

World Civilization At a Crossroads: Greater Responsibilities For a Stronger Japan

The world economic and political situation has changed: Europe is no longer at the technological forefront and the United States position of world economic and political leadership has been weakened. Japan is neither eager nor able to take on the role of world leader; it cannot prosper without U.S. protection—in many meanings of the word. However, a stronger international role and sense of responsibility on the part of Japan seem called for.

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New technologies and changing values have fashioned the leading civilizations of every world order. In the 19th century, the world was dominated by a coal-fired civilization, and newly opened Japan found its development models in Europe. By the beginning of the 20th century, however, Europe's coal civilization was eclipsed by the oil- and electricity-powered civilization being built in the U.S. The outstanding characteristic of this New World civilization was its consumption patterns: whereas the coal-fired European civilization had focused on heavy industry, the new oil- and electricity-powered civilization was marked by widespread ownership of automobiles, electrical appliances, and other consumer durables. Twentieth-century America had given birth to a new kind of capitalism undreamed of by nineteenth-century Karl Marx.

American civilization was a source of wonder and envy during and immediately after World War II. This had especially profound ramifications for Japan, and the long Japanese love-affair with Europe faded rapidly in the face of America's dazzling success.

Vanquished in battle, Japan embraced not only the victor's technology, but also its political style, economic and social systems, life-styles and values. Postwar Japan's successful democratization was possible not because democracy was imposed from above by MacArthur's Occupation forces but because the Japanese eagerly rushed to convert.

The elements of civilization

Technology alone is not the decisive factor in industrial civilization's development. A civilization is a trinity of technology, organizational systems, and values, none of which elements can be isolated. The United States freely exported its technology immediately after the war, yet equal technology access has not meant equal results around the world. The Western Pacific region, which includes Japan, has been successful in its application of American technology; but industrial development remains an agonizingly slow process within most of the developing nations, precisely because these nations labor under the misconception that it is possible to adopt advanced technology in isolation without absorbing the organization systems and social values of the culture in which it originated.

Even in the industrialized West, Europe's slowness to implement industrial applications of electronics and information technology has been a prime source of the Euro-sclerosis afflicting that continent. The nineteenth-century class systems and values which were important to Europe's nineteenth-century coal-fired civilization are incompatible with the requirements of the twentieth-century oil- and electricity-powered civilization and the twenty-first-century information civilization. If Europe does not respond to the need to change, it may cease to be an important force in world affairs in the 21st century.

Europe's slowness to adapt is one of the reasons the oil- and electricity-powered civilization evolved not there but

first in the United States, where it took root and flourished, and, later in Japan.

The conditions of growth

The end of World War II ushered in an era of rapid growth in the world economy, during which the United States recorded phenomenal surpluses in its current account. By the end of this era, however, American industry was rapidly losing its competitive edge, and the nation's surpluses were being whittled down. This shift was due to three factors. First, American industry was slow to develop new technologies and was overtaken by Japanese and West German companies which had been quick to renovate with technology imported from the United States. Second, the Vietnam War and Lyndon Johnson's open-purse Great Society policies sparked rampant inflation and increasing entropy within American society. Third, the oil crises of the 1970s radically altered the oil market. The highly oil-dependent economies of Japan, the United States, and Europe were all hard hit, but the more-adept Japanese response propelled Japan to the forefront of industrial production and sowed the seeds for today's trade friction between Japan and the United States and between Japan and Europe.

Japan's rapid growth was made possible by extremely favorable external conditions. Domestic circumstances alone are not enough to ensure growth; an international environment conducive to economic development is just as, if not more, important. Japan can take justifiable pride in having had the wit to direct its resources toward industrial development, but its success is due for the most part to circumstances beyond its borders and beyond its control. Defeated Japan was readily incorporated into the international order fashioned by victorious America where it found conditions highly favorable to its growth.

Guardian Buddhas

Japan is like the mischievous hero of the sixteenth-century Chinese comic novel *Hsi-yu chi* (Record of a Journey to the West; English translation, *Monkey*). This "Super Monkey" is very wise in the ways of the world and is able to best almost any opponent, either by force or by trickery. As a result, he has developed a somewhat willful bent—an overconfidence in his abilities and a desire to make the whole world his oyster. Yet for all his powers, he is nothing compared to the Buddha. At one point, to refute Super Monkey's claim of omnipotence, Buddha holds him on the palm of his hand; no matter how hard he tries, he cannot get away. And when he starts to think of some mischief, a gold fillet around his head tightens, causing him excruciating pain. Like Super Monkey, Japan is unable to escape the American world order. Should Japan attempt to jump

out of the American (Buddha's) hand, it will instantly lose the freedom, prosperity, and pleasures it now enjoys. And as anyone can plainly see, no matter how friendly Reagan and Nakasone may appear, Nakasone has a gold fillet on his head that he cannot remove. By simply tightening the gold fillet, Reagan can force Nakasone to do his bidding. This is not an attractive sight, and it is not totally impossible for Nakasone to cut off the fillet; but before he does, he and Japan must steel themselves to the inevitability of being summarily thrust from America's protective hand to face economic and political ruin. Surely no responsible leader would be so foolish as to adopt such a policy.

Things might be different if Japan were able to structure and maintain a world order, becoming a Buddha in its own right, but becoming a Buddha requires both acknowledged virtue and power. Regardless of what the Japanese may themselves think, virtue is not considered one of Japan's strong points in the international community. Nor does Japan have the offsetting power to attain Buddhahood. Japan may have formidable industrial power, but it is agriculturally weak and the Japanese people are not anxious to maintain a strong military force. Lacking both the ability and the desire to become a Buddha, Japan cannot survive a day without its Buddha's protection. An end to free trade arrangements as we know them would result in such destitution that the Japanese people would look back upon their present prosperity as some mythical golden age.

Where is our Buddha to be found? Between the Roosevelt and Kennedy eras the United States certainly had the capability. It was, after all, the United States which pioneered the oil- and electricity-powered civilization and which created the GATT and the IMF frameworks. Beginning in the Johnson era, however, America's authority was squandered and the United States waned as a focal point of power. Because of this, GATT and the IMF have seen their prestige eroded and their functioning impeded.

Today, Reagan asserts that the United States is standing tall again, and, in fact, the American economy has been enjoying a remarkable recovery since late 1982. The steady downhill slippage which started in the 1960s may well have come to an end, and the United States may be embarking on a new era of prosperity. If so, Japan may once again be blessed with a powerful and protective Buddha.

I am optimistic about America's recovery for several reasons.

1. The United States' increasing drift to entropy since the end of the Vietnam War has been halted. Inflation is down, American business confidence is high, and workers are again taking pride in their work.
2. The oil- and electricity-powered civilization has peaked, but a new information-based civilization is dawning. America is well-positioned in high-technology development, and it has even greater flexibility and creativity than Japan does for structuring paradigms of systems and values necessary to the new civilization.
3. Restructuring the American economy around the high-technology industries will require enormous capital investment, and the United States is depending on a massive influx of foreign capital to finance this investment. While this is a precarious basis on which to build a new economic system, the dollar's unexpected strength bespeaks the international vote of confidence in the American economy's potential. Still, the United States is plagued by burgeoning deficits, and, like Monkey, it

should wear a restrictive gold fillet of its own when it comes to spending.

Toward greater cooperation

Even if the American recovery holds, it will be some time until the benefits permeate throughout the economy. In the meantime, those industries which are losing their competitiveness yet retaining their political clout will continue to urge Congress and the administration to impose protectionist trade measures. If the government fails to contain this protectionist trend, the recovering Buddha may well have a relapse and die. What can Japan do to help stave off this worst-scenario?

1. Realizing that actions speak louder than words, Japan must redouble its efforts to dismantle its non-tariff barriers. This will not only placate the free-trade proponents in the United States and enhance Japan's international standing, it will also benefit the Japanese consumer.
2. No matter how justifiable, Japan's present current account surplus invites international envy and aggravates protectionist trends. Japan must seek to reduce this surplus by expanding domestic demand. While a Keynesian increase in public spending is one possibility, it is also important to encourage demand by modifying patterns of land ownership and use, providing research and education incentives, and greatly simplifying official authorization procedures.
3. The Japanese still have a strong sense of community, and a Japanese company is likely to favor affiliates and "family" members rather than deal directly with an outsider. This tradition must be revamped if Japan is to maintain its position of leadership in the international community. Individual companies, especially, should make a greater effort to import foreign goods.
4. The strong export industries must learn to regulate themselves and maintain a low profile. Even if and when the economy gets fully back on its feet again, America can never again become the Buddha of old, master of heaven and earth. The task of building a free and just world order is not the United States' alone. No longer an underdog in industrial trade, Japan must be more forthcoming in making the concessions needed to keep the world economy sound.

The imperative is for a new international order in which the industrial nations' surface structures accurately reflect the underlying structural changes resulting from the transition from an energy-based civilization to an information-based civilization. The dynamic framework of this new order must be consolidated through cooperation among the United States, Japan, Europe, and the newly industrializing countries. The success or failure of this venture rests clearly on Japan-U.S. cooperation. Japan shares with the United States a global responsibility to complete the transformation to the information age as soon as possible, establish workable paradigms for the new civilization, and thereby contribute to enhanced world stability and progress. ●