

JAPAN IN A NEW WORLD ORDER

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1 Restrengthened Capitalism for a New World Order

History now runs quite fast. A definition of a new world order seems often outdated already a few months later. Transformation of the global **politico-economic** framework is proceeding so rapidly and in such an unexpected way as we approach the conclusion of this century. Through the transformation, however, four correlated dimensions of a new world order are clearly emerging; the end of the cold war, the restructuring of capitalism, US hegemony after the Gulf War, and attempts at international regional reunification like the EC.

In retrospect, global capitalism seemed to have been in a defensive position since the Russian Revolution. Its territory was actually much narrowed after the Second World War. East European countries, China, North Korea, Cuba, Ethiopia, Vietnam, Kampuchea and Nicaragua, for instance, opted for a socialist regime. Within capitalist countries, welfare policies, concessions to the demands of trade unions, as well as the burden of defence expenditures were regarded to be necessary costs to guard a free capitalist **economic** system against revolutionary socialism. The US hegemony which reconstructed a concerted politico-economic capitalist order in the post-World War **II** period was coupled with such a defensive position of capitalism until 1960s.

The seeming success of Keynesianism in this period was maintained essentially by the US politico-military dollar spending in order to defend a 'free' world, and was not achieved by mere economic policies to curb business cycles in individual countries. The same international and historical context must be stressed against the French Regulationist pure model of a Fordist regime of accumulation, which simply underlines domestic expansion of effective demand by increases in real wages in parallel with productivity under certain institutional arrangements.'

The decline of US industrial hegemony, her defeat in the Vietnam War, the successive great depressions since 1973, and the growing burden of the cold war extending to outer space appeared to work together in weakening further both the US international leadership and the global order of

capitalism which were maintained through the cold war system. When the cold war was terminated in 1980s, however, a victory was sung unexpectedly by capitalism, not socialism.

East European countries and the USSR turned out to be in a much deeper crisis than global capitalism, a crisis more difficult to solve within their old 'socialist' regimes. Connected with the solid oppressive party and state bureaucracy, there was a basic difficulty introducing new technologies to overcome economic stagnation and a widening gap in consumption goods compared with the Western capitalist countries. The collapse of the old regimes in East Europe and the Soviet Union has thus a character of self-defeat, and it cannot be identical with a failure of sounder possible types of socialism. Despite this, a sense of victory presently gives global capitalism an easier and broader scope for restructuring.

The restructuring of a capitalist economy has shown its viability much more than had **previously** been expected. Since the great depression of 1973, micro-electronics (ME) technologies were developed and applied more and more widely so as to revitalise the capitalist **market system**. ME information technologies facilitated the promotion of factory automation (FA) and office automation (OA) which increased flexibility of labour management thus reducing costs of operation. Investment to raise productivity was directed towards more flexible and mobile units. Multi-models of cars or electric appliances were produced on the same conveyor belt lines so as to satisfy various consumers' needs in a market. Information about goods sold is automatically and instantly transmitted to suppliers to adjust production and distribution of commodities by a point of sales (POS) system. Development of information technologies also enabled capitalist firms to re-allocate their sites of operation in order to economise costs or to facilitate easier access to different local markets. Multi-national borderless types of activity were thus much increased by capitalist firms. Multi-national cooperation or merger among business and industrial firms also became **widespread**.

As a whole, the impact of ME information technologies has increased flexibility of capitalist firms, intensified their competition in supplying new types of goods and service and revitalised the competitive working of the market through deep changes in the organisation of labour. The rise of neo-liberalism in the 1980s was not a mere anachronistic reaction to the failure of Keynesianism, but reflected a revitalisation of a capitalist market economy (as I have analysed elsewhere). Global capitalism is in this sense undergoing a historical reversal not merely in its dominant ideological and political superstructure but also in its economic substructure. This situation powerfully influences also former 'socialist' countries to adapt a radical package of marketisation as a panacea in the process of social change regardless of its actual effectiveness and feasibility.

Neo-liberalism's requirement for less government seems to contradict the US restoration of her politico-military leadership through the Gulf

War. The United Nations became more easily utilisable for this purpose, as a result of the end of the cold war and the dissolution of the USSR. The US has been able to strengthen its position as the guardian of the status quo for capitalist countries. However, the US cannot now afford to pay the necessary costs to maintain her politico-military hegemony. She actually had to depend on international support and collected about 54 billion dollars from Saudi Arabia, Kuwait, Japan, Germany and some others for the Gulf War. The collected amount is estimated at 5 billion more than the actual costs of the War.¹ It was a strange war in this aspect among others. It is dubious if the US can continuously depend on foreign countries to support the costs of her politico-military operations in the world. As a result the US will be deeply split between the intention to keep its restored hegemonic position in the world and its weakening economy. This must bring about a lot of strains and distortions throughout the world. For instance, the US will require that host countries share more of the costs of her military bases. The US is trying hard to sell more of its agricultural products through the Uruguay round of GATT negotiations without much consideration of the effects on the agricultural environment and peasants' life in other countries. Under the name of Pax-Universalis, the United Nations, IMF, and other international organisations may be utilised more to collect contributions as a sort of international taxation system to be controlled substantially by the US.

This second phase of US hegemony may well turn out to be an illusion based on the victory of the Gulf War, but actually based upon foreign money. Indeed, the regional structure of global capitalism is radically changing. EC unification can strengthen European politico-economic power to countervail US hegemony. Can it further challenge and be a substitute for US hegemony? What will be the position of a growing Japan and Asian countries in a new world order? From the perspective of the hegemony issue in a new world order, six scenarios are conceivable: (1) The second phase of Pax-Americana, (2) The age of Fortress Europe, (3) Pax-Nipponica, (4) Pax-Japamerica, (5) Trigemony led by the US, EC and Japan, (6) Pax- ons sort is without any hegemonic country.⁴

Within the limits of the next decade or two, the scenarios (2), (3) and (6) must be difficult to realise. Although the Fortress Europe will be constructed, it will still be much concerned about internal issues and improvement, and will not pursue a monopolistic hegemony, being prevented by the bitter historical memory of colonialism and wars as well as for economic reasons. As for 'Pax-Niponica' Japan is not prepared to take leadership by herself. So long as Japanese capitalism can continuously strengthen its economic activity in a world market, it does not need a costly hegemonic position in a world politico-military order. The pacifist attitude among the Japanese people which supports Article 9 in the constitutional law will prevent Japan from becoming a military-hegemonic power. It

would be desirable for a future more democratic international order if **Pax-Consortis** were realised. The precondition is the dissolving of the US intention to keep political hegemony and overwhelming military power, and this condition seems unlikely even after the dissolution of the Soviet Union.

The phase I type of Pax-Americana will not be restored, so long as the hollowing of US industry is so difficult to reverse. Therefore, the second phase of Pax-Americana must require international cooperation often through the United Nations and other international organisations. In this sense the remaining scenarios outlined above – 'Japamerica', and 'Trigemony' are not visibly far apart in their essence; they are complementary in one way or the other to form a new world order. The uneasy political, economic and military balance among the US, EC, and Japan will continue to be central to the motion of a new world order. Although the unification of EC will foster various conceptions of regional reunifications centring on the US and Japan in the Pan-Pacific area, those conceptions will be mutually overlapping rather than take the form of exclusive economic blocks, as we shall analyse later. Anyway, it is unimaginable to see a substantial reduction in multi-nationals' investment network, or in a wide stream of trade and finance between the US, EC and Japan. Therefore, unstable cooperation and rivalry among the US, Japan, and EC will go on in a new world order, where capitalism will actually work more flexibly and globally than before, involving more or less of East Europe, Russia, China as also the third world countries.

In such a global scene, what roles will Japan play?

2. An Ideal Model in a New World Order?

It is ironic to see that the US, a victorious single superpower, cannot serve as a model to be followed in a new world order.

Instead of the decaying US model, Japan is often regarded as an ideal new model in many aspects. Although the Italian model with reactivated small firms and the Swedish model of welfare corporatism also invite attention as possible alternatives to the American type of Fordist regime of accumulation which led global capitalism until **1960s**, Toyotism or the Japanese model is more influential and actually powerful in the current world market. A high rate of economic growth in comparison with other advanced capitalist countries, a low rate of unemployment, increasing industrial efficiency with spreading ME technologies, restrengthened international competitive power, improved financial positions of most of big capitalist **firms**⁵ – all of these seem to suggest that Japan is exceptionally crisis-free and is a very good post-Fordist model for the restructuring of a capitalist economy.

At the heart of Japan's economic success, it is generally believed, is the strength of the Japanese style of labour management. This is characterised in the main by life-long employment, trade union organisations based on the company, and a seniority order of wage and job escalation for regular workers in the big corporations. Loyalty and a disciplined attitude of workers is generated from such a core system of labour management, and is commonly found even among irregular workers both in big and in smaller corporations. Japanese workers and their trade unions usually are not opposed to, and often are even cooperative with, the introduction of new technologies in work-places so long as fellow workers are not dismissed as a result of technological change. Small group activities such as QC (quality circle) and ZD (zero defect) movements have been organised on the initiative of managers and often have been successful in encouraging positive contributions of individual workers to technological progress and refinement in the spirit of group behaviour at work-places.

Toyotism with its more flexible line of production, which is, in the image of the French Regulationist School, replacing the previous leading model of American **Fordism** with its hard division of labour on inflexible lines of production,' is obviously grounded upon such a corporative and loyal attitude of Japanese **workers**. The **Japanese** model of management is seen as ideal not just by capitalists and their managers in other countries. It is also **praised** by some western leftists. From **the** Western workers' point of view, they say, the management system which stably maintains employment and enables workers to extend their intellectual ability to undertake multiple-jobs is desirable and they advocate learning the Japanese style of workers' team system, job rotation, learning by doing, and the custom of tenured employment.'

The famous Toyota kanban (small notice board to pass precise indications through a production process) system or its just-in-time system, which minimises stock of parts and semi-products in a main assembly plant, is realised not just by the internal labour management of the factory but also by utilising many disciplined medium and small firms as subcontractors where wages are lower and employment is more flexible and irregular. A parent big company takes good care of those subcontractors, once chosen and organised under its umbrella by supplying technological know-how and financial back-up. As high-tech products like cars, electric appliances and general machines incorporate more and more small ME parts, reliability of these numerous parts as well as that of handling them in assembly become decisive in determining the international competitive power of final products. Thus, ironically, along with spreading ME automation systems, reliability of remaining human elements in work processes beginning from production of small parts to final assembly become decisively more important than in the age of **Fordism**. The Japanese model of labour management and the long-term subcontracting system have particular strength in this aspect, as well as in both flexibility in introducing

new methods of production and use of lower wage costs of younger regular and various irregular workers.

It is then interesting to consider how a capitalist market economy works according to the different intra- and inter-firm social organisation among human beings. This must overlap with one of the focal messages by the recent French Regulationist school and American Social Structure of Accumulation (SSA) school.' A capitalist market economy is actually quite different from a neo-classical model of a free market where atomistic individuals are always taken as basic units of analysis. In contrast, the importance of social organisation or human relations inside and among firms is crucial for the working of a capitalist market economy in the case of Japan. This can be used in opposition to simple neo-liberalism that recommends a competitive market as a panacea to cure all economic diseases (even in East Europe and the former Soviet Union).

It is **methodologically** important not to exaggerate **Japanese** traditional cultural characteristics in assessing the economic working of Japanese managerial organisations. Instead we should try to **recognise** in them more general factors as far as possible, and clarify what is sacrificed in forming them. For instance, it is not easy to explain why Japanese workers work so hard and for such long hours. Individualistic competition for higher wages does not count much here, since workers are in a seniority wage escalation system, or are paid more egalitarian wage rates as irregular part-timers. Motivation for hard working is given rather by ideological consciousness among general workers identifying themselves with the company or a team in a work-place where they belong. Even simple line-workers in Japan say 'our company' or 'my company' just like directors. This psychological attitude comes from trade union organisations based on individual companies, as well as from the escalation system which enables workers to be promoted to managerial positions at various levels. Poor prospects for older ages by the state pension scheme, extremely expensive houses or flats in urban areas, and rapidly increased educational costs also tend to force workers to work for the company, especially when combined with the difficulty of getting other comparable jobs once they have fallen out of the middle of the seniority escalation system. In addition, a prospect of a better future with a growing company surely inspires Japanese workers.

Thus, both pressure and encouragement by the market are certainly important for the motivation of Japanese workers, but these are not at all directly based on individualistic competition. Combined with these, social and ideological identity with the company and a team in the work-place should be underlined. From this observation, we can infer that a mere capitalist market in the abstract may not be a sufficient condition to mobilise workers' motivation, and also that workers' motivation may be mobilised even without a competitive market mechanism. At the root of the 'British disease' and of American difficulties in industrial restructuring

is their failure to secure strong motivation of general workers in work-places, despite the presence of a typical capitalist market economy. While even under the centrally planned economy, Soviet workers were probably well-motivated and worked hard in the initial period of five year plans or in the World War II period to defend the motherland. People work for some social purposes or for ideals, not just for individualistic pecuniary income. This aspect of the Japanese model has to be noticed for both capitalist managerial tasks and left alternative strategies to reorganise firms and work-places so as to re-activate workers' motivation.

Are Japanese workers then obtaining the proper share of the result of their cooperative and hard work? Until 1974, they obtained an increase in real wages (if not directly proportional to productivity) through **Shunto** (annual spring labour offensives) in the post-War process of high economic growth. The gap between the annual increase of labour productivity and that of real wages tended to narrow in the 1960s, and then reversed in favour of real wages at the beginning of 1970s in Japanese manufacturing. Combined with a parallel increase in peasants' family income in rural areas, the increase in real wages extended a domestic market for consumer durables in this period, and formed a type of Fordist regime of accumulation. However, the picture drastically changed after 1975. **Shunto** continuously failed to raise real wages despite an increase in productivity. In Japanese manufacturing labour productivity more than doubled (its index increased by 117.3% in 1975–85) while the index of real wages increased only by 5.9% in the same ten year period. A similar stagnation in real wages continued further until 1988. A weak recovery of annual increase in real wages to 4.0% in 1989 had faltered to 2.1% in 1990, even before the current new recession really began.

Therefore, if Japan is taken as an ideal model of post-Fordism for the recent restructuring of capitalist economies, it is clearly characterised by a wide gap between increasing productivity and stagnant real wages. This sort of gap is more or less common among advanced capitalist countries in this period, but most conspicuous and greatest in Japan. Spreading FA and OA by means of ME technologies enabled Japanese capitalist firms to mobilise more and more cheaper part-timers such as housewives, by reducing the proportion of regular male workers so as to economise wage costs. Their wage rates as part-timers are usually about 700–900 yen (a dollar is now about 125 yen) an hour without any fringe benefits. The social position of trade unions which traditionally organised only regular workers was much weakened in the same process. The rate of organisation thus declined from 35.4% in 1970 to 27.6% in 1987.

In order to fill the gap between increasing living costs and stagnant real wages, more and more women had to work away from home, often as cheap part-timers. This situation has caused what **Marx** called the depreciation of the value of labour-power by spreading the necessary costs of maintaining the economic life of a family among its members.¹

There are two measurement problems here. Firstly, as the yen appreciated almost three times against the dollar (a dollar was constantly 360 yen from 1949 to 1971), Japanese wage rates seemed greatly heightened on a dollar basis. The average nominal wage rate in 1990 was 1821 yen an hour for Japanese manufacturing production workers, and it was already higher than that for similar workers in the US (by about 19%) and other advanced capitalist countries on a dollar basis. **However**, expensive living costs in Japan discount its real purchasing power, and indeed the real wage has been quite stagnant as discussed above. Actually the average area of housing per capita in Japan of 25.2 square metres was still below one half of that in the US and 30% less than in the UK in 1989, while the number of passenger cars in use per 1000 persons in Japan (the top producer of cars in the world), was also below one half of that in the US and 22% less than in the UK. Therefore, international comparisons of wages on a dollar basis do not correctly describe the real purchasing power of Japanese wages.

Secondly, if the nominal wage index is deflated not by a consumer price index (so as to get the real wage index) but by a GDP deflator for manufacturing to get the products wage index (which states the average amount of manufacturing net products purchasable by nominal wages), then we see that this index rose rapidly even after 1975, almost matching the increase in labour productivity in Japanese manufacturing. As a result the profit share in the value added in manufacturing did not recover much and remained rather **stagnant**.¹⁰ **This** means that the result of the increase in productivity was mainly utilised for *competitive reductions of prices of products, especially in the world market*, or for paying off previous debt principal and covering increased energy prices as necessary costs of operation. Consequently Japanese manufacturing corporations could well absorb the increased price of oil in two oil shocks despite the highest dependency rate of energy import among advanced countries, intensified international competitive power, and much improved their financial position from a position heavily in debt into that of earning a huge financial surplus through the period of depression since 1973.

In the meantime, the result of the increases in productivity was not distributed to Japanese workers either in the form of increased real wages, or in the reduction of the notorious length of working hours. In 1985 total yearly working hours of manufacturing production workers was 2168 hours in Japan, which was 11% longer than in the UK, 13% longer than in the US, and 31% longer than in West Germany. This official data certainly does not include 'service' or 'home task' over-time work often performed without record and payment. In addition, many Japanese workers suffer from tiring and long commuting. Total commuting time of three hours a day or more is not rare for work-places in wide metropolitan areas. Thus, the annual total of free time for workers was 1858 hours in Japan in the middle of 1980s, 426 hours (23%) less than in the US, 545 hours (29%) less than in the UK, and 838 hours (45%) less than in West Germany."

Through such long working hours, the intensity and stress of labour were much increased in the process of rationalisation for FA and OA. Many workers have to face just a display, key-board or a certain portion of an automatic assembly line in an isolated way with continuous tension. Occasionally a shift-work system forces some workers to continue a whole night and day work due to shortage of hands. Thus, tragic cases of *karoshi* (death from overwork) much increased throughout almost all the Japanese industries, ironically, when Japan was viewed as the most wealthy advanced country full of automation systems. The national defence council for victims of *karoshi* received about 2000 telephone consultations in two years from the middle of 1989.¹² In February 1992, a group in Los Angeles appealed to the UN human rights committee that there are annually 10 thousands *karoshi* deaths in Japan. Cases of chronic fatigue syndrome, which makes workers really unable to work became openly diagnosed and also increased in number. As Japanese trade unions were traditionally concerned mainly about the **Shunto** type of wage negotiation, they could not effectively protect workers from such heavy overwork.

The Japanese model of post-Fordism cannot be taken to be an ideal harmonious social order particularly in view of the actual socio-economic conditions of workers. Its desirable flexibility in improving technologies and competitive power from a standpoint of capitalist managers is based largely upon workers' cooperation and sacrifice as we have seen. Cooperative attitudes among workers and group behaviour are in themselves not at all wrong. They are, however, far too narrowly mobilised for the interest of capitalist firms, and not for the workers' own class interest. This aspect of the Japanese style of management is being transplanted into many overseas factories often with a non-strike code; especially when factories are constructed by Japanese companies or their joint-ventures. The left in the Western countries should not ignore the undesirable conditions for workers in the actual Japanese socio-economic order, although they can utilise some desirable elements in it such as a more stable employment, learning by doing to extend workers' ability, or cooperative spirit for the sake of workers' class interest.

3 Japan's Position in a New World Order

What position then will Japan take in a new world order?

As the EC is being consolidated into a Fortress Europe, despite many internal disputes within the region, several conceptions of regional economic unification or cooperation have been floated in the Pan-Pacific area. The main examples are as follows: (1) A North American Free Trade Zone; (2) An Asia-Pacific Economic Cooperation Council (APEC), which organises the US, Canada, Australia, New Zealand, Japan, South Korea,

and ASEAN countries (Malaysia, Thailand, Indonesia, Brunei, Singapore, and Philippines); (3) A Greater ASEAN, which adds Vietnam, Kampuchea, and Laos to ASEAN; (4) A South China Economic Sphere, containing Taiwan, Hong Kong, and southern part of mainland China; (5) An East Asia Economic caucus (EAEC), which intends to combine groups of countries in (3) and (4) together with Japan and Korea; and (6) The Sea of Japan Rim Economic Cooperation Sphere, which will possibly include Siberia and North Korea.¹³

The conception (6) is relatively new and Japan has not yet much developed actual international economic relations with Siberia and North Korea. In the context of recent dissolution of the USSR; however, this idea will gain attraction for both Japan and Russia. Especially prefectures such as Niigata or Hokkaido, which tend to be left behind the continuous economic growth in the sunny industrial long belt area of Japan's main island Honshu on the side of the Pacific Ocean, are eager to promote this conception. But the idea is still more or less in the air, since Russia may prefer to request international investment in natural resources in Siberia more open also to the US and EC, not limited to Japan as a sort of deal for economic support. Political issues on the northern four islands may delay Japan's positive **cooperation** with Russia for a while. If the conception (6) is realised to some extent (even without Russia), then it can easily be a subgroup within EAEC in (5), from Japan's standpoint. The same must be true for (3) Greater ASEAN, and (4) South China Economic Sphere.

It is important to note that (5) EAEC contains all the Asian high **growth-rate** countries, in Asian **NIEs**, ASEAN and others around Japan, forming the most sunny economic zone in the world. Indeed the real growth rates of those Asian countries in 1970s and 80s are much higher than that (about 4.5%) of Japan, sometimes more than twice as high, as in Taiwan, Hong Kong, for these two decades, and China for 1980s. Relatively good Japanese economic performance has been largely correlated with these prosperous Asian economies. Almost 70% of Japan's total official development aids (ODA) in the 1980s was concentrated into Asian countries, while the share given to African countries was about 15%, and that given to Latin American countries was about 10%. A large portion of Japanese exports, around 30%, go to Asian countries. A number of Japanese manufacturing companies have extended direct investment into Asian countries, and organised an international subcontract system in order to reduce production costs by utilising information technologies.

The whole picture reminds us of an old Japanese dream of the Great East Asia Co-Prosperity Sphere in the very year of the 50th anniversary of Pearl Harbor. Indeed, in addition to common religious and cultural traditions, ambivalent memories of the period of Japanese occupation and education, combined with a feeling against Western imperialism, makes Japanese business somewhat easier to do in Asian countries, though Japan's real

attraction for those countries does lie in her actual good economic performance. Anyway, a characteristic of the conception (5) EAEC, which can include (3), (4), and (6) as sub-groups, is that it does not contain the US as a member country. If the EC and the North American Free Trade Zone become exclusive like real fortresses, Japan will be in a sense forced to consolidate this type of regional economic unification in order to escape isolation.

Having this latent possibility in mind, Japanese political and business leaders will not move directly in this direction. Japan has taken an international political position following the American lead since the end of World War II, and has enjoyed economic growth under the umbrella of US hegemony. She is not prepared to abandon the position as a junior partner in relation with the US, and to become an independent leader country, as we have mentioned in Section 1. This corresponds to a strong economic relation with the US. The share of the US in total Japanese exports is 31.7% in 1990, by far the biggest, though it has been reduced somewhat from its peak 38.9% in 1986. In the total outstanding amount of Japanese direct overseas investment of about 240 billion dollars at the end of 1989, more than 100 billion dollars is in the US, which is more than twice as much as the amount invested in EC or in Asia. In 1986–89 Japanese net overseas security investment increased continually at a rate of about 100 billion dollars per year, reaching 390 billion dollars in total, and a large portion of it went to the US. Japanese business circles would not like to give up these important business opportunities, which are linked with the current international political position of Japan.

As the US international trade across the Pacific Ocean has surpassed that over the Atlantic Ocean since the beginning of 1980s, and as the rate of US dependence on foreign trade has continuously increased to reach 7.2% on exports and 9.4% on imports in 1990, the US also cannot easily abandon business opportunities with prosperous Asian countries so as to withdraw into a North American Free Trade Zone. Actually one of the main purposes of President Bush's visit to Japan and other Asian countries at the beginning of 1992 was to widen Asian markets for American commodities and services. It is also important for the US to extract Japanese money in various forms, especially as the capital inflow into US securities is much reduced due to the lowered US rate of interest. Following Japan's approximately 13 billion dollar contribution to the Gulf War in 1990–91, further requests are being proposed, such as a substantial contribution (about a billion and a half dollars) to a US project to construct a super-sized superconductive accelerator for elementary particles (SSC), as well as an increase of Japan's economic share to support the US military bases.

The US and EC would not like to see the formation of a strong economic bloc in Asia around Japan and to be excluded from this most prosperous

area. Actually, international networks of multi-national corporations in various forms as well as international trade are widening between Japan (and other Asian countries) and the US, and the EC. Therefore, attempts for regional economic reunification in the Asian area centring around Japan are much more complex than in the case of EC. Japanese political and business leaders continuously feel that their home ground is in Asia, especially when facing repeated Japan-bashing. However, on the grounds of its strongest international competitive power, the real economic interest of Japanese big businesses is also in maintaining the world market as broadly free as possible, in either form of phase II of Pax-Americana, or of Japamerica, or of trigemony as we have seen in Section 1. Japan may even become the strongest promoter for free trade in a new world order like the UK in the middle of the 19th century or the US in the post-World War II period.

Thus, Japan has not so far reacted strongly to any one of the conceptions of regional economic reunification or cooperation in the Asia-Pacific rim area. Those conceptions are not always harmonious but contain many conflicts. The trade frictions between the US and Japan, for instance, are likely to become more serious and to feed dangerous chauvinism on both sides. Political tension between the US and China may continue and deepen, as the legacy of cold-war in the US politico-military order will need a great ideological enemy country as a substitute for the former USSR. In addition to these, all the differences in the levels of economic development and in the political and social systems among Asian countries do not make a broad and comprehensive regional economic reunification in the Asia-Pacific rim area easy in comparison with the case of the EC. Therefore, this prosperous area in a new world order will remain not closely reunified and experience various overlapping ideas and attempts at regional cooperation and reunification. In such a situation, Japan will probably still continue politically to maintain plural conceptions of regional cooperation in order to keep the broadest business opportunities and politically a free hand as far as possible.

4 What is Japan's Real International Contribution?

As Japanese economic power, expressed by GDP per capita in terms of the dollar, for example, caught up and then surpassed that of the US by the middle of 1980s, it began to gather various arguments about how Japan should make a proper international contribution. Accusations were intensified, especially from the US, that Japan was enjoying a position as a **free-rider** to the Pax-Americana politico-military world order without paying the necessary costs. Moved by pressure from Washington, Japanese national defence expenditure and official development aid (ODA) were continuously increased as exceptional 'sacred' budget items even under the

neo-liberalist tightening policies through 1980s. Since the middle of the **1980s**, Japanese ODA has become bigger than that of the US, and so the largest **in the world**. Under Article 9 of **Japanese** constitutional law, which prohibits the use and preservation of military force as a means of solving international conflicts, Japan's defence expenditure was traditionally lower than 1% of GNP, an historically promised upper ceiling. The ceiling became rapidly fully filled and occasionally surpassed in the 1980s. Although the military industry in Japan is prohibited from exporting weapons and is relatively small, Japanese business circles tend to see that the US demand to increase defence expenditure so as to purchase more expensive high-tech weapons from the US is a necessary cost to mitigate trade frictions and to maintain the American market for Japanese cars, electric appliances and general machines.

In the course of the Gulf War, a new type of international contribution was demanded to give about 13 billion dollars of direct financial support in total to the US-led military operation in **1990–91**. Since such a demand was internationally accepted not only by Japan, the case may possibly be used in the future again and again to let the US military forces act and operate in any size and at any time freely without caring much about the costs, or rather regarding it as a sort of rewarding war business whenever an opportunity is available. It was reported, however, that acceptance of this pecuniary demand was not seen as sufficient by US public opinion, and that a more direct military contribution was further expected.

In order to answer this, or remaining accusations as a free-rider, the Japanese government attempted to set up a Bill to Cooperate Peace Keeping Operation (PKO Bill), which would enable it to send Japanese Self-Defence Forces abroad under the control of the United Nations. This Bill was the biggest issue in Japan in the Autumn of 1991, since it seriously contradicts Article 9 of the constitutional law and popular pacifist feelings among Japanese people. Meetings and demonstrations among citizens and workers were organised against the Bill. Not only this, the government party (LDP) could not be unified due to its internal turmoil in the process of changing the party leader from T. **Kaifu** to K. Miyazawa. Furthermore, graft scandals involving Miyazawa himself and other important **LDP** members also weakened the position of the LDP. As a result the Bill failed to pass the Diet.

Then suddenly a new Bill for International Contribution Taxes, which would raise about 1400 billion yen of taxes on certain industries and consumption goods for the purpose of various international contributions not exactly defined in advance, was proposed. This Tax Bill also could not gather unified support even from **LDP** and business circles, and failed in the process of preparation. The idea **will**, however, be reformulated and proposed again in 1992, as international contributions will indeed be **continuously** demanded from abroad, while the Japanese government is

suffering from a wide budget deficit particularly under the heavy pressure of 174 trillion yen of cumulative **outstanding** state debt.

International contributions and cooperation are, in the abstract, fair and acceptable. A danger in Japan, however, is that with projects such as ODA or even the solution of global ecological issues, state expenditures are always apt to be too much linked with the business interest of Japanese companies, and not spent totally for crucial real needs of the world peoples. This tendency is closely related to the character of the Japanese socio-economic order to give priority to the interests of capitalist firms, not caring much about the heavy work and sacrifice of labouring people, or caring little about the widening unevenness in regional economic conditions within Japan. Therefore, we have to note that various attempts of the Japanese people to reconstruct a sound socio-economic order such as the spreading of co-op movements, citizens' actions for rural elections or ecological issues often against the construction of a nuclear power station or a golf-course, workers' demands to reduce working hours, or some of their endeavours to reorganise more militant unions, have now important meaning not merely domestically. Most of them would necessarily imply more or less the revision of Japanese social priorities, which have been too much controlled by capitalist firms. and therefore might result in the reduction of the competitive earning power of firms as in the case of the reduction of **working** hours. These results must be desirable both for preparing a fairer and sounder standpoint in offering Japanese international contributions, being more independent from Japanese business interest, and also for mitigating trade frictions with the US and the EC.

At the same time, the left has to catch up with the international networking of multi-nationals, and try to communicate on how to arrange international cooperation of states more in the spirit of the real interest of people. The Japanese left needs to hear, for instance, the Western left's view on what is the real and desirable Japanese international contribution, how to set up an official institution to inspect the use of ODA for the people in the third world countries, as well as the promising domestic left alternative strategies in the West. It is also imperative for us to continue exchanging views on the future of socialism on the basis of critical analyses of a new world order. I hope that this essay may be of some use to encourage such international networking between the Western and Japanese left.

NOTES

1. The French Regulationist school was revitalised by M. Aglietta's works, *A Theory of Capitalist Regulation: The US Experience*, translated by D. Fernbach (London: NLB, 1979), and its contribution is extended by a series of theorists such as R. Boyer, A. Lipietz, and B. Coriat.
2. See M. Itoh, *The World Economic Crisis and Japanese Capitalism*, (London: Macmillan, 1990), Part I.

3. Concerned Members in the Academic Association for **Economic Theories**, [*The Gulf War to be Inquired*], (Tokyo: Concerned Members in the Academic Association for Economic Theories, 1991), p. 105. (Titles of books in square brackets throughout notes here are my translation from Japanese).
4. T. Inoguchi, 'Four Japanese Scenarios for the Future', in *International Affairs*, vol. 65, no. 1, Winter 1988-89, presents and argues on (1), (3), (4) or Bigemony, and (6) among these as possible scenarios for a quarter- or a half-century from now.
5. For more concrete data on these and other features of Japanese capitalism, see M. Itoh, *op. cit.*, Part II.
6. R. Boyer, [A *Guide to Regulation*], edited and translated by T. Yamada and Y. Inoue, (Tokyo: Fujiwara-shoten, 1990), makes such characterisation of the Japanese model in its introductory chapter.
7. For example, M. Kenney and R. Florida, 'Beyond Mass Production: Production and the Labor Process in Japan', in *Politics and Society*, vol. 16, no. 1, 1988, underlined these positive aspects for workers in Japanese 'Fujitsuism' as an advanced model of **Post-Fordism**. A series of international debates followed this on a Japanese quarterly journal *Mado*, promoted mainly by T. Kato.
8. A typical work in this SSA school is seen in D.M. Gordon, R. Edwards and M. Reich, *Segmented Work, Divided Workers*, (Cambridge: Cambridge University Press, 1982). Although the work analyses different historical periods in the US, the authors' viewpoints are suggestive also for understanding spacial differences among current capitalist countries.
9. K. Marx, *Capital*, translated by B. Fowkes and D. Fernbach, vol. 1, (Harmondsworth: Penguin Books, 1976), p. 518.
10. cf. M. Itoh, *op. cit.*, pp. 181-84.
11. Institute of Basic Economic Science ed., [*Creation of a Comfortable Society*], (Kyoto: Showado, 1989), pp. 45-47.
12. National Defense Council for Victims of Karoshi ed., *Karoshi: When the 'Corporate Warrior' Dies*, (Tokyo: Mado-sha, 1990), p. 7.
13. A map on *Nihon Keizai Shinbun (Nikkei)*, May 27, 1991, reprinted in S. Sugimoto, M. Sekisita, S. Fujiwara, F. Matsumura ed., [*Grasping Contemporary World Economy*], (Tokyo: Toyokeizai-shinpo-sha, 1991), p. 192, gives a picture of these overlapping conceptions of economic spheres in the Pan-Pacific area excepting (6).