

## **A Note on Globalization and Regional Integration**

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### **The Tide of Globalization**

Throughout the 1990s, both within Japan and abroad, the doctrine of economic globalization has been advocated with such intensity as to seem the very spirit of the age. "Globalism," as the discourse advocating globalization may be called, has grown conspicuously extreme in its claims, asserting in various ways that a unitary, undifferentiated world has or will in the near future become reality. At the same time, arguments opposing or wary of that prospect have also been put forward on various fronts.

In the final decade of the twentieth century, indeed, the process of economic globalization has advanced remarkably, supporting these claims for globalism's ascendancy. The advance is most striking in the instantaneous transfer of large sums of money in the international financial market.

### *Globalization at Its Peak*

The tide of globalization did not swell all of a sudden in the 1990s, however. The groundwork for swift, international transfer of enormous quantities of funds was laid in the 1970s when trade and capital liberalization also gained momentum in developed capitalist countries, in parallel with the transition of the international monetary system to a floating rate system. By the 1980s, this wave of trade and capital liberalization had extended to semi-developed capitalist countries that had experienced sustained economic growth, and with this came the establishment of a global, open-economy system. This, too, spurred the international transfer of funds. This period was also characterized by dramatic growth on a global scale of not only American- but also European- and Japanese-based large corporations, and by an increasing trend toward corporate multinationalization. Multinationalization became another factor accelerating the international movement of funds. The 1980s also saw the rise of "neo-liberalism," represented by "Reaganomics" and "Thatcherism," which may be regarded as the precursor of today's globalism.

Looking further back in history we find the establishment of the Bretton Woods System at the end of World War II, followed by its maturation in the 1950s and 60s. This system was the cornerstone of postwar globalization growing out of the disintegration of the interwar period world economy. Traced back even further to before World War I, we can see that Britain's advocacy of free trade and free-trade imperialism in the nineteenth century was also a kind of globalism, and that that age was one of globalization as well. Capitalism, in other words, arose in the sixteenth and seventeenth centuries literally as a world-unifying system.

Globalization, it may therefore be said, is as old as capitalism.

However, globalization seems to have reached its peak in the 1990s. The unprecedented vigor and dynamism the doctrine of globalism now displays, indeed, reflects the new realities ensuing from the demise of the socialist bloc, the dissolution of the Soviet Union, and the collapse of the Cold War order; and presumably is in part due to a kind of rapt celebration of capitalism's recovery, after some seventy years, of a unified field of action. Yet even if we ignore such overreactions and focus only on the realities of globalization, it still seems that the process is proceeding more vigorously than ever before. The history of capitalism has included a number of periods of swift international transfer of funds in large amounts. The most recent precedent of such a period was in the 1920s, although in terms of the scale and speed of monetary flow, the situation in the 1990s may be regarded as exceeding rather than duplicating that of the 1920s.

The international transfer of funds was based on trade and capital liberalization worldwide and on the establishment thereby of an open-economy system. It was also affected by the emergence of large-scale, organized groups of investors and speculators. This international transfer of funds increased in scale and speed to an unprecedented level, until the logic of investors/speculators overwhelmed the logic of producers. This shift had enormous impact. It threatened the very foundations of Western European welfare states as well as the competitiveness of the Japanese corporate state. In responding to that impact, companies in Western Europe and Japan were faced with the urgent necessity to reform their business management practices, labor-management relations, and inter-company relationships. In the economies of Southeast Asia, celebration of sustained economic growth was abruptly ended by the currency and financial crisis. Capitalist countries, developed and semi-developed alike, were plunged into a scramble for funds—in the competition for which winners would enjoy blissful prosperity while losers fell over an abyss of economic decline. With globalization continuing at a breakneck pace, the situation has taken a rather convoluted and farcical turn. Now the former champions of globalization are pointing to a crisis in global capitalism—a crisis, needless to say, that has been fueled by their own massive financial losses—and, having reconciled with their anti-globalist opponents, are warning that the brakes must be applied to globalization.<sup>1</sup>

#### *Americanization in the Guise of Globalization*

The globalization that enveloped the world in the 1990s was far from homogeneous in all countries and regions. Even setting aside the very poor countries that do not participate in international transfers of funds, the scale and impact of that flow of funds varied considerably among the developed and semi-developed countries vying to attract them. We may even take this a step further and say that the process of globalization exhibits a kind of pyramidal or hierarchical structure. The most salient aspect of this hierarchy, furthermore, is the unique

position of the United States.

This uniqueness is born out in the phenomenon of rapid and large-scale international transfer of funds, the acceleration of which has been driven primarily by the absorption of funds in the United States. Naturally, a major factor has been the United States' long-running economic boom. That prosperity encouraged the flow of funds to the United States from countries all over the world—most notably Japan—which in turn helped to sustain favorable conditions in the U.S. economy through brisk stock market activity and other effects. In this way, the United States came to occupy the apex of the pyramidal/hierarchical structure of globalization.

At the same time, of course, the United States' perennial balance-of-payments deficit continued and its accumulated debt continued to increase. The United States continues to be the world's top debtor nation and top creditor nation at the same time. It is difficult to predict how long it will remain in this position. What is certain is that the global economy will reach a major turning point when there is an end to this long-term U.S. boom fueled by the influx of international funds. Though we may not know how long it will continue, the boom cannot continue indefinitely.

The liberalization of trade and capital among the capitalist countries paved the way for increased international transfer of funds. This liberalization, particularly of capital, has been effected largely through American advocacy, persuasion, and application of pressure. Furthermore, international standards for industrial goods, financial products, and systems, and so on—which in Japan are called “global standards”—have often actually been U.S. standards in disguise.

This pyramidal/hierarchical order in the globalization process, and the United States' peculiar position in that order, means that, ironically, nation-states have not relinquished their role as the main protagonists in the world economy even under the current conditions of globalization. The environment of the nation-state has changed markedly in recent decades. One source of this change was the emergence of multinational companies. Although the multinationals that appeared in the 1960s and 1970s posed a threat to the very existence of the nation-state, at the time nation-states had some leeway with which to resist or counter that threat. But as multinational companies developed further and became global corporations, the nation-state faced an even greater challenge. Nonetheless, even today nation-states continue to tenaciously resist the effects of multinationalism; they intend to maintain their welfare-state systems and protect the losers and underdogs of the free market. In response to the large-scale transfer of funds, the efforts of nation-states to attract those funds, such as through strict adherence to austere fiscal and monetary policies, can also be seen as proof of the tenacity of nation-state identity in the face of changing conditions. The question of whether or not the nation-state will survive is no longer an issue, as nation-states are now an integral part of the world economy.<sup>2</sup>

My concern here, however, is not with nation-states in general, but with one nation-state, the United States, and its influence. For the present purposes I will call the effects of American influence on other nation-states and regions “Americanization.” Much, although certainly not all, of what constitutes globalization may more accurately be termed Americanization. This refers to the distortion that has developed whereby what is peculiarly American appears to be universal.<sup>3</sup> We may also term the discourse that promotes Americanization “Americanism.” The relationship of Americanization to Americanism corresponds to that of globalization vis-à-vis globalism.

Americanization is hardly a recent phenomenon. Though it may not be as old as globalization, Americanization has grown along with the rise of the American hegemony and has a history going back more than a century. Though the word “hegemony” in this context may be replaced by “leading power” or “key state,” the great breadth of U.S. dominance not only in economic but in various other areas, political, military, and ideological, suggests that we may reasonably venture to refer to it as hegemony.<sup>4</sup>

### *The Paradox of Americanization*

The maintenance of hegemony requires economic surplus. As the hegemonic power of the nineteenth century, Britain derived its economic surplus from colonization. In sustaining its twentieth-century hegemony, the United States, having no such constant source of economic surplus, has had to generate its own. This is the distinguishing feature of American hegemony by contrast to that of Britain. When the United States depletes that self-generated surplus, it will go into decline.<sup>5</sup>

The first half of the twentieth century witnessed a troubled but progressive transition involving the final decline of the British and the emergence of the American hegemony. In the latter half of the century, the American hegemony was confirmed in the face of challenges by Germany and Japan and reinforced during the period of tense relations with the Soviet Union. As the U.S. hegemony reached its peak in the 1950s and 1960s, so did the process of Americanization.

By the 1970s, however, the U.S. hegemony, though still not thirty years old, had already begun to drift toward decline. This was due largely to the abolition by the International Monetary Fund (IMF) of the fixed exchange rate system, which marked the beginning of the end of U.S. dollar dominance; and to the first oil shock, which cast a pall over the market supremacy of major American oil companies. Meanwhile, the United States’ effective defeat in the Vietnam War meant that U.S. military influence had also passed its peak. Then came the 1990s. The Soviet Union, which until then had challenged U.S. hegemony through competition in the areas of economic growth, political influence, military buildup, and lifestyle, forfeited that contest, relinquished its position as challenger to world hegemony, and was dissolved, thus bringing an end to the Cold War order.

This spurred the decline of U.S. hegemony, which had been sustained, even more than it had been threatened, by the presence of the Soviet political, military, and ideological rival. The Cold War structure had been one of the mainstays of U.S. hegemony. With its disappearance, therefore, the political, military and ideological unifying power of the American hegemony weakened. At the same time, the United States continued to lose economic strength and its economic surplus had almost dried up. This became apparent with the Gulf War of 1991, when the United States could not afford to fight even such a local war without financial contributions from its allies.

The American hegemony was thus further weakened by the collapse of the Cold War order. Revival theories have been put forward according to which, with the United States now the sole superpower, its hegemony has been strengthened, but this view appears to be mistaken. Certainly there have emerged no rivals to the United States in terms of military power, political influence, or intelligence, and it also remains the greatest economic power. It is obvious, however, that its economic surplus has been depleted, as is indicated by its having become a debtor nation. The foundations of U.S. hegemony have clearly been undermined.<sup>6</sup>

But it is difficult to deny the revival of the United States' power of influence—or at least the feeling that such an arrival is at hand. This is due to Americanization in the guise of globalization. A paradox has arisen whereby, despite the waning of the U.S. hegemony itself, the process of Americanization has waxed. One factor behind this is obviously the United States' long-running economic boom, and another, it is fair to say, is the stagnation of the Western European and Japanese economies, particularly the latter. Western Europe and Japan have been outdone by the United States. History shows us, furthermore, that hegemonies have always encouraged globalization, and that this insistence on globalization has always grown more strident as the hegemony begins to weaken. Thus the current situation can be seen as a manifestation of hegemony in decline.<sup>7</sup>

### **Regionalization as an Undercurrent**

The other major trend in the world today alongside globalization is regionalization. The term “region” has various meanings.<sup>8</sup> For the present purposes I use it to signify an entity encompassing and transcending nation-states, and potentially including hegemony, which is one kind of nation-state.

#### *The Progress of Regionalization*

Although the imperialist powers also sought to subsume and unify the various regions of the world that had remained relatively separate from each other, it was with the rise of modern capitalism that deeper ties were forged between such regions and the world became one. The regions did not disappear, however. On the contrary, they have tenaciously continued to

preserve and assert their identity. The term regionalization describes this tenacity of identity. The doctrine of promoting that advance is regionalism.

The development of regionalization has come to attract considerable attention, especially since U.S. hegemony began to wane. Although varying in scale, character, and significance from region to region, regionalization progressed on a worldwide scale from the latter half of the 1980s through the first half of the 1990s. The economic aspect of regionalization may be described as efforts to form free-trade zones and—through the creation of common markets, the coordination of economic policies and the implementation of joint economic policies—to form even larger economic zones. In Western Europe this trend is represented by the European Community (EC) and the European Union (EU); in North America by the North American Free Trade Agreement (NAFTA); and in South America by the Mercado Común del Cono Sur (MERCOSUR). In Asia, meanwhile, the Association of Southeast Asian Nations (ASEAN) has been enlarged and consolidated, and efforts have even been made toward integration at the pan-Pacific level in the form of the Asian Pacific Economic Cooperation Conference (APEC).<sup>9</sup>

Like globalization, regionalization has had an enormous impact on the environment of nation-states. By extension, regionalization has also had a strong impact on the prevailing hegemony as one kind of nation-state, as will be discussed below. Regionalization has further had a regulating effect on multinational companies through measures such as corporate laws, competition policies, and labor policies. In some cases this effect has taken the form of actual resistance to and retaliation against multinational companies by groups of nations. Meanwhile, relations between regional organizations—that is, interregional relations—have become important as a facet of international relations.

### *Regionalization as Alignment Opposing Globalization/Americanization*

Among the significant aspects that regionalization has come to assume, I would like to consider its relation to hegemony. How has the progress of regionalization fared in relation to the prevailing hegemony, that is, the American hegemony? And how should we interpret its relation to globalization/Americanization?

First, let me reiterate that hegemony has not caused the regions to disappear. Apart from being impossible to achieve, such a phenomenon has not been necessary. In order to gain sway, hegemony has had only to accept the existence of multiple regions as given, and to promote stable relationships among them. Such efforts have taken the forms of mercantilism, liberalism, and imperialism. In the nineteenth century, Britain, the hegemonic power at the time, recognized the existence of multiple regions worldwide—though, of course, it reorganized some of those regions to suit its own interests—and forged relationships among them through its navy, merchant marine, and trade in industrial products. Similarly, even when the United States, the hegemony of the twentieth century, achieved for a time a level of

preeminent wealth and military power in no way inferior to that once enjoyed by Britain, it sanctioned the existence of regional groupings, rather than seeking to eliminate them.

However, hegemony in its ascendancy stands in a different relation to regions from hegemony in decline. From an observation of history we may hypothesize that regionalization progresses when hegemony is on the wane. The period following the start of the British hegemony's decline in the latter half of the nineteenth century was a period of modern, competitive imperialism that also saw the progress of a kind of regionalization. The final quarter of the twentieth century has been a period of decline of U.S. hegemony during which regionalization has advanced more or less in step with that hegemony's retreat. The United States itself has shifted direction toward the formation of an "Amexicana" region under the NAFTA banner, which corresponds to what the British Empire once was to Britain.

We may infer from this that regionalization progressed in a tense relationship to waning hegemony. This has a bearing on and has the power to change hegemony. We may therefore identify regionalization as a form of alignment opposing hegemony. More specifically, regionalization can be significant as alignment in opposition to globalization and Americanization.

The nature of regionalization must be examined in terms of its relationship to hegemony. In general, discussions of regionalization in relation to nation-states have examined the supranational nature of regionalizing organizations. Furthermore, given that regionalizing organizations have developed to the point of being, along with nation-states, main actors in the shaping of the world order, debate has also focused on their relationships to one another and to the global economic system. Particular attention has been paid to the question of whether such organizations are open or closed. An example still fresh in memory is the furor over the threat of "Fortress Europe" at the time of the EC's market integration in 1992.

The degree of openness is also evaluated in relation to multinational companies. In such inquiries, too, it would be difficult to gain an accurate understanding of the actual pyramidal/hierarchical structure of regionalization without giving due consideration to regionalization's relationship to the prevailing hegemony. For the moment, the 1992 EC market integration may be deemed an open-door style of regionalization rather than one aimed at the formation of a 1930s-style closed bloc.<sup>10</sup> This evaluation must be reconsidered, however, in terms of the relationship between the EC market integration and the American hegemony. In working toward such a reconsideration, let us now examine the case of the EC/EU in more depth.

### **Regionalization/Regional Integration in Western Europe**

The EC/EU is an example of regionalization and also, as closer examination of its form and content reveals, of regional integration. In terms of its relations with nation-states, regional integration takes the form of collective management and exercise of sovereignty by

nation-states through such means as the transfer of partial sovereign power to a joint organization.<sup>11</sup> The term may be taken to imply a collective organization superior to its constituent nation-states or a movement toward an entity occupying such a position. The nature of such collective organizations varies according to the degree of joint management and exercise of sovereign power achieved; those in which the transfer of sovereignty is most advanced become supranational entities. Regional integration is thus not merely the increase of interdependence among nations. It may be described, rather, as an advanced form of regionalization.

### *High Level of Integration*

Regional integration in Western Europe has been the most conspicuous phenomenon of the post-World War II trend toward regionalization. As is evident in the supranational nature of the EC and EU, and in their orientation toward supranationality, regional integration in Western Europe has been the most advanced form of regionalization. This alone makes it the most suitable case for observing the phenomenon of regionalization with particular reference to its relation to U.S. hegemony. Furthermore, the fact that the progress of regional integration in Western Europe has attracted increased attention since U.S. hegemony began to decline also makes it a useful subject for scrutiny.<sup>12</sup>

The advanced nature of regional integration in Western Europe—it is advanced in terms of regionalization as well, because regional integration is the spearhead of regionalization—will be briefly proven below.

Regional integration in Western Europe was the first case of regional integration to begin after World War II and the one that developed most rapidly. There is also its outstanding record of actual achievement up to the present day. As for scale, the total land area of the 15-nation EU is 3.24 million square kilometers, roughly one third the size of the United States. Its total population is roughly 370 million, and in 1995 its nominal GDP reached US\$8.4 trillion, in both respects surpassing that of the United States. The EU also accounts for some 40 percent of world trade, with imports and exports totaling \$1.5 trillion. In addition to its scale, the EU also stands out in terms of degree of integration attained. Whether viewed in terms of trade, capital, currency, technology, people or information, the EU is far more integrated than NAFTA or any other economic zone.

Also noteworthy is the EU place as a key player in international relations. Apart from the obvious influence of the currency union, we may also point to the effect of international technical standardization: the EU, drawing on a record of experience and success in intra-regional coordination, is now influencing global technical standardization to such a degree as to prompt Japan's Ministry of International Trade and Industry officials to talk of "technological imperialism." In the area of development assistance, the EU has applied comparatively small amounts of funding to a remarkably successful effect. It is also the world

leader in such areas as environmental protection, human rights, democracy, and security.

The EU is a longstanding member of the world summit conference of advanced nations, but at the same time it continues to create a diverse and progressive network of cooperative ties with developing countries such those of the Mediterranean and those of Africa, the Caribbean, and the Pacific (the ACP countries). In addition, it is developing various forms of cooperation with the countries of Eastern Europe—"Eastern" here being meant in the purely geographical sense—such as toward their membership or provisional membership to the EC or for other kinds of partnership. The EU has an immense impact on, and has even become a model for, regionalization efforts in other parts of the world. It leads the worldwide trend toward regionalization.

While the preceding overview has highlighted mainly the economic aspects of the advanced level of EU regional integration, its integration on the political side must not be overlooked either. Although such political integration is still at a low level in comparison with economic integration, it is, for better or worse, more advanced than similar efforts in other regions. It is ironic that Western Europe, the very birthplace of the international political system based on nation-states, is now the home of the most highly developed instance of what may be regarded as a rejection of that system, that is, regional integration.

Why does Western Europe stand out so far in the area of regionalization? It would be ambitious to attempt a ready answer to this question here. Looking back on the history of research in this area we find that, as the tide of integration temporarily ebbed ("temporarily," that is, from the hindsight of today), certain theories attempting to explain the phenomenon of regional integration in Western Europe—especially that of neofunctionalism, which was considered the most compelling—were gradually abandoned; and that this was followed, ironically, by a resurgence of efforts toward integration. This illustrates the difficulties in identifying the reasons for the advance of regional integration in the case of Western Europe.

On the other hand, the political and economic factors that promote regional integration are relatively well understood. In previous studies of the history of regional integration in Western Europe in relation to the American hegemony, I have proposed that such integration began as an organization aimed at defense against U.S. hegemony, transformed into one opposing that hegemony, and then evolving further as a force seeking to replace that hegemony. In this way, I presented a viewpoint highlighting the role of regional integration as a form of alignment opposing globalization and Americanization. Regardless of how successful that kind of explanation may be, it is fair to say that post-World War II political and economic factors are the most important factors contributing to the advent of regionalization in Western Europe.<sup>14</sup>

Social factors should also be included in this account. If we recall the activity surrounding the EU Social Charter, we should probably judge the level of social integration achieved [in Western Europe] to be far below that of economic integration and quite low in comparison

with that of political integration. Even so, however, social integration cannot be overlooked. Though it progresses at a slower pace than that of either economic or political integration, it may be regarded as their basis and foundation, and as that which has prevented their regression. This may be inferred because, had integration been for only a certain social class or political faction, presumably sooner or later it would have reached an impasse.<sup>15</sup>

Regarding the time-frame of the development of regional integration in Western Europe, it is necessary to go back to times before World War II, which may be sketched in the following broad brushstrokes. Developing along with the heyday of European maritime exploration and trade, European expansionism reached its peak toward the end of the nineteenth century in the form of modern imperialism, with the European powers vying with one another for supremacy. Following two imperialist world wars, a socioeconomically exhausted Western Europe abandoned expansionism and reaffirmed itself in policies of downscaling. This was a process of regional integration, manifested outside the region through the relinquishing of colonial rule and the adoption of a “small Europe” doctrine, and pursued within the region through efforts to prevent confrontation and promote cooperation. This is the form in which Western European identity has asserted itself in the latter half of the twentieth century. Even if this cannot be regarded as a return to earlier forms of European international order—to the system devised at the Congress of Vienna after the Napoleonic Wars; to that of the Peace of Westphalia, which established the system of modern nation-states; or to that of the medieval Holy Roman Empire—it is nonetheless useful to view the evolution of regional integration in Western Europe in a time-frame of this breadth.<sup>16</sup>

In any case, what I would like to establish here is that, in efforts toward regionalization in Western Europe—that is, the regional integration of Western Europe—it cannot be denied that there has been a long-term increase in levels of integration, as is suggested even by the cursory examination above of the reasons for the advanced nature of European integration. From the 1957 Treaty of Rome, when it began in earnest, that integration movement proceeded in alternating cycles of progress and stagnation, surviving a number of crises. The history of its market integration, likewise, did not progress a straightforward, linear path but underwent cycles of integration and disintegration. Yet even during even while repeating these historical cycles, the European Common Market, a diverse entity from the outset, has continued to move toward integration in the long run and as an overall trend. The same may be said, to a greater or lesser extent, for the other aspects of integration. Even when integration occasionally regressed, it did not regress to its former level. Thus a kind of transfer effect has arisen, resulting in an overall tendency toward integration.

My purpose here is to elucidate, in the context of this long-term, overall trend toward integration, the significance of Western European regional integration as a form of alignment opposing globalization and Americanization. This trend toward integration coincides with the fact that the decline of the American hegemony has already had a generation-long history that

is likely to continue from now on for a relatively protracted period. When observed from this perspective, the progress of market, currency, financial and other forms of economic integration; of political integration; and of social integration in such areas as the labor market and labor-capital relations, should appear in more detailed relief.

### *Multi-dimensional Elements*

Naturally, however, regional integration in Western Europe cannot be fully understood solely in terms of the simple schema of cycles and overall trends just described. The integration movement currently emerging in Western Europe—and throughout Europe as a whole—displays more complex aspects, namely, increasing depth, expansion, and, in parallel with integration, a process of differentiation. These aspects add various nuances to the role of Western European regional integration as an alignment opposing globalization/Americanization.

The deepening and expansion aspects are well known. The former is evident in the metamorphosis of the EC into the EU. The latter can be seen, even without looking back to the history of EC expansion, in the expansion in recent years of the EU within Western Europe itself through the inclusion of the remaining EFTA (European Free Trade Association) countries; in its anticipated expansion on a pan-European scale through the inclusion of Eastern European countries; and in the changing nature of NATO.

The process of differentiation paralleling that of integration is also quite widely understood thanks to advances in research on this subject in fields such as political science and sociology. Studies addressing this phenomenon are also beginning to appear in economics.<sup>17</sup> In addition to the sense in which I have been using it so far, the term “region” can also refer to an independent movement or organization involving elements within or in certain segments of the nation-states involved. In this sense it may denote a region composed by and for a certain population group, or what may be called a “community zone.” With an even closer focus on the component and target population, the term is also understood as referring to independent movements or organizations for ethnic identity. This trend may be called sub-regionalism, a term that has already gained widespread currency.

More so than the governing committees of the EC or the EU, the Strasbourg-based European Parliament has become the focus of attention as the principal agent of recent integration efforts. This focus may be interpreted as one expression of the decentralization of European power vis-à-vis its centralization in Brussels, and furthermore as an aspect of the trend toward differentiation. This kind of differentiation was also evident at the time of Germany’s reunification. The reunification was effected through a procedure whereby the former East German administrative units were abolished and replaced by newly created (or in some cases revived) states which then joined the German national federation. While this was, of course, prescribed by the fact that West Germany had a federal system, we may also see in

it the reawakening of local identity in regional communities, as in the case of Germany's Sachsen (Saxon) ethnic group.

While regional integration among nation-states proceeds at one level, at another aspirations toward community-zone or ethnic autonomy are intensifying among certain component parts of individual or multiple nation-states. It may even be said that, once the confrontation between capitalism and socialism lost its crucial significance, community-zone identity and ethnicity replaced nationality as the new symbols of integration. The hard shell of the nation-state is thus being gnawed away at not only from outside in but from inside out.

The integration currently in progress in Western Europe and on a pan-European scale is a multi-tiered form of integration that includes elements of differentiation, pluralization, and diffusion. For the time being it is likely to continue unfolding at three levels: regional integration, integration within the nation-states, and community-zone or ethnic integration. We may even venture to suggest the prospect of European integration taking place ultimately as the integration of minutely differentiated community-zone or ethnic units. In any case, for the time being attention will remain focused on how the interaction among the three levels of integration has developed so far—a significant level of interaction has already been achieved—and how is likely to further develop from now on. The so-called principle of complementarity, a concept proposed in theoretical discourse on the integration process, is interpreted and applied variously by different analysts. Those variations are related to the realities of integration's three-tiered structure.

In attempting to confirm that the integration of Western Europe has reached an advanced level, we must take into consideration these multi-dimensional elements.

### *Beyond National and Supranational Frameworks*

Until now, however, many analysts—myself included—have considered regional integration in Western Europe in terms of the relationship between national sovereignty and supranational organizations, or of that between nationality and supranationality. Although different scholarly trends have been more influential in sociology and other disciplines, this framework of understanding has been widely applied at least in the fields of economics and political science.

Currency union appears to provide an ideal case in point for this framework of understanding. That is, the EU's single currency unit (euro) is clearly the product of a supranational organization and embodies supranationalism in every respect. Accordingly, the issue has been presented in terms of whether or not the EU will move in the direction of further supranationality. The introduction of a single currency unit not only requires a single financial and currency policy but also necessitates that fiscal policy be coordinated and ultimately unified. The same may be said for structural adjustment policy, regional policy, industrial policy and so on. Projecting from this chain of unified policies, we inevitably arrive

at the prospect of unified sovereignty. Is the EU really proceeding down that path? The Maastricht Treaty, which provided for the introduction of a single currency and for the establishment of the EU itself, includes no rigorous provisions regarding coordination or unification of fiscal policy. In this respect, a contradiction inherent in the Maastricht Treaty is manifest and its treaty's internal limitations made evident.<sup>18</sup>

If, however, integration that included currency union in the form of introduction of a single currency were to give rise to a parallel process of differentiation, as discussed above, then our interpretation of the introduction of a single currency may have to be altered. That is, if we also consider the autonomous development of community-zone and ethnic sub-regions in our view of the process of currency union, even what appeared to reveal the inherent contradictions and limitations of the Maastricht Treaty may present a different aspect. Indeed, it may reveal, rather, the inherent contradictions and limitations of understanding regional integration in terms of the transfer of national sovereignty, the understanding that was the premise of the nationality-supranationality frame of reference to begin with.

Once we experience such difficulty in perceptions, we can begin to see ways to develop new approaches.<sup>19</sup> One of the most compelling of those efforts at the moment centers around the “new medieval” idea.

Proposed by Hedley Bull, the view based on the notion of the “new medieval” uses medieval Europe as a metaphor in examining the diversity of actors in the Western European international scene today. While naturally acknowledging the various differences between the “old” and “new” forms of “medieval,” this approach focuses particularly on Western Europe and regards the EU as a test case.<sup>20</sup>

This kind of thinking is not entirely unique in this field of debate. Even within the scope of my own knowledge, among Japanese scholars in regional studies Yamakage Susumu has proposed an approach focusing on the overlapping rather than the multi-layered nature of regions. This approach is developing a view of regions in terms of their inter-relatedness rather than resemblance. Although this view does not explicitly refer to the “new medieval,” the thinking is similar, albeit presented in a different context and with different terminology.<sup>21</sup>

It should be noted here that in the “new medieval” theory the application of the “medieval” metaphor is limited to Western Europe. Another view, expounded by Tanaka Akihiko, removes this limitation. While acknowledging that the features of the “new medieval” are most prominent in the relations among the countries of Western Europe, Tanaka identifies Japan and North America, for instance, as another zone that has plunged into the “new medieval” period. His reason for this is that these countries share the same fundamental values. Other zones he characterizes as either “modern” or “chaotic.”<sup>22</sup>

This view is a *re-interpretation* rather than an interpretation of the original “new medieval” theory. While I do would not reject the validity of the re-interpreted version entirely, for my

present purposes I would like to adhere to a crucial point of the original theory, which is that it is limited in application to the “medieval” metaphor of Western Europe. This is because I affirm Western Europe’s advanced status in regional integration and so in regionalization as well. While regrettably there is not enough space to elaborate on this point here, I concur with Andrew Gamble in highlighting the usefulness of the metaphor.

### **Regionalization in East Asia**

When we shift our attention from Western Europe to East Asia, we see contrasting developments. The term “East Asia” is used here in the broad sense to include Northeast and Southeast Asia. “East Asia” and indeed “Asia” are designations bestowed from outside, and so do not, of course, vouch for any kind of inherent identity or unity among the countries referred to. The same is true, however, of the terms “Western Europe” and “Europe.” There is little point in overlooking this fact or speculating about the meaning or meaninglessness of East Asia as a unit for observation. In any case, it is essential in considering regionalization to acknowledge that, if we are to observe the expanse called Western Europe, then it is only natural that, by way of comparison, we also observe the expanse called East Asia.

#### *Low Level of Regionalization*

The question at hand is how far regionalization in East Asia has progressed. The most salient example of East Asian regionalization on the economic side is the Association of Southeast Asian Nations (ASEAN), which began as an organization for political cooperation. As it evolved into an entity for economic cooperation, ASEAN also gained in both size and depth. It also created various regional cooperation organizations with ASEAN itself as their core, such as the ASEAN Industrial Cooperation scheme, the ASEAN Free Trade Area (AFTA), and the ASEAN Regional Forum (ARF). ASEAN has also forged ties with external countries and regions, including its relations for extra-regional dialogue (which later became the Expanded ASEAN Foreign Ministers Conference; its agreement on cooperation with the EEC (later lapsed); the ASEAN Plus 3 forum; and the Asia-Europe Meeting (ASEM).<sup>23</sup>

In this way, we can confirm a certain degree of progress in efforts toward regionalization centering around ASEAN. At the same time, however, we must acknowledge the disparity between this and the level of regionalization attained in Western Europe. According to Yamakage, although it is possible to discern a striking resemblance between the EC/EU and ASEAN in the circumstances of their establishment, in the tempo of their development (stagnating in the 1980s, flourishing in the 1990s), and in their intent, in terms of actual results ASEAN compares poorly.<sup>24</sup> Taking the comparison further, we find no situation in the ASEAN case that corresponds to the transfer or limitation of national sovereign power, and therefore no supernationality in that sense.<sup>25</sup> On that basis we may assert that, by the definition applied in the present discussion, ASEAN does not qualify as a case of regional

integration, and that therefore it has necessarily been limited in the degree of regionalization it has attained.

In Northeast Asia, meanwhile, no efforts toward regionalization even equivalent to those of ASEAN in Southeast Asia are apparent. Accordingly, the level of regionalization in East Asia as a whole is markedly lower than that in Western Europe.

It is also necessary, however, to give due consideration to APEC, as it has attracted considerable attention as one aspect of regionalization in East Asia. One immediately apparent point about APEC in this regard is that in terms of composition/membership a comparison with the EC/EU is pointless from the outset. Furthermore, APEC is a very loose cooperative association; although it can be regarded as one type of regional framework, and although comparison with the EC/EU as regional integration is, of course, possible, there is little to be gained from such comparison—that is, as long as the comparison is based on the conventional nationality-supranationality frame of reference.<sup>26</sup> In addition, APEC is not significant in terms of my present concern, namely, the potential for an alignment in opposition to globalization and Americanization.

Furthermore, although the trend toward differentiation so clearly evident in Western Europe has also appeared in East Asia, it is not as vigorous. We must also acknowledge the gap between the two in terms of sub-regionalization and sub-regionalism.

While the causes of this disparity with Western Europe in terms of regionalization should, of course, be explained, such explanation is likely to be even more difficult than explaining the causes of regional integration in Western Europe. Generally—albeit with the particular case of Western Europe in mind—a precondition for regional integration (not regionalization) is intra-regional commonality identified in terms of economics (level of prosperity, as indicated by per-capita income), politics (maturation of democracy), and, as a hidden factor, religion (in Europe's case the spread of Christianity). From this perspective it would appear that similar conditions have long been almost nonexistent in Northeast and Southeast Asia. Looking at the matter more in terms of actual history, we may point to differences in the settlement of responsibilities and issues arising out of World War II. The settlement of such war issues involving Japan, at least as far as Northeast Asia was concerned, differed markedly from that of Western Europe as illustrated by the Franco-German reconciliation. While the Franco-German reconciliation provided the basis for the subsequent development of regional integration in Western Europe, there has been little hope for regional integration in Northeast Asia. Alternatively, we may consider the matter from the perspective of the abovementioned schema explaining regional integration in Western Europe in terms of a shift from self-defense against, to opposition to, and finally to replacement of the prevailing hegemony. In Northeast Asia—and in Southeast Asia as well—the American hegemony has been so direct and immense as to leave little strategic leeway for either self-defense against or opposition to it.

### *Implications for Japan of Regional Integration in Western Europe*

On the basis of the foregoing outline of the state of progress of regionalization in East Asia, let us now consider the implications for Japan of regional integration in Western Europe.

As we have seen, a clear disparity has arisen between the level of regionalization achieved in East Asia and that achieved in Western Europe. Regionalization in Southeast Asia has progressed without Japan's direct participation. In Northeast Asia regionalization remains undeveloped and there are not even incipient signs of regional integration, which would pave the way for regionalization. From this we see that Japan's involvement in regionalization in East Asia remains at an extremely low level.

A number of responses to this situation, or to this perception of the situation, are possible. One response we have seen is simply the bemoaning of the low level of Japan's—or East Asia's—progress in regionalization, and envy at the progress made in Western Europe. This response is obviously naïve. From 1998 through 1999, Japan produced a veritable flood of literature about the euro. It was a phenomenon, however, that highlighted the transformation of Japanese interest in Western Europe's regional integration, which had been on the decline, into an idealization. One wonders to what extent this literature about the euro was free of such naïveté. Without due reflection on the reasons behind the disparity, attempts to emulate Western Europe as a model would be futile.

Taking the opposite position, one argue in support of the status quo. One such argument is the extreme one that equates China with the EC/EU. This view identifies China as the East Asian organization for regionalization or regional integration equivalent to the EC/EU. In other words, while interpreting the EU as a kind of federal system, this view similarly regards China as a kind of federal nation. Contrary to its apparent eccentricity, and given the traditional geographical comparison of Japan and Britain (both island nations close to continents), this is in fact a rather straightforward understanding. It also includes some surprisingly keen perceptions, such as in exploring the reality of China as a multiethnic nation and the fiction of a “Greater China.” However, this argument remains open to the criticism of detachment from history.

Another, more moderate argument rooted in approval of the status quo may be summarized as follows. In reality, economic interchange centering around Japan and Japanese companies is advancing in East Asia. The development of trade, licensing, and direct investment in East Asia has been sustained by direct investment, export of capital goods, business management and technology transfer via Japanese companies, and by development assistance provided by the Japanese government. These efforts have met with success, the clearest evidence of which is East Asia's record of economic growth.<sup>27</sup> From this perspective, proponents of this argument doubt that East Asia should rush toward regionalization, or that regionalization is necessary at all.

Regionalization in the above sense implies institutionalization. The issue may therefore be rephrased, emphasizing the advance of regionalization in practical terms but not taking institutional form. Naturally, it also emphasizes that Western Europe and East Asia differ in the preconditions for regionalization and regional integration.

This presentation of the argument includes some convincing points. An EU-like system is not the only form of regionalization conceivable, nor is it the only possible model to imitate. It may be impossible to transplant the EU model to East Asia, or at least unnecessary. It is conceivable that East Asia, which has a different history and different preconditions from those of Western Europe, could develop its own distinctive form of regionalization. The important thing is to maintain a calm, level-headed scrutiny, free from naïve wishful thinking, of the way in which regionalization is actually progressing.

Whatever the case, and leaving aside the overall underdevelopment of regionalization in East Asia, surely the problem of Japan's low level of involvement is one of the key difficulties. Corporate-led exchange is limited in terms of variety of actors, so that opportunities for the diverse forms of mutual exchange, understanding and learning that should be entailed in regionalization are being lost. There is insufficient breadth of exchange, apart from economic. Even personnel exchange is taking place mainly through economic exchange. The absence, or at least inadequacy, of institutionalization is hindering the progress of stable and irreversible regionalization. Surely my uneasiness about Japan's isolation in East Asia in terms of human relations is more than just a personal illusion.

Japan's low level of participation in regionalization may be regarded as the flip side to its high degree of Americanization—high, that is, in comparison with Western Europe. Of course, comparison of the two in terms of degree of Americanization is itself an immense task. There is also the problem of the dubiousness of thus comparing a single country, Japan, with an entire region, Western Europe—a point I will return to below. In Japan, American influence is strong, and it is as if in its journey across the Pacific the prevailing wind of American reality gains force. One factor behind this is the tendency on the Japanese side to hold up the example of the United States as a justification for reform. In Western Europe, meanwhile, American influence is comparatively weak, the current of Americanization appearing to wane as it crosses the Atlantic. The distorted perception whereby Americanization appears in the guise of globalization and American particularity takes on the look of universality is more difficult to discern in Japan than it is in Western Europe.<sup>28</sup>

What are the reasons for this disparity between Japan and Western Europe in terms of degree of Americanization? One possible factor is the difference in their levels of regionalization; the higher level of regionalization in Western Europe may work to weaken the effect of Americanization and the lower level of regionalization in Japan to strengthen it. In Japan, opposition to the United States has such a strong tendency to be linked to various agendas of national reempowerment that little regard is given to the question of how Japan

should relate to neighboring countries.

Another crucial point for Japan concerning the low level of regionalization in East Asia is the effect of various imbalances in its relations with the EC/EU. While there have been imbalances of trade and direct investment between Japan and the EC/EU for some time, an even more important one has been the imbalance in the number of nation-states involved due to the progress of regional integration in Western Europe. At first the relation was between Japan and six EC nations, but the latter number has increased to fifteen. The problem with this imbalance is not limited to the fact that it makes relations between the two sides especially complicated. Among the factors contributing to the groundswell of regional integration in Western Europe in the first place were the economic development of Japan and other East Asian countries and their expansion into Western European markets. Regional integration in Western Europe has been advanced as a response to this challenge. At the same time, it has represented a new challenge to East Asia by Western Europe. Japan now faces the question of how to respond to that challenge. Whether it realizes it or not, Japan is no longer in a passive position in its relationship with Western Europe, but rather is becoming a force which can influence and reshape that relationship. The question is how should Japan respond to the consequences of that change.<sup>30</sup>

### *Japan's Options*

Let us now consider the options available to Japan in light of the preceding economic perspective on the trend of regionalization and comparison of Western Europe and East Asia in terms of regionalization.

One option would be a form of regionalization including the United States. This would involve placing greater emphasis on relations with the United States than on those with neighboring countries in East Asia, and becoming more closely tied to the United States. In its most extreme form, this option would lead to the creation of an "Amerippon" economy. A moderate version of this option already exists in the form of APEC. In such a case, it is unlikely that any organization that includes the United States among its members would serve as an alignment for opposition to Americanization or as a vehicle for negotiation with the EU.

A second option would be to pursue regionalization in East Asia. Although efforts have already been made in that direction in the form of the East Asian Economic Caucus (EAEC) and East Asian Economic Group (EAEG), these may be regarded as having all but failed. Attracting attention more recently is the ASEAN Plus 3 group, though this has yet to achieve any concrete results. This option could bring about, and in fact has brought about, some degree of opposition to the United States. Efforts in this direction could provide a period of distance from the processes of globalization and Americanization, or even lead from there to the formation of an alignment opposing them. This option has even greater potential for providing a vehicle for negotiation with the EU.

Which option will Japan take, or which is it in the process of taking? At present Japan is a member of APEC, is at the same time pursuing the ASEAN Plus 3 scheme, and is also placing its hopes on ASEM. Japan is thus taking a wait-and-see stance. It may maintain this position for the time being, though it is also possible that it will commit to one path or the other unexpectedly soon.

Let us briefly consider the scenario of the second, perhaps more difficult option. The first question is whether or not Japan wants or intends to take that path. If so, then there is the question of whether the conditions necessary for acceptance of that choice exist. Yamakage has pointed out that Japan's failure to take a leadership role in international affairs has been because it was unable rather than unwilling to do so.<sup>31</sup> Although this view was advocated in the mid-1990s, fundamentally it still applies today. Apart from the question of Japan's desire for or inclination toward the second option (regionalization in East Asia), the prospects for that option are generally limited by the lack of preconditions for its success. Careful consideration must be given to how to bring about conditions suitable for that course of action.<sup>32</sup>

In closing, I would like to point out one more difficulty that may arise should Japan take the second option. The implications of the Western European challenge are twofold. That is, Western Europe has presented Japan with a challenge not only through its regionalization/regional integration but also in its firm adherence to the principles of social welfare, or to "social Europe." Against Japan's and East Asia's economic challenge—and against the U.S. hegemony—Western Europe has preserved its welfare-state and "social Europe" systems, and this is another reason for its determination to pursue regional integration. Japan, one of the instigators of the economic challenge to Western Europe, lacks an adequate understanding of this point. Far from being unrelated, the determination of an international stance and the shaping of social policies are inextricably bound up with one another. Japan must keep that connection in mind when considering which option to take in regionalization.

If Japan meets this twofold challenge squarely and chooses the option of integration in East Asia, it would also face the problem of how to preserve or reconstruct its own welfare society within that region. One aspect of this problem is the question of what position it will take with regard to foreign workers in Japan.

These are not the only challenges Japan must face, however. The countries of East Asia are pursuing the course of national development, and there is little indication of a shift in their direction in the foreseeable future. If Japan prompts East Asian nations to focus only on development while itself working toward becoming a welfare state, this will result in the consolidation of a structure of relations based on a developing nation-welfare state division of roles. Is that a desirable contingency? Rather, what is required is a structure of relations that will promote a shift toward the creation of welfare states throughout East Asia, and it is there

that Japanese leadership in the region can be exercised.

This is a formidable challenge. In terms of economic relations it means Japan must deepen its ties with the developing countries of East Asia—that is, actively transfer and open up Japanese-developed technology and management expertise to other parts of East Asia, and support the development of the region’s “catch-up”-style systems of production and management—while at the same time promoting the metamorphosis of those countries into welfare states. Although this is no easy task, it would appear that the only way Japan can squarely meet the challenge put to it by Western Europe is to find a way to overcome those difficulties so as to forge a course toward the creation of a “social Japan” and, at the same time, a “social Asia.”<sup>33</sup>

### Notes:

- 1 George Solos, *The Crisis of Global Capitalism: Open Society Endangered* (New York: Public Affairs, 1998).
- 2 Tsunekawa Keiichi, *Kigyo to kokka* [Corporations and the State] (Tokyo: University of Tokyo Press, 1999).
- 3 Yamakage Susumu, *Tairitsu to kyozon no kokusai riron: Kokumin kokka taikai no yukue* [A Theory of International Confrontation and Coexistence: The Future of the Nation-State System] (Tokyo: University of Tokyo Press, 1994), pp. 309, 318–19.
- 4 Regarding hegemony in general, see Baba Hiroji, “Sekai taisei ron to dankai ron” [The World System Theory and the Stages Theory]. In Kudo Akira, ed., *Nijusseiki shihonshugi 11: Haken no hen'yo to fukushi kokka* [Twentieth-century Capitalism 11: The Transformation of Hegemony and the Welfare State] (Tokyo: University of Tokyo Press, 1995), especially pp. 6–18.
- 5 For U.S. hegemony, see Tateyama Yutaka, “Pakusu Amerikana no kozo” [The Structure of Pax Americana] and Ozawa Kenji “Nichi–Bei keizai kankei no gyakuten” [A Reversal of Japan–U.S. Economic Relations], both in Kudo (1995). As for the characteristics of U.S. hegemony, see Kaneko Masaru, *Shijo to seido no seiji-keizaigaku* [Politico–economics of the Market and Institutions] (Tokyo: University of Tokyo Press, 1997), p. 175. With regard to the idea of hegemony stability, see a critical study in Sasaki Takashi, “Shohyo Robato Girupin, Okurasho Sekai Shisutemu Kenkyukai yaku, *Sekai shisutemu no seiji-keizaigaku: Kokusai kankei no shindankai*” [Book Review: Robert Gilpin, trans. Ministry of Finance World System Study Society, *The Political Economy of International Relations*, Princeton University Press, 1987] (Toyo Keizai Shimposha, 1990), Hosei University, *Keizai shirin*, 59:1 (1991).
- 6 See Tateyama (1995), pp. 63–73. As for a systematic study of theories and arguments concerning hegemony and post-hegemony and the Cold War and post-Cold War, see Tanaka Akihiko, *Atarashii chusei: Nijuisseiki no sekai shisutemu* [New Medieval: The World System

of the Twenty-first Century] (Tokyo: Nihon Keizai Shimbunsha, 1996), chapters 1–4.

7 See Kudo Akira, “‘Americanization’ or ‘Europeanization’—Globalization of Japanese Economy.” In Glenn D. Hook and Hasegawa Harukiyo, eds., *The Political Economy of Japanese Globalization: European and Asian Perspectives* (London: Routledge, forthcoming).

8. For region in general, see Yamakage (1994), Part III, Chapter 3 (“Kokusai shakai no chiiki ninshiki” [Regional Perception in the International Society]).

9. Kanemaru Teruo, ed., *EU towa nanika: Oshu Domei no kaisetsu to joyaku* [What Is the EU?: Commentaries on the European Union and Treaties] (Tokyo: Japan External Trade Organization [JETRO], 1994), Hosono Akio, *APEC to NAFTA* [APEC and NAFTA] (Tokyo: Yuhikaku, 1995), and Yamakage Susumu, *ASEAN: Shimboru kara shisutemu e* [ASEAN: From Symbol to System] (Tokyo: University of Tokyo Press, 1991).

10 Andrew Gamble, “Globalisation and Regionalisation: Theoretical Approaches.” Paper presented to the University of Sheffield Symposium on “Japan, Asia Pacific, and Regionalism: Global and Regional Dynamics into the 21st Century” (September 21–22, 1998), pp. 11.

11 Tanaka Toshiro, “Yoroppa togo” [European Unity]. In Rekishigaku Kenkyukai ed., *Koza sekaishi 11: Kiro ni tatsu gendai sekai—Konton o osoreru na* [Lectures on the World History 11: The Contemporary World at a Crossroads: Chaos Is Not to Be Feared] (Tokyo: University of Tokyo Press, 1996), pp. 77–78.

12 This point is discussed using currency unity as an example in Kudo Akira, “Yoroppa togo no shatei: Haken kotai no kanosei” [Range of European Integration: Possibility of Substitute Hegemony]. In Tokyo: University of Tokyo Social Science Institute ed., *Nijusseiki shisutemu 6: Kino to hen'yo* [Twentieth-century Systems 6: Functions and Transformation] (Tokyo: University of Tokyo Press, 1998). I reconsider the subject in a broader perspective in this paper.

13 Yamakage (1994), p. 104 (first appearance in 1983).

14 Kudo (1998).

15 Especially, Hartmut Kaelble, *Auf dem Weg zu einer europäischen Gesellschaft. Eine Sozialgeschichte Westeuropas 1880–1980* (München: C.H. Beck, 1987).

16 A study made in a super-long-term perspective is Krzysztof Pomian, *L'Europe et ses nations* (Paris: Gallimard, 1990).

17 In the field of economics, see especially Watanabe Sho Hisashi and Sakudo Jun, eds., *Gendai Yoroppa keieishi* [Contemporary History European Management] (Tokyo: Yuhikaku, 1996).

18 Yamada Makoto, *Doitsu-gata fukushi kokka no hatten to hen'yo: Gendai Doitsu chiho zaisei kenkyu* [The Development and Transformation of German-type Welfare State: A Study of Local Finance in Contemporary Germany] (Tokyo: Mineruva Shobo, 1996), p. 324.

- 19 Also, especially noteworthy are Nakamura Tamio, “Amusuterudamu joyaku no dai-ni san no hashira no hoteki danmenzu: Shinka? shinka? suru EU” [Cross Sections of the Second and Third Pillars of the Amsterdam Treaty: Deepening or Evolving EU], *Nihon EU Gakkai nenpo*, vol. 17, 1998, and Fujiwara Kiichi, “Hegemoni to nettowaku: Kokusai seiji ni okeru chitsujo keisei no joken ni tsuite” [Hegemony and Network: Conditions for the Formation of Order in International Politics], in University of Tokyo Social Science Institute ed. (1998).
- 20 Hedley Bull, *The Anarchical Society: A Study of Order in World Politics* (New York: Columbia University Press, 1977) and Gamble (1998).
- 21 Yamakage (1994), pp. 293–303 (first appearance 1998).
- 22 Tanaka (1996), p. 253.
- 23 Yamakage Susumu, *ASEAN pawa: Ajia Taiheiyo no chukaku e* [ASEAN Power: Growing as the Core of the Asia-Pacific Region] (Tokyo: University Press, 1997), pp. 8–10. For ASEM, see Tanaka Toshiro, “ASEM (Ajia Oshu Kaigo): Atarashii taiwa no tanjo” [The Asia–Europe Meeting (ASEM): Birth of a New Dialogue], *Nihon EU Gakkai nenpo*, vol. 17, 1997.
- 24 Yamakage (1997), p. 318, and (1994), pp. 121–24.
- 25 Yamakage (1997), p. 318.
- 26 See Nakamura (1998) and Fujiwara (1998). The discussion of networks in Fujiwara (1998), while recognizing their elements in EU, is confined to the cases of ASEAN and APEC. pp. 318–33.
- 27 Concerning the fact of East Asian growth, views have been presented that emphasize economic interdependence within the region and that place more stress on the networks of overseas Chinese. I rather pay more attention to the role of Japanese corporations—technology transfer and management transfer—in the technological and management development in the region. I would like to put forth an anti–Amsden and anti–Klugman hypothesis that the technological and management development in the region has a certain autonomy and has the potential of innovation in the future. As for facts in this connection, see Itagaki Hiroshi ed., *Nihonteki keiei seisan shisutemu to Higashi Ajia: Taiwan, Kankoku, Chugoku ni okeru haiburiddo koje* [Japanese–style Management and Production Systems and East Asia: Hybrid Factories in Taiwan, South Korea, and China] (Tokyo: Mineruva Shobo, 1997).
- 28 Recall how and how much two works were read in Western Europe and Japan: Michel Albert, *Capitalisme contre Capitalisme* (Paris: Seuil, 1991) and Fukada Yusuke and Ronald Dore, *Nihon-gata shihonshugi nakushite nan no Nihon ka* [There Is No Japan Without Japanese–style Capitalism] (Tokyo: Kobunsha, 1993).
- 29 In Saeki Keishi, “*Amerikanizumu*” no shuen: *Shivikku riberarizumu seishin no saihakken e* [The End of “Americanism”: Toward Rediscovering the Spirit of Civic Liberalism], enlarged edition (Tokyo: TBS Britannica, 1998), regionalization is not discussed, but I

wonder if that is merely for argument's sake.

30 See Kudo Akira, "Nichi-O keizai kankei no henbo" [Transformation of the Japanese–European Economic Relations], in Kudo (1998). It is necessary to reconsider what can be seen and cannot be seen through the Toynbee schema of challenge and response.

31 “Japan has been criticized for not taking leadership in international society. Actually, it has not has taken leadership but has not been able to do so. It is not Asian countries alone that have been wary of Japanese leadership. Even in the 1980s, in the IMF and the World Bank, for example, some major industrial countries were opposed to capital increases that might be linked to an increase in Japan’s voting power. Japan has behaved over the half century after the war withiin the framework of the will of the Allied powers system that suggests that Japan should ‘pay up’ but not interfere.” Yamakage (1994), p. 318.

32 Although mentioned in a book that includes many valuable insights about the problems of globalization, this point does not seem to be adequately discussed even in Kaneko Masaru, *Han-gurobarizumu: Shijo kaikaku no senryaku-teki shiko* [Anti–globalism: Strategic Ideas of Market Reform] (Tokyo: Iwanami Shoten, 1999), pp. 105–10.

33 University of Tokyo Social Science Institute ed., *Nijusseiki shisutemu 4: Kaihatsu-shugi* [Twentieth–century System 4: Developmentalism] (Tokyo: University of Tokyo Press, 1998) contains two essays on Japanese experiences: Nakamura Naofumi, "Kohatsukoku kogyoka to chuo chiho: Meiji Nihon no keiken" [Industrialization of a Less Developed Country and the Central and Local: Meiji Japan's Experiences] and Kikkawa Takeo, "Keizai kaihatsu seisaku to kigyo: Sengo Nihon no keiken" [Economic Development Policy and Corporations: Postwar Japan's Experiences]. The inclusion of these essays is of great significance, going beyond the intention of the editors' emphasis on the difference between the two essays.