BOOK REVIEWS

Beyond Japan: The Dynamics of East Asian Regionalism

Peter Katzenstein and Takashi Shiraishi (eds)
Ithaca and London: Cornell University Press, 2006.
ISBN-10: 0-801-472-504, $24.95 (Paperback)
ISBN-10: 0-801-444-004, $49.95 (Hardcover)

This volume is a major contribution to the academic effort to understand the nature of region-making in post-crisis East Asia. Before the monetary and financial crisis, East Asia was praised for a rapid economic development based on market-driven regionalization. The 1997–98 crisis crushed the optimistic image of East Asia. But what is actually the nature of regional processes there? The editors' conclusion is clear: The network-type arrangements still characterize the region-making in East Asia, but different from the pre-crisis era, region-formation in contemporary East Asia is neither based on a single national model nor led by a single country; it is rather the process of hybridization of American, Japanese, Chinese, and any other national model.

This contention is a big departure from the argument made in the 1997 volume compiled by the same editors. In that similarly important book, they insisted that the region formation in East Asia was facilitated primarily by the expanding Japanese investment in the region and the concomitant diffusion of Japan's network-type institutions such as keiretsu and deliberative councils. Today, the editors argue, the Japanese-led flying geese model is no longer applicable.

The contributors to the volume came to the same conclusion by analyzing various issue areas. Examining the regional cooperation for financial and currency matters after the economic crisis, Hamilton–Hart points out that although the Japanese government has tried to take the lead in building a new

regional mechanism for financial and monetary cooperation, the emerging regional system is deeply integrated in the American-style system of financial and monetary governance. Ernst analyzes production networks in the East Asian electronics industry and notes that firms of diverse nationality compete and collaborate within multilayered 'networks of networks' of marketing, production, and innovation. Leheny observes that Japanese popular culture has been accepted in East-Asian countries only because Japanese-ness of anime characters, stories, names, and titles has been diluted so as to appeal to transnational audiences.

One of the main reasons for the diminished Japanese influence in region-making is the delay in Japan's adaptation to deep economic and social changes that Japan has experienced for the last decades. Pempel emphasizes Japan's failure to dismantle the compartmentalized structure of policy-specific networks that have given prolonged protection to uncompetitive sectors through pork-barrel politics. Kelly and White observe that the social texture based on father/husband-centered families has been eroded by deep social transformations such as a rapid increase of the youth who do not have secure jobs, the tendency among women to have no or late marriage, and the increasing number of non-Japanese residents. In the economic field, Hamilton notes that the delay of financial liberalization at home obstructed Japanese efforts for regional currency cooperation while Ernst argues that the Japan-centered management impeded a quick and appropriate adjustment to new market conditions of the East Asian electronics industry. All authors converge in the point that the conspicuous success in the past has obstructed Japan to transform the old institutions and policy timely.

The post-bubble economic stagnation was certainly protracted by slow and inadequate reforms in Japan and reduced Japanese influence in the region. However, it is doubtful if the relative weakening of Japanese economy was a main factor which explains the decline of Japan's material and ideational leadership in East Asia. First of all, the applicability of the flying geese model was quite limited even before the crisis. Although Japanese banks and investors noticeably increased their presence in East Asia after the Plaza Accord, heavy investment and lending were also made by American and European businesses and by overseas Chinese entrepreneurs. The spread of Japanese popular culture was not yet regarded as politically and economically relevant before the crisis.

The Japan-precipitated division of labor in production was the sole structure that appeared to fit the image of the flying geese. But even in this field, East-Asian entrepreneurs were never just following the Japanese model. Samsung surpassed any Japanese firm in the market share of DRAM in 1992. In Taiwan, small and medium-sized firms rapidly developed flexible production networks suitable for new market conditions in the field of semiconductors, PCs, peripherals, and electronic parts. The Thai broiler industry surpassed American producers as the top exporter to Japan as early as 1987.

All these examples show that Japan's material and ideational leadership was never as predominant as argued by the editors even during the heyday of Japanese investment in East Asia. The hybridization is rather a natural result of the long-term development of East-Asian economies.

Shiraishi's chapter reminds us that the hybridization is also based on the formation of middle classes in the East-Asian countries. They have a lot in common in their professional lives and education, in their taste of fashion, food and entertainment, and in their aspirations and dreams, although they apply creative translation and appropriation to any cultural product introduced from outside.

If the multilayered, multinational networks of production and marketing is the expression of supply-side hybridization, common consumer tastes of the middle classes is an expression of demand-side hybridization. What is not very clear, though, is how the supply-side and demand-side hybridization is related to the depth of region formation. After reading the chapters, we wonder if, thanks to the hybridization, the regional governments are more cooperative than before and if the governments are more disposed to accept sovereignty-compromising institutions.

We are left even more perplexed in reading the sole chapter dealing with security. The authors of the chapter argue that Japan has tried to cope with domestic-security problems caused by drug trafficking, illegal immigration, and terrorism by sticking to the traditional defense of national homogeneity while it has somewhat expanded overseas activities of the Self-Defense Forces for international-security purposes. But how is the transformation of Japan's security policy or the lack thereof related to the hybridization and the deepening of region formation?

This ambiguity notwithstanding, the volume with well-researched chapters is highly useful to understand how various national cultures and practices are affecting regional processes in East Asia.

Keiichi Tsunekawa
Graduate School of Arts and Sciences
University of Tokyo
3-8-1 Komaba, Meguro-ku
Tokyo 153, Japan
tunekawa@ask.c.u-tokyo.ac.jp

Reference

Katzenstein, P., and Shiraishi, T. (eds) (1997) *Network Power: Japan and Asia*. Ithaca and London: Cornell University Press.