
construction industry 168
consumption tax 47–8
contagion 265
contingent credit lines (CCL) 273
convergence and divergence 137
convoy industrial policy 22
  convoy system for financial institutions 46–7
cooperation
  security communities 96–7
  SMEs 197–8, 200
cooperative security 71, 80
  China's adoption of 71–6
Corporate Division System 160

corporate governance 137–45, 149, 153–4
  in the 1990s 140–2
  institutionalization and 142–5
  types stipulated by Commercial Law 161
corporate management 140
corporate structure 214
corporations 10–11, 151–83
  employment reforms 168–74
  employment restructuring and employee perceptions 174–8
  failures 21–2, 22, 142
  reorganization of corporate organization 164–8
  scope and level of legislative reforms in 1990s 157–63
  structural change in Japanese capitalism 153–7
countervailing forces of resistance 5, 6
credit crunch 191–3
culture 30
currency basket 248–9
currency depreciation 264, 270–1
currency integration 248–9, 282–3
currency swap arrangements 246, 247–8, 276–8, 282

Daimler Chrysler 166–7
Daiwa Securities 162
deaths
  from overwork 177
  suicides 177
debt crisis 260–1
decentralization 6, 23
de-industrialization 232–4
Dell Computers 212
democracy
  empire of 59, 63–4
  international relations and rogue states 60–1
  liberalism and 3–4, 7–8, 156–7
  logic of big business and 178–9
Democratic Party of Japan (DPJ) 160
Deng Xiaoping 72, 73, 81, 82
deposit insurance system 52
Destler, I.M. 62
Deutsch, K. 95, 97
devaluation 78
developing countries 274–5
development
  big business, government policy and 10–11, 151–83
  China and 69–70, 73–4
  dialectic 3, 4–8
  Japan and development of East Asia 216
  state role 259–60
Development Assistance Committee (DAC) 257
'dialectic' development 3, 4–8
differentiated products 241–3
directors 117–19, 120
discretionary working system (Sairyô Rôdô-sei) 172–3
dismissal 173–4
Dispute Coordination Committee 177
diversity 4
division of enterprises 160
division of labour 242, 243–4, 250, 251, 253
  closed division of labour in one region 242, 244
domestic politics 8–9, 35–54
  financial big bang 42–7; side effects 46–7
  Hashimoto government: deflationary effects of economic policy 47–9; Hashimoto's leadership 42–6; mind-set of Hashimoto in autumn of 1996 40–2; reverse wind against 49–51; successful phase 37–40
  meltdown of financial market 47–53; failure of fiscal structural reform 51–3
  see also statism
Dore, R. 135–6, 140, 141, 142, 143, 148
double mismatch 278
downstream business 213
dual structure paradigm 185

East Asia 7, 12, 145–6, 230–53
FDI in 237–8, 252
financial crisis *see* Asian crisis
Japan and economic development in 216
possibility of East Asian economic/currency bloc 245–8
regional economic integration *see* regional economic integration
regionalization of security communities *see* regionalization; security communities
trade *see* trade
East Asian Miracle report 260
economic cooperation 245–9
economic development *see* development
economic diplomacy 65
economic growth rates 153–4, 264
economic indices 30
economic policy
consequences of growth supremacy principle 147–8
Hashimoto government 47–53; deflationary effects 47–9; failure of fiscal structural reform 51–3
see also exchange rate policy; fiscal policy; monetary policy
economic security 77
economic and societal problems 99–100
economy, revitalization of 193–5
Eda, K. 40
efficiency, economic 148
egoistic calculation 31–2
elections
Lower House 1996 40
Upper House 1998 52
electric industry 167–8
electronics industry 239–41, 250
electronics manufacturing service (EMS) 214, 215
emergencies 26
employee value 142–5
employees
and employment restructuring 174–8
SME share and number of 193–4
employees' health insurance system 48
employment inducement effect 188
employment practices 141–2, 143–4
employment reduction 174, 175
employment restructuring 168–74
and employee perceptions 174–8
energy sector 225
Enhanced Structural Adjustment Facility 258
enterprise system 136–45, 149
corporate governance 137–42
employee value 142–5
Eppinger, S.D. 204
ethics
international politics and 58–60
moralization of post-cold war politics 63–4
euro 43–4, 145, 249
European Central Bank 148
European Union (EU) 60, 145, 244
investment in East Asia 237
evaluation 123–5
exchange rate policy 265, 266, 268, 271–2
Executives' Meeting of East Asia–Pacific Central Banks (EMEAP) 279–80
external globalization 5–6
external security 26–7
external short-term debt 270–1
extra-budgetary funds 107–8, 110–13, 122, 124, 125

fast-food industry 29–30
Feng, Z. 78–9
financial big bang 42–7, 163
background 44–6
side effects 46–7
financial contributions to international organizations 107–16
complex structure 107–10
estimates 110–13
relative weight 113–16

financial management system 123–5
financial meltdown 49–51
financial restructuring 47–9
Financial Sector Assessment Programme (FSAP) 273
financial-sector restructuring 265, 267, 268
financial specialists 124–5
financialization 135–6
fiscal policy 265, 266, 268, 271
fiscal structural reform 48–9
  failure of 51–3
Fiscal Structural Reform Law 49, 52, 53
fixed-term employment 173
flexibilization of labour 143–4, 169–73
flexible production 194
flying-geese theory 251–2
Ford 166–7
foreign direct investment (FDI) 12
  in China 203, 204, 207–11, 239, 240; Japanese manufacturers 215–16
  in East Asia 237–8, 252; Japanese business strategy in advancing into Asia 241–4
Foreign Exchange and Foreign Trade Control Law 44–5, 162, 163
foreign reserves 256
foreigners/immigrants 26, 27, 29
Founder 218
fragmegration 2
Framework Agreement on Comprehensive Economic Cooperation 80, 85
'free market' principle 3
free-trade agreements 80, 244, 245–6, 281–2
  attitudes to conclusion of 246
Fujimoto, T. 185
Fujitsu 167–8
Fujiwara, K. 57, 63
Fukada, Y. 135
Fukuyama, F. 88
Futenma US base, Okinawa 39–40

G7 Lyon Summit 1996 41
Galbraith, J.K. 185
Gamble, A. 2, 53
General Agreement to Borrow (GAB) 258, 283
General Labour Advice Centres 177
General Motors (GM) 138, 166
geopolitics 65, 66
German reunification 131–2
Germany–Japan comparison 10, 131–50
  comparison of Americanization 134–6
  enterprise system 136–45, 149
  international orientation 145–8, 149
  methodology 131–4
Giddens, A. 88
Global Environmental Facility (GEF) 109, 112, 113
global standards 3, 4
globalism 232
globalization 1–15, 230–1
  concepts of 88
  and dialectic development 4–8
  East Asia 232–6
  and its impact on SMEs 186–93
  and nationalism 28–31
globalization pressure 35–7
  symbolic and intangible 36, 40–2, 44, 47
  tangible and substantial 35–6, 49–52
Goldblatt, D. 35
Gorbachev, M. 89
Gotô, K. 41
government-managed health insurance system 48
Greece 47
Grimes, W.W. 52
growth supremacy principle 147–8
Gulf Wars
  first 27, 58, 72
  second 28

Haier Group 241
Hanley, J.T. 95
hard pressure (tangible and substantial) 35–6, 49–52

Haruta Motoo 138
Hasegawa, H. 5, 154, 155, 156, 157, 169
Hashimoto, J. 22
Hashimoto Ryûtarô 37–8, 38–9
government 37–53; deflationary effects of economic policy 47–9; financial meltdown and reverse wind against 49–51; successful phase 37–40
leadership 42–4
mind-set in autumn of 1996 40–2
speech on stabilizing financial system 51
steps down after 1998 election 52
Hata government 38
Held, D. 35, 36, 88
high-grade steel products 224
high growth period 153–4
Hiraiwa, S. 82
Hiraiwa Report 156
Hiramatsu, K. 83
historical revisionism 28
Hitachi 167
Hobbes, T. 21
Hokkaidô Takushoku Bank 50
holding companies 164
revision of Anti-Monopoly Law 161–2
hollowing-out 186–90, 234
Honda 166
Hong Kong 81, 206–11, 214
Hook, G.D. 5
Hosokawa government 38
housing finance companies (*jûsen*) 39
Hu Jintao 71
Hughes, C.W. 6
human rights 59–60, 62
human security 126
humanitarian intervention 59, 112, 113

IBM 212
Igarashi, T. 23
immigrants 26, 27, 29
Inagami, T. 141
India 246
Indonesia 56, 74, 98
Asian crisis 262, 263, 264, 265, 266–7; difference in views between IMF and Japan 265–8
Industrial Cooperation Scheme (ICON) 243–4
industrial materials 224
industrial policy 22
industrial relations 141–2, 143–5
industrial structure 216–18
inequality 142–3
information and communications technology 230–1
information disclosure to banks 198–9
information technology (IT) 2, 3
China 208–10, 218, 239
infrastructure 225
input–output (I–O) tables 222–3
institutionalism 7–8
institutionalization 142–5
integral architectural products 204–6, 211
in China 220–1
Japanese business response to 223–6
Intel 212
interbank lending 270
Interception of Telecommunication Act 1999 (Bugging Law) 25
interest rate 192–3, 271
inter-industry exchange programmes 197–8
intermediate goods 216, 222–3
internal globalization 5–6
International Atomic Energy Agency (IAEA) 82
International Development Association (IDA) 109, 112, 113, 114, 257
International Labour Organization (ILO) 108–9
International Monetary Fund (IMF) 12–13, 157, 254, 255, 282–3
and AMF 276

International Monetary Fund (IMF) – *continued*
  Asian crisis: changes in policy after 272–5, 280–1; difference in views presented by IMF and Japan 261–9, 280; evaluation of IMF prescriptions 271–2; initial IMF programme for Thailand, Indonesia and South Korea 265, 266–7
  Japan as financial contributor 258–9
  Japan as intellectual contributor 260–1
  Japan as recipient of assistance 256, 257
  and regional cooperation in East Asia 281
international organizations 10, 103–27
  contributions 107–16; complex structure of financial contributions 107–10; estimates of financial contributions 110–13; relative weight of Japan in 113–16
  design of interface institutions 120–5; financial management system 123–5; fragmented national budgetary system 120–3
  Japanese officials in 116–20
  Japan's policy toward 104–7; historical perception 104–5; recent change of policy 105–7
international orientation 145–8, 149
international society 31
International Telecommunication Union (ITU) 104, 117, 118–19, 120
Iraq 7, 27, 60, 68
'irregularities' 139–40
Ishii, S. 274
Ishikawa, K. 245
Ishikawa, S. 214
isolationism, American 62–4
Italy 47
Itami, H. 186
Iwasaki, M. 24
Japan–China–South Korea free trade agreement 80
Japan–China–South Korea trilateral summit 80
Japan Export and Import Bank 257
Japan Federation of Labour Unions (Rengô) 160
Japan International Cooperation Bank (JBIC) 257
Japan–North Korea Pyongyang Declaration 2002 83
Japanese nationalism 28–31
  characteristics of 29–31
Japanese officials in international organizations 116–20
JFE Holdings 165
Jiang Zemin 73, 74, 75, 76, 79, 82, 83
  military strategy 72
Johnson, C. 151
Junior Professional Officers (JPOs) 116, 119, 120

Kaifu government 38
Kang, S. 21
Karube, K. 38, 49, 51
Katzenstein, P.J. 99
Kawasaki Steel 165, 166
Keidanren (Federation of Economic Organization) 152, 155, 157–8
keiretsu 11, 184, 185–6, 215
Kikkawa, T. 186
Kim Il-song 81, 82
Kipping, M. 134, 137
Kobe Steel 165
Kohl, H. 43
Koizumi Junichirô 7, 56, 80
  government 1, 5, 38; international relations 65–6; 'Structural Reform with no Sacred Precincts' 156
Komatsu 225
Komei Party 157
Korea *see* North Korea; South Korea
Korean Peninsula 71, 81–3
Korean Peninsular Energy Development Organization (KEDO) 97
Korean War 58
Krugman, P. 185, 269

Kudô, A. 134, 137
Kunimasa, T. 27
Kupchan, C.A. 61
Kuwait 27
Kwan, C.H. 226

labour, flexibilization of 143–4, 169–73
labour contracts 160
Labour Dispatch Law, revision of 173
labour disputes 177
labour market 31
Labour Standards Law 169
Lam, Peng Er 6
large corporations *see* corporations
Latin American debt crisis 260–1
Law for Dispatched Government Officials 116
Law on Special Measures for Industrial Revitalization 162–3, 163
legislative reform 154–5
  scope and level of reforms in 1990s 157–63
Lenovo 218
Leontief, W. 216
Lewis, A.W. 213
Li Denghui 72–3
Li Peng 79
Liberal Democratic Party (LDP) 40, 53, 157–8
  Working Group on International Organizations 106
liberalism 3, 57–8
  liberal empire 61–2
  see also neo-liberalism
Liu, Fu-kuo 88
local democracy 8
local governments 23–4
local main bank system 198, 200
localism 232
localization 146–7
logic of capital 154–5
Long-Term Capital Management (LTCM) 265, 281

machine tools 221
machinery 221, 222–3
Mahathir Mohamad 247, 249
Malaysia 12
management 141
Manila Action Plan 245
Manila Framework 285
manufacturing
  Japanese business response to the rise of China 11–12, 203–29
  SMEs and role in revitalization 193–5
manufacturing tools 221
Mao Zedong 72
marketization 135–6
Marshall, A. 185
mass media 26
Matsushima, S. 186
Matsushita, K. 23
McDonald's 30
McGrew, A. 35
medical care insurance system 48
Memorandum of Understanding on Cooperation in the Field of Non-traditional Security Issues 80
mergers and acquisitions 159, 164
Microsoft 212
military, and police 56–7
military build-up 73–4
military independence 20
military modernization 72
Milosevic, S. 60
ministries' contributions to international organizations 107–8, 109–10, 120–2
Ministry of Economy, Trade and Industry (METI) 108
Ministry of Education, Culture, Sports, Science and Technology (MEXT) 24
Ministry of Finance (MOF) 42–3, 50, 51, 107, 109, 122
  convoy system 46–7
Ministry of Foreign Affairs (MOFA) 106, 107, 121, 122, 123
Ministry of Health, Labour and Welfare (MHLW) 48, 107, 108, 122, 160
Ministry of International Trade and Industry (MITI) 152
Ministry of Justice 42–3

Ministry of Land, Infrastructure and Transport (MLIT) 107, 122
Ministry of Public Management, Home Affairs, Posts and Telecommunications (MPMHT) 107, 108, 122
Misaki, T. 174
Mischief Reef 72
Mitsubishi Electric 167–8
Mitsubishi Motors 174, 175
Mitsui Chemical 165
Miyazawa Kiichi 48, 49, 247, 268
Miyazawa Plan 260–1
Mizuho 168
Mobutu Sese Seko 60
modular architecture products 204–6
  in China 218–20
  impact on Japanese manufacturers 214–16
  Japanese business response to 221–3
  preference for in China 211–14
monetary policy 265, 266, 268, 271
monitoring 123–5
monolithic global order 19–20, 20, 21
Moody's Investors Service 50–1
moral hazard 276
moralization of post-Cold War politics 63–4
Mori government 38
Moriya, M. 225
Moscow Treaty 2002 61
Motorola 218
multilateral development banks (MDBs) 112
multilateralism 21, 65
  China and 70–1, 76–80
  security communities in East Asia 95–101
Murayama Tomiichi 38, 49

Nader, R. 138
Nagano Atsushi 46
Nakasone Yasuhiro 48, 156
national budgetary system 120–3
national debt 47
national finances: restructuring 47–9
National Health Insurance system 48
nationalism 32
  characteristics of Japanese nationalism 29–31
  German and Japanese compared 147
  globalization and 28–31
NEC 167–8, 174, 175
neoliberalism 2–3, 3–4, 7–8, 151–2, 154, 156–7, 231
  and statism *see* statism
networks of business cooperation 197–8
New Agreement to Borrow (NAB) 283
newly industrializing economies (NIEs) 232–3, 250
  investment in East Asia 237–8
Nihon Keidanren (Japan Federation of Economic Organizations) 7, 11, 158–9
Nikkeiren (Japan Federation of Employers Association) 152, 155, 158, 168–70
Nippon Steel 165, 166, 224
Nishiguchi, T. 185
Nishikawa Yoshifumi 46
Nishino, T. 38, 40, 49, 51
Nishio, M. 37
Niwano, H. 219
Nixon, R. 58
NKK 165, 166
Nokia 218
non-performing loans (NPLs) 44, 47
  Asian crisis 78, 85
North American Free Trade Agreement (NAFTA) 244
North Atlantic Treaty Organization (NATO) 60, 79
North Korea 7, 60, 68, 89, 90, 92–3, 100
  ARF 98
  China and 81–3
  nuclear weapons 65, 81–3, 92, 99
Northern Territories Support Committee 124
notebook PCs 218
NTT 162
nuclear weapons 65, 81–3, 92, 99
number of establishments 188–90
numerical controls (NC) 221

Oberdorfer, D. 65
Obuchi Keizo 38, 52–3

Official Development Assistance (ODA) 108–9, 225–6, 259
Ogihara, S. 162
Ôhashi, H. 208
Okamoto, N. 217
Ôkawara, N. 99
Okazaki Hisahiko 67
Okinawa US military bases 39–40
Oklahoma City terrorist attack 26
open architecture products 204–6
Osaka Action Plan 245
Ôtsuji, Y. 78
outsourcing 215
overseas bank branches 50–1
Overseas Economic Development Fund (OECF) 257, 259–60
overseas military activities 26–7
overseas profits 178
overtime, unpaid ('service' overtime) 175–7
overwork, deaths from 177

panic vulnerability 270–1
paradigm shift 185–6
Payne, A. 2
peace, and economic development 69–70
peacekeeping operations (PKO) 112, 113
Pearl River Delta 240
People's Liberation Army (PLA) 72
performance-based pay 169, 170
personal computers (PCs) 218
Perraton, J. 35
persuasion 272
petrochemical materials 224
Philippines 57, 72
PHRD Fund 124, 125
Piore, M.J. 185–6
Plaza Accord 146
polarization 21, 31
police, and military 56–7
policy dialogue 278
popular support for governments 38
Poverty Reduction and Growth Facility (PRGF) 258
Powell, C. 83
power 20–1
  distribution of and international security 56–8
preferential tariff system 244
prisoner's dilemma 94
private sector involvement in crisis resolution 274, 275
product architecture
  adaptation to product architecture revolution 206–16
  revolution of 204–6
product life-cycle 194–5
production 238–9, 239–40
production inducement effect 187–8
professional staff 117–19, 120
profits 178
public works 23–4

Qian Quichen 75, 77, 81

realist school of international relations 57
recapitalization of major banks 52
recession 21–2, 156
redistribution 23
regional agglomeration paradigm 185–6, 200–1
regional cooperation 78–80, 83–5
regional currency integration 248–9, 282–3
regional economic integration 12, 230–53
  currency basket and ACU 248–9
  East Asian economic/currency bloc 245–8
  East Asian globalization 232–6
  FDI in East Asia 237–8, 252
  Japanese business strategy in advancing into Asia 241–4
  rise of China 238–41
regional financial cooperation 12–13, 275–80, 281–2, 282–3
regionalism 232
regionalization 145–6
  security communities 10, 88–102; common and comprehensive security communities 95–100; current trends and security paradigm 89–94; Japan's role 99–101; overcoming the security dilemma 94–5
registration of local residents network 25–6

Renault 166–7
Report of Observance of Standards and Codes (ROSC) 273
research 25
Research Committee on International Affairs 106
research and development 170
restructuring strategies 195–7
revisionism, historical 28
Rice, C. 64
Rogoff, K. 274
rogue states 60–1
Roh Tae-u 81
Rosenau, J.N. 2
rule of law 57
rural communities 23–4
Russia 75, 89, 90

Sable, C.F. 185–6
Sacks, J. 269
Saddam Hussein 60
Saitô, T. 26
Sakakibara, E. 265–8, 275, 276
salaries 169, 170
Sanyo Securities 50
Schmidt, F. 231
Schröder, G. 148
Schröter, H.G. 134, 137
science 24–5
Second World War 28
securities market 138–9
security 9–10, 25–7
  China and *see* China
  external 26–7
  internal 25–6
  international security and distribution of power 56–8
  regionalization of security communities *see* regionalization; security communities
security communities 94–5
  East Asia: common and comprehensive 95–100; Japan's role in promoting 99–101
security dilemma 89, 90–4; overcoming 94–5
September 11 2001 terrorist attacks 1, 9, 19, 26, 55, 66–7
Shanghai Cooperation Organization 71, 75–6
Shanghai Five 75
share-exchange system 160
shareholder value 140
shares: redeeming from capital reserves 159–60
Shih, Stan 211–12
Shindô, M. 23
Shiota, U. 38
Shiozaki Tomohisa 45–6
Shiraishi, T. 78
Shiroyama, H. 104
short-term capital instability 265, 268
short-term debt 270–1
shûseki (industrial clustering) 11, 184, 185–6
Singapore 78, 246
six-party talks 83
skyline map 216–18
small- and medium-sized enterprises (SMEs) 7, 11, 184–202
  globalization and its impact on 186–93; credit crunch 191–3; decline in start-ups 190–1, 192; hollowing-out 186–90
  paradigm shift 185–6
  prescriptions for revitalization of 195–9; improving relations with banks 198–9, 200; increasing value added 195–7, 200; strengthening cooperation and collaboration 197–8, 200
  role in revitalization of the economy 193–5
'smile curve' 212–13
social issues 224–5
societal and economic problems 99–100
Soeya, Y. 76, 77
soft pressure (symbolic and intangible) 36, 40–2, 44, 47
Solectron 214
South Korea 7, 12, 89, 90, 246, 252, 272
  Asian crisis 262, 263, 264, 265, 266–7
  China and 74, 78–9, 81
  steel companies 166

Sovereign Debt Restructuring Mechanism (SDRM) 275
Soviet Union 58
special accounts 108, 122–3
special measure for decreased taxation 47–8, 52
speculation 231
stable growth period 153–4
stagnation 1, 142, 153–4
standby credit arrangements 256
Starbucks 30
start-ups, decline in 190–1, 192
state
  corporations and role in development 10–11, 151–83
  exit/emergence of 21–8; reintegration of the state 25–8; state retreats 22–5
  role in development 259–60
statism 6
  neo-liberalism and 8, 19–34; egoistic calculation 31–3; exit/emergence of the state 21–8; globalization and nationalism 28–31; how power is forged 20–1; monolithic order 19–20
steel industry 165–6
steel products 224
Stiglitz, J. 269
stock market 140
stock option schemes 159, 160
stock prices 264
strategic alliances 166, 167
'Strengthening the International Financial Architecture' report 274
stress 174–5, 176
structural adjustment 259–60
  Asian crisis 265–8
structural reform 265, 267, 272
subcontractors 195–7, 200
  value of output 188, 189
  see also small- and medium-sized organizations
Subsidy Conspectus 109, 110, 110–12
Sugita, A. 21
suicides 177
Sumitomo Chemical 165
Sumitomo Metal 165, 166
Sumitomo Mitsui Chemical Company 165
Sumitomo Mitsui Construction Company 168
surveillance society 26, 31
swap arrangements 246, 247–8, 276–8, 282
symbolic globalization pressure 36, 40–2, 44, 47

Tachibanaki, T. 142
Tadokoro, M. 104
Taiwan 72–3, 81, 89, 93, 207–11, 214
Tajima, Y. 25
Takagi, S. 74
Takahara, A. 72, 78
Takaoka, M. 186
Takeshita Noboru 48
Takita, K. 231
Tanaka Yasuo 6
tangible and substantial globalization pressure 35–6, 49–52
Tawara, S. 45–6
technology paradigm 153–4
terrorism
  Aum Shinri 26
  Oklahoma City 26
  September 11 2001 1, 9, 19, 26, 55, 66–7
  war on terror 7, 27, 66–7, 82
Thailand 12
  Asian crisis 262, 263, 264, 265, 266–7
Thaksin, Prime Minister 279
Theater Missile Defense (TMD) 92
time-control globalization pressure 36–7, 51
Tôkaidô Shinkansen (bullet train) 255
Tongfang 218
Toshiba 167–8
Toya, T. 44, 46
Toyota 166
track-two multilateralism 99

trade
  China 12, 203, 204, 207, 208, 209, 233, 239, 240
  East Asia 12, 249–51; rapid increase in share of trade 232–4; relative decline in Japan–USA trade and increase in trade with East Asia 234–6
trade unions 23, 144
transport equipment 222–3
treasury stock 160
Treaty of Amity and Cooperation in Southeast Asia 80
Treaty on the Non-proliferation of Nuclear Weapons 81, 82

Uchida, K. 155
Ulrich, K.T. 204
UNESCO 118, 118–19, 120
UNFPA 114, 116
UNHCR 118, 118–19, 120
UNICEF 108, 113, 114, 115, 117, 118–19, 120
United Kingdom (UK) 56, 156, 157
United Nations (UN) 59, 70, 81
  Japan and 104–5, 105–6; financial contributions 114–16; Japanese officials 116, 117–19, 120
United Nations Development Programme (UNDP) 108, 114, 115, 118–19, 120
United States of America (USA) 2, 7, 31, 156
  and AMF 276
  bilateralism and security in East Asia 89–90
  China and 58–9, 73, 79, 84–5; Korean Peninsula 82–3
  Chinese missile launch across Taiwan Straits 93
  comparison of Japanese and German capitalism 133, 134–6
  FDI in East Asia 237
  firms and product architecture 206
  information and communications technology 230–1
  Japanese nationalism and 29–30
  Japan's foreign policies towards 9, 55–68; distribution of power and international security 56–8; empire without invitation 62–3; end of the Cold War 58–60; fear of American isolationism 64–6; impact of September 11 2001 66–7; liberal empire 61–2; moralization of post-Cold War politics 63–4; rogue states and terrorists 60–1
  military bases in Okinawa 39–40
  monolithic global order 19–20, 20, 21
  North Korean problem 82–3, 100
  occupation of Japan 62–3
  Oklahoma City bombing 26
  origin of corporate governance 137–8
  pressure on Japanese government 36, 50, 51–2
  and regional development in East Asia 281
  securities market 138
  September 11 2001 terrorist attacks 1, 9, 19, 26, 55, 66–7
  trade 233; imports from China 207, 209; preferential tariff system 244; relative decline in Japan–US trade and increase in trade within East Asia 234–6; with East Asia 251
  US-centred unilateralism 21
  war on terror 7, 27, 66–7, 82
US–Japan Joint Declaration on Security 41, 73
US–Japan security guidelines 91–2
universities 24–5
untied loan 257–8
upstream business 213
Uzaki, M. 25

value added
  increasing for SMEs 195–7, 200
  SMEs share 193–4
Vietnam 74

Vietnam War 58, 137–8
voluntary contributions 107–8, 110–13, 122, 124, 125

Wang Yi 83–4
'war on terror' 7, 27, 66–7, 82
White Paper on Deregulation 156
women workers, protection of 172
work sharing 144
working hours: elimination of upper limit on 173
World Bank 114, 124, 125, 157, 254, 255
  Japan as financial contributor 257–8
  Japan as intellectual contributor 259–61
  Japan as recipient of assistance 255–6, 257
World Bank bonds (samurai bonds) 257
World Health Organization (WHO) 108–9, 117, 118–19, 120
World Trade Center 26, 55, 66
World Trade Organization (WTO) 3, 4, 79, 104, 106, 157, 204
worry 174–5, 176
would-be entrepreneurs 191, 192, 197

Yamaguchi, S. 138
Yamaichi Securities 50–1
Yamamoto, I. 73
Yamamoto, T. 91, 93
Yamazaki, M. 20, 66
Yamazawa, N. 241, 242, 243, 244
Yang, C. 69, 73
Yangzijing River Delta 240
Yasumuro, K. 241
Yeltsin, B. 75
Yoshino, N. 47, 51
Yugoslavia 60, 79

Zaire 60
Zhan, W. 209, 218
Zheng, B. 69, 73
Zhu, J. 82
Zhu Rongji 79, 80