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Hiroyuki Hasegawa. *Ajia no Keizaihatten to Seifu no Yakuwari.* Tokyo: Bunshindo, 1995. xiv + 301 pp. 3,500 Yen (cloth), ISBN 978-4-8309-4179-5.

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Japan's economy has been stagnant since the beginning of the 1990s. In 1996, the economic growth rate of East Asia's other eleven newly-industrializing economies (NIEs), the ASEAN, and China are estimated 7.4%, declining from 1995's 8.3% (Asahi Shimbun April 6, 1997). This raises the inquiry of whether the East Asian economic miracle will continue to play the role of the growth engine in the world economy. Contrary to some Western economists' pessimistic concerns, Japanese researchers usually hold an optimistic perspective. In this book Hasegawa (Business professor of Nippon University) offers a fresh explanation for the rise of the East Asian economy. Further developing his "social form" approach, Hasegawa illustrates East Asia's economic development in *Ajia no Keizaihatten to Nihongata Moderu–Shakairuikeironteki apurochi* (*Asia's Economic Development and the Japanese model–An Approach of Social Form Analysis*, Tokyo: Bunshindo, 1994), through four ideal types of social form which rest within two characteristic axes: 1) naturally-occurring types versus creative types, and 2) receptive types versus originality types (please refer the concluding table in the end). He then discusses what role governments should play in economic development, and what role they played in the economic development of the so-called Japanese model (Japan and Asian NIEs).

Western modernization is a historical process, developed in the west, which did not exist in non-Western societies. For non-Western societies, "modernization" means economic development or industrialization through the absorbtion of transplantable Western "civilization," through the adoption of new methods in science and technology. Development in non-Western societies requires a kind of jump start–as the term "takeoff" coined by Rostow suggests–for the transition to introduce a market-oriented system to traditional societies. After the takeoff, economists tend to see industrialization with a snowball effect: once the snowball starts to move downhill, it will move of its own momentum, and will get bigger and bigger as it goes along. Consequently, a range of modern practices and institutions designed to sustain the snowball of development (such as banking and rational accounting systems, education, private property, stock markets, legal systems, and public infrastructure) is required.

Early industrialization has primarily been termed import-substitution industrialization (ISI). In this phase, a country shifts from importing manufactured goods to local manufacturing of basic consumer goods such as textiles, clothing, footwear, and food processing. In the secondary phase, ISI enlarges local industrial capacity for consumer durables such as automobiles, intermediate goods such as petrochemicals and steel, and capital goods such as heavy machinery. Lacking a resource base, Asian NIEs financed their ISI with primary export-oriented industrialization (EOI), based on the export of labor-intensive products; they graduated to secondary EOI (exporting higher-value-added products) once this industrial base had matured. Akamatsu Kaname first named these ISI and EOI effects as the "flying geese pattern" (pp.12-15). The product cycle effect in the East Asian countries/areas was likened to wild geese flying in orderly ranks and forming an inverse V. In this particular context Japan, whose mature technologies are passed down the line and adopted by follower countries in a strategy of "catch up," retains the lead in technological developments.

In the view of Hasegawa, however correct, the above theories focuses on topics of industrialization which occur AFTER the takeoff, but they seldom discuss how to make the first initial effort which rolls the snowball up the mountain (pp. iv, 15). "Although previous studies fairly illustrated Japan's industrialization after the takeoff, no study explains the reasons or condition of how Japan's economy began the takeoff" (p. 112). Hasegawa states, "Among the fundamental mechanisms for Japan's long-term economic growth, the first factor should be the removal of Japan's feudalism and the governmental implementation of a capitalist revolution by the after the

Meiji Restoration, especially in the first decade from 1868. The result is apparent: foreign trade doubled in the first decade, mineral products increased six times from 1876 to 1896, and the compulsory education rate increased from 28.1% in 1873 to 81.5% in 1900" (p. 115).

How does Hasegawa analyze Japan's takeoff in such a short period from, using his social form approach? He indicates: first, as a naturally-occurring type, Japanese society contains three elements of 1) realism or pragmatism or secularism, 2) collectivism, and 3) relativism. Second, as a receptive type, he argues that Japanese society contains three other elements of 1) enthusiasm to pursue an absolute goal of catch up, 2) a government's strong leadership to implement reforms, 3) adoptive attitude and ability to receive advanced civilizations (p. 122). According to him, such a naturally-occurring positive receptive (NR) type is the most optimal social form to imitate and absorb advanced civilizations. As an ideal NR type, this favorite social form also made Japan's takeoff successful without government resistance, especially in the early reform stage (p. 136). Here Hasegawa points out that it is suspicious to conclude that Confucianism played a definite role; not ironically, Japan's modernization started by abandoning Confucianism, however superficially (p. 31). Confucianism contributed to Asia's economic development because it is a kind of naturally-occurring belief rooted in routine societal relations. Compared with creative-type societies such as Islam, Catholicism and Hinduism which tended to look down upon secular activities, Confucianism can be utilized to promote economic development–with the condition of a proper modernization policy of the government (pp. 33-34). The Japanese government played this role in leading the country, from the Meiji Restoration to the postwar period, leading to an industrial policy of today's administrative guidance (gyoseishido).

The possibility for non-Western societies' economic development relies on whether they can find a balance point between the needing side and the supplying side, and whether it can continuously offer mechanisms to sustain the transition process (p. 274). In the economic development of South Korea, Taiwan and Singapore and Hasegawa also find the certainty and the necessity of a powerful governmental role. This is different from the Western societies' modernization. Powerful governments, beautifully coined by Lee Kuan Yew as "bureaucratic-authoritarian industrializing regimes," can establish a priori institution necessarily for economic development; though, this usually becomes the main excuse for dictatorial regimes (Prologue, pp. 2-3). Hasegawa mentions Alice Amsden's Institution Model (from the case of South Korea), which also indicates the experience of establishing a modern capitalist economic system and promoting an industrial institution by a strong government. Hasegawa asks the most important question: "To what extent the government should intervene in economic activities in different stages of development?" (pp. 16-19).

To apply this conclusion to China's economic development, Hasegawa defines current China as a still-Confucianism society, i.e., a naturally-occurring or originality type, different from Japan (pp. 260-64). Fortunately, however, Chinese civilization's originality does not necessarily prevent China's development because China's many rational elements–such as science and technology–are suitable for modernization. Not only can China catch up, but it can it reach a new world level–if provided a stable political system; otherwise, an unstable social/political situation will stimulate an anti-foreignism which will keep China away from the international world (pp. 263-65). China's economic reform since 1978 shows that it has transformed from the former Soviet Union type of centralized planning economy toward a market-oriented economy, and the government has definitely decreased interventions in people's private lives and enterprise activities; hence, Hasegawa judges that China began the takeoff process in the 1980s (p. 271).

I don't think China can simply copy the Japanese model. It is a new NIE with important differences. For example, China supplies for a domestic market more than for foreign markets, and the ISI has a slighter effect on China's economic growth than other NIEs; its reliance on foreign capital, a bankrupt state-owned sector, and unequal regional income distribution set it apart from the export growth patterns of other NIEs. Apparently, international political topics are far beyond Hasegawa's range, and we have to refer other people's studies. Bruce Cumings' world systems approach to the study of East Asian development during the postwar era stresses geopolitics and regional formations (e.g., Japan and the NIEs' special access to the U.S. market). The detained entrance to the WTO and the IPR dispute with the U.S. simply showed that China cannot take the strong import-protectionism as other NIEs previously enjoyed. For the international political effects before the takeoff, I want to point out that Japan's takeoff soon after the Meiji Restoration cannot be separated from the world largest empire's bankruptcy due to the war reparations the Qing Dynasty payed Japan since 1895, which is equivalent to Qing's three year governmental budget. Japan's "fukoku" (wealthy country) industrialization foundation

was established by "kyohei" (strong armies) through aggressive wars. On the other hand, Taiwan's land reform is widely considered to be successful for establishing the foundation of industrialization. This was possible because the KMT regime robbed almost all movable wealth from mainland China, so it could compensate Taiwan's landlords to support them establishing their own businesses. No other country can be so fortunate. China's takeoff, I would say, needs a much longer period than Hasegawa views. It should be considered about half a century since 1953, including the disaster Cultural Revolution period when China's economic growth rate was 5.2% from 1960 to 1970, 5.8% from 1970 to 1979 (p. 241). International political factors detained China's takeoff. For example, in the beginning stage of the takeoff, China's landlords were deprived of their land, and many had trouble maintaining bare essentials.

As much of the existing literature on East Asian economic development, the author also adopts the nation-state as the primary unit of analysis. However, we should pay more attention to non-nation-state elements, such as the corporate autonomic network which stretched across state borders, and began to play more and more important roles in East Asia's economic development. East Asia's economic dependence on Japan has declined considerably; Japanese companies have changed their strategy, they buy parts and invest again within East Asian areas.

————————————————————————Social form | Naturally-occurring type (N) | Creative type (C) ————————————————————————Receptive type (R) | NR (Japan, NIEs) | CR (Western society) ————————————————————————Originality type (O) | NO (China) | CO (India, Islamic society) ————————————————————————

Hasegawa's finding is summarized in the above table. He is not optimistic on CO type societies. He developed his theoretical platrform early in his career, which can be seen from his reference books. However, by the early 1990s, the economic performance of South Asia, led by India, had improved considerably. Whatever the form, the power of the development ideal becomes more universal, and economic growth gains more political significance in the eyes of the emerging citizenry, as a means of judging the legitimacy of their government. Meanwhile, governments are facing challenges from the global governance (e.g., the World Bank, the IMF, the WTO), regional management (e.g., EU, APEC, NAFTA), and the rising consciousness of human rights and democracy. This causes a legitimacy crisis for governments, making them difficult to implement previous notorious "centrally managed capitalism."

The author states, "This book discusses a theme which has not been dealt by any Japanese writings and it covers specific fields beyond my knowledge" (p. vi). No matter what level has he reached in this theme, this book offered illuminating inquiries for further discussion. It should be read by many specialists in the interdisciplinary field of development.

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