

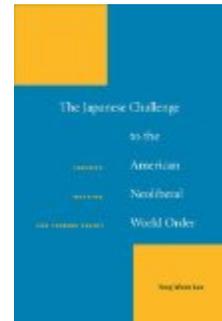
# H-Net Reviews

in the Humanities & Social Sciences



Yong Wook Lee. *The Japanese Challenge to the American Neoliberal World Order: Identity, Meaning, and Foreign Policy*. Stanford: Stanford University Press, 2008. xvii + 284 pp. \$60.00 (cloth), ISBN 978-0-8047-5812-3.

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## Capitalism and Nationalism: A Normal or Abnormal Relationship?

Is the book under review the “first academic publication to explicitly link capitalism to Japan’s particular foreign economic policy choices” (on the book’s dust jacket)? Is it true that “Japan has remained the only developed state in the entire post-Cold War era to question the universal validity of the so-called Washington consensus as its official foreign economic policy” (p. 63)? Many, I suspect, would find such claims disputable (to be fair, Lee adds “with some qualifications” to the latter assertion), but let us overlook what are probably overstatements and focus on the book’s noteworthy points.

Lee’s attention to the role of ideas, norms, and identities is much appreciated. In contrast to a “realist world of international relations,” where states (as unitary actors) are understood as “egotistic utility maximizers” competing anarchically, a constructivist stance takes identities and their concomitant values seriously (as they should). In this regard, national states, as actors, are subjects, not mere objects (like billiard balls aimlessly bouncing off each other). His work is important because it illustrates the serious shortcomings of “rational choice” and the methodologies of those suffering from science envy.

Lee explains his approach as an “identity-intention analytical framework”: an actor “observes an event (observation); the actor *interprets* the event normally in terms of who did what and why (interpretation), then, from this *interpretation*, the actor makes a decision as to how to respond (decision)” (p. 50, emphasizes in origi-

nal). Chapter 2 is judiciously devoted to “alternative explanations” (e.g., interest-group, state-centered) for the problems posed. According to Lee, these explanations are remarkably similar to rationalist international relations (IR) theories, which in his opinion fail to explain how actors define their goals. With prose that is a bit tortured, chapter 3 elaborates on the identity-intention framework. The need to devote a chapter to commonsensical claims—e.g., “identities are the basis of interests” (or what people do is “intentional, or directed to something beyond itself”—indicates the intellectual vacuity of certain approaches in political science desperate to appear theoretically sophisticated

The most persuasive and cogent part of the book is chapter 4, “Who and What is Normal in the History of the World Economy?” Here the differences between Marxism, economic liberalism, and developmentalism are explained. The significant point, however, concerns not so much which type of political economic philosophy best describes Japan; rather, the real debate has revolved around whether Japan was “normal” or “abnormal” (one wonders why more attention has not been devoted to the “normal-or-abnormal” traits of certain continental European economies where states have, relative to the United States, heavily regulated markets and cooperated with capitalist interests; perhaps the “Asian” identity of Japan marks it as more different? ).

Japanese developmentalists, assured that their ide-

ology was historically normal, had to first persuade a domestic audience before they could take their claims to the international stage. During the 1980s, global events would legitimate the “normalcy claim” of the Japanese developmentalists: economically burgeoning Asian states who pursued state-led capitalist growth coupled with a major debt crisis in Latin American states that had followed liberal policies. The Japanese developmentalists now felt justified in challenging American neoliberalism.

Chapter 5, “Binarization of Economic Development Identities: Japan and the East Asian Miracle,” explores how “identity formation” would lead Japan to adopt policies toward economic development that conflicted with those of the United States. Clashes would occur in the Asian Development Bank, the World Bank, and the Asian Pacific Economic Cooperation. However, Japan’s pressure on the World Bank to publish *The East Asian Miracle* in 1993 (described as a “pivotal moment”) was a well-aimed salvo in the assault on the American neoliberal order. Chapter 6 (“Japan and the Asian Monetary Fund”) treats Japan’s exclusion of the United States from membership in the Asian Monetary Fund. For Lee this is the main evidence supporting his arguments about the identity-intention analytical framework as presented in chapter 3. Lee points out that Finance Ministry officials view neoclassical economics as only one set of ideas; they do not idealize or pursue them in a dogmatic manner. They understand that market fundamentalism, inspired by neoclassical liberalism, only pursues short-term goals, ignores local conditions, and imposes policies with a one-size-fits-all mentality.

The final chapter (“Conclusion: After the Asian Monetary Fund”) comments on the global implications of Japanese economic policy. Specifically, it suggests a “New Asian Regionalism” which sees cooperation among East Asian states. Significantly, such economic integration might see the United States left out in the cold. In this chapter Lee also suggests, as a way to conceptualize the balancing of capitalist developmentalism with economic liberalism, “polymorphic economic liberalism.”

The idea is that the leading industrial national states must discard developmentalism and adopt economic liberalism, while “follower countries” should adopt state-led capitalism. Moreover, a certain degree of “distinctness” should be recognized in each country. The logic seems disarmingly simple.

Overall, Lee’s project would have been more convincing if the book’s arguments were presented within the context of an unfolding, chronological narrative through time, rather than as a theory-driven hypothesis about identity. I can understand that political scientists, in their attempt to appear “scientific,” must adopt certain conventions, but so much is lost in terms of concreteness when abstractions infect an analysis (for example, consider “actor”: the use of this term has a tendency to anthropomorphize entire national states). I should stress that this is more a critique of the direction current political science has taken than a criticism of Lee’s analysis, which in and of itself is solid (fifty-seven pages of notes are appended).

A persistent and welcome theme throughout Lee’s work is that all modern, economically advanced national states have employed “developmentalism” of some sort or another in order to accumulate wealth. Arguably, however, some states have adopted more formalized and institutionalized methods to inject “stateness” (my term) into corporate culture (or we might say that they have just been more honest about the degree of stateness vis-à-vis idealized “self-regulating market forces”). Indeed, Lee points out that in the context of world economic history, developmentalism was more the norm than neoclassical liberalism; the former was by no means “unique or idiosyncratic” (p. 4). Another strength of Lee’s work is a nuanced reliance on analytical philosophy, social psychology, and IR constructivist literature in order to link meaningful choices with policies.

As the first decade of the twenty-first century closes, careful explorations are required to appreciate new configurations adopted by political and capitalist interests in the ever-evolving environment of global relations (witness the current bailout mania in the United States). Lee’s book is a timely and important contribution.

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