

Part II

Summary of Presentations and Discussions

Session 1

Globalization and Domestic Governance

PANEL PRESENTATIONS

Chia Siow Yue, director of the Institute of Southeast Asian Studies in Singapore, opened the session by welcoming the participants and by congratulating the Japan Center for International Exchange (JCIE) for its dynamic leadership in shepherding the Global ThinkNet initiative. She noted the point made by Sasakawa Yohei, president of the Nippon Foundation, that terms such as civil society, governance, and globalization are culture- and value-bound, adding that the terms are also very discipline-bound insofar as disagreements among political scientists and sociologists often stem from the use of distinct disciplinary definitions for the same issues.

Chia continued that views of globalization differ according to world region. In Europe, the focus has been mostly on globalization's negative effects, especially unemployment, while in Asia it has been viewed positively as an opportunity for growth and for entry to world markets. However, the recent currency and financial crises have highlighted the negative consequences of globalization in the Asian region, including the erosion of national sovereignty.

This brought up the question of how to manage globalization—in other words, good governance. Of course, as Chia pointed out, good governance is open to multiple definitions, as well. Economists have traditionally thought of good governance as that which delivers goods efficiently and sustainably. But, Chia concluded, good governance now is seen as that which provides equitable, sustainable growth, political and social stability, and democratic accountability and transparency.

Han Sung-Joo, professor of political science and the director of the Ilmin International Relations Institute at Korea University, discussed Asian values in reference to his JCIE-sponsored research project entitled "Values, Governance, and International Relations." Han stressed that until the

recent Asian "situation," the positive side of Asian values was emphasized. However, now the emphasis has shifted to their negative aspects.

According to Han, although "Asian values" can be a useful concept, perhaps terms such as "Asian traits" or "Asian-ness" might be more to the point. One could cite cultural diversity within Asia to argue against the existence of Asian values. But indeed they do exist, Han proposed. Asian values might be more meaningfully considered to be a specific subset of values, including emphasis on the extended family, achievement orientation, social discipline, informality, and favoritism. Individual Asian countries emphasize particular elements from among these, Han said. Asian values as such are not unique to Asia; rather, what is unique to Asia is its emphasis on a particular subset of more general values.

Are Asian values compatible with globalization? Han defined globalization as the freer movement of goods, services, and money. In the policy arena, globalization requires transparency, compatibility among business practices, and freer international markets. For Han, this raises the issue of globalization's effect on the more "positive" Asian values, such as the emphasis on the family, as touted by former Japanese Prime Minister Nakasone Yasuhiro and Singapore Senior Minister Lee Kuan Yew, for example.

Han added that those who emphasize the positive effects of globalization assert that it inevitably leads to democratization. However, some Asians suspect that globalization is an unfavorable trend leading to Westernization or Americanization. In this sense, when talking to "ordinary" Japanese while here in Tokyo, Han was asked whether globalization does not in fact simply mean Anglo-Saxonization.

Shen Mingming, associate professor in Peking University's Department of Political Science and Public Administration and director of its Research Center for Contemporary China, spoke on the theme of China and globalization. Shen emphasized that an important factor in China's economic growth over the past twenty years has been its openness to the outside world.

Since 1979, Shen explained, China has pursued a policy of economic development, on the one hand, and political control and social stability, on the other. China has been criticized for not reforming its political system as well as its economy. Despite such criticism, China in fact has undergone considerable political and social change as well, Shen pointed out. The government's launch of structural reforms and relaxation of domestic control have made important political changes.

Shen outlined the major challenges facing China now, the most important being the maintenance of economic development. In the pre-Deng Xiaoping era, the state drew its popular legitimacy from the mass-movement politics of the Communist Party Youth in rural areas. Now, the state derives its legitimacy from successful economic development, Shen said. The concomitant challenge to the state today is expectations of further change and increasingly higher living standards on the part of the Chinese people. Another challenge is the development of civil-society-type governance, although this may be perceived as an adversarial challenge by the Chinese leadership, Shen cautioned. Be that as it may, the easing of controls on the news media does offer at least one example of liberalization.

As a result of thirty years of diplomatic isolation, the Chinese leadership is unfamiliar with many international norms. In recent years, China has made efforts to adapt to these norms and adjust its international behavior accordingly. But as a relative newcomer to the society of international diplomacy, Shen noted, it is not only understandable that China should question existing norms, practices, and institutions but also inevitable, especially in light of the fact that these were set up without China's participation. It will thus be an interaction with compromise.

Shimokobe Atsushi, chairman of the Tokio Marine Research Institute, gave a transhistorical analysis of Japan's modernization process and its relevance to issues of governance, globalization, and civil society. Shimokobe began by describing the Meiji Restoration of 1868, after which Japan absorbed the civilization and culture of the West while turning away from Asia in its first effort to "globalize." Colonialism, or imperialism, characterized the international behavior of the strong states at the time. Success in the Sino-Japanese War of 1894–1895 and the Russo-Japanese War of 1904–1905 set Japan on a course to international isolation and increasing militarism. Shimokobe located the end of the first phase of modernization in 1945, noting that it was characterized by militarism, bureaucratization, and centralization. The second phase, which began with the Peace Constitution in 1947, saw economic restoration as the shared national objective.

During the second phase, among the government organs the Ministry of International Trade and Industry (MITI) and the Ministry of Finance particularly increased their power as Japan became an economic superpower. A tripartite coalition of bureaucrats, politicians,

and private business managed the country, reaching decisions by consensus and thus contributing to Japan's image as a nation lacking clear leadership. Shimokobe proposed that the close of the second phase is now drawing near and that the value system of the Japanese people is changing. Specifically, "nonprofit" used to be synonymous with "anti-government," but now this perception is fading. Nonprofit organizations (NPOs), as autonomous and independent actors, can connect sectors of society in various ways, as suggested by Yamamoto Tadashi, president of JCIE, and Sasakawa in their opening remarks. On the level of national politics, a change in popular attitudes coincided with the collapse of Liberal Democratic Party (LDP) dominance after its thirty-eight-year-long political monopoly.

Shimokobe concluded that if the challenges of the current turmoil are overcome, then Japan will enter a third phase of modernization, characterized by the establishment of civil society, the advance of globalization, good governance, and meaningful citizen participation.

Charles Morrison, chair of the U.S. Consortium of APEC Study Centers and a senior research associate at JCIE, reported on a JCIE survey project, "Domestic Adjustments in the Face of Globalization," which he conducted with Hadi Soesastro, senior fellow of the Centre for Strategic and International Studies in Jakarta. The survey examined how globalization has affected different countries, focusing on the Asia Pacific region and giving some attention to European countries. Morrison reported that in several countries, the notion of globalization was difficult to separate from what is perceived as the modernization process.

For many of the countries surveyed, globalization concerns centered on either the actual process of internationalization or the ramifications thereof. Many of the papers on Northeast Asian countries focused on the first order of change, the actual process, perhaps because of these countries' internal homogeneity and their respective histories. In contrast, the papers on Southeast Asian countries, which are largely immigrant nations, dealt with the second order of change, the consequences of internationalization. In much of Northeast Asia, governments have resisted the erosion of state power. Morrison posited that Northeast Asian countries find it more difficult to accommodate globalization perhaps because of the high social esteem traditionally accorded to government service and the concomitant importance of government leadership.

Regarding conclusions, Morrison reported that the papers pointed in a number of directions, although two trends seem clear. First, the notion

that there is a distinct "Asian way" of economic development is under challenge. Second, there are challenges to capitalism that have caused governments to question whether they will retreat from, or go forward with, market liberalization.

When the report was completed in 1997, questions were raised about specific policies. Now the questions focus on the next level—systems. Morrison reported that even at the policy level, serious doubts exist about how well domestic societies will be able to cope with the great stresses of globalization.

DISCUSSION

Asian Values and Domestic Governance in the Context of Globalization

A participant from Singapore thanked Han for his "brave attempt to talk about Asian values," adding, however, that it would be better to "abandon the concept of 'Asian values.'" States spend much money propagating certain values, and civil society groups, meanwhile, are promoting different values. The focus, therefore, should be on the contestation of values, not the values themselves. In Singapore, the participant concluded, the boundary of the state is constantly being redefined.

A participant from the United States remarked that recent events call into question both the concept of Asian values and the Asian development model. We are at the earliest stages of globalization, which means the situation is malleable and can be influenced by policy in and among states. Also mentioned was the potential need for changes in governmental social policy as society ages and as the globalization of values continues in Asia. Specifically, life expectancy has shot up at a time when society, especially the role of women, is changing. While women had previously been the caregivers of society, such gender-based social values and definitions no longer obtain.

A Japanese participant asked to what extent his country can be said to exhibit Asian values. Until the 1970s, according to this speaker, the Japanese thought they were *sui generis* and could not be emulated. Then, the newly industrializing countries underwent rapid development and Japan was reinterpreted as an Asian model characterized by a dominance of Asian values. Because hard work and thrift are common to many people,

"vagueness, inarticulateness," and an emphasis on human relations might better be considered Asian values. In Japanese companies, this has been important in labor relations, although now Japanese companies must restructure—possibly including major layoffs—because of globalization. The Japanese participant described this as "a key test of globalization versus Asian values."

Another Japanese participant agreed that the prioritization of harmonious human relations is an Asian trait evident in Japanese companies, adding that many Japanese also exhibit the Asian value of self-discipline. Because of this, he concluded, Asian values can be compatible with globalization.

Responding that Japan is based on Asian values, including consensus-building, informality, and government guidance, a South Korean participant went a step further to claim that Japan played a leading role in defining Asian values. Recalling Okita Saburo's flying geese metaphor, he added that South Korea had tried to emulate Japan.

Moving away from this line of thought, another Japanese participant contended that Asia has never constituted a single entity, and that in any case values are individual, not regional. In the past, according to this speaker, the regional system was dominated by Europe, the United States, and, economically, Japan. But the leadership of these nations is now stagnant, thus offering an opportunity for change. A participant from the United States offered further criticism of the Asian values argument, observing that there seems to be very little that is uniquely "Asian" in "Asian values"; instead, they are merely the values of agrarian economies interacting with strong central states.

Next, a participant from the Philippines emphasized the distinctive history and culture of the Philippines in the context of the Asian values discussion. Disturbed by the suggestion that civil society is inherently Western and that there is no history of NPOs in Asian societies, this participant argued that there is in fact a long history of NPOs in the form of mutual aid groups in rural communities in the Philippines.

The Asian values discussion was continued in the evening when the special speaker, H. E. Anwar Ibrahim, deputy prime minister and the minister of finance of Malaysia, addressed the issue following his speech. Declaring himself to be a firm believer in Asian values and adding that the debate has been obscured by opponents of the idea who have been able to define the concept in the media, Anwar stated that proponents of Asian values must articulate what is meant by Asian values while stressing that

they can not be used to defend such governmental excesses as cronyism or abuses of human rights. "I look at Asian values in terms of an ideal framework for behavior," Anwar concluded. "And when one looks at [Asian] values in this way, they have much in common with other systems of ideals, not only those in Asia. That's why I see no conflict with Western values. . . . What you end up talking about is the brotherhood and sisterhood of humankind."

Globalization and Domestic Governance in Time of Crisis

An American participant termed the current economic troubles in the region "problems of success," likening the Asian crisis to the financial crises Italy, France, and Britain faced during post-World War II reconstruction. Instead of viewing the current situation as a "disaster," he opined, energies should be devoted to thinking "about how to deal with it preventatively, to minimize or prevent future recurrences."

A Chinese participant stated that the Chinese leadership was shocked by the current crisis, especially in South Korea. According to this floor speaker, the debate in China spurred by the crisis centers around three issues: (1) the relationship between government functions and the market, (2) the relationship between population and technology, and (3) the relationship between the central government and other players such as nongovernmental organizations (NGOs), individuals, and international society.

If China devalues its currency in response to the current crisis, this could lead to a devaluation war and prolong the crisis, a Japanese participant stated. Moreover, he questioned how the Chinese leadership would be able to play a constructive role in the international crisis while attending to domestic concerns exacerbated by the slowdown in China's exports and growth and a pressing need to liquidate nonperforming state-owned enterprises.

Asking whether it is good or bad that this crisis was not prevented, a South Korean participant then suggested that such a judgment would depend on how the crisis was prevented, had it been, and on what will be learned from the current situation.

In the evening session, Anwar also addressed the Asian crisis with regard to globalization and domestic governance. After citing recent supportive moves from U.S. President Bill Clinton, Anwar changed tack, saying, "We'd

like to see more from the Japanese. . . . We'd like to see Japan firmly resolve its own domestic situation and then take the lead." Although recognizing the current difficulties of the Japanese economy, Anwar asserted that these were no longer a persuasive explanation for Japan's reluctance to assume a leadership role: "We are looking for more than just financial assistance; we are talking about trade, trade imbalance, currency markets, and the opening of markets." Pointing out that despite domestic political pressures, the Malaysian government had consistently endorsed market-friendly measures, Anwar posed a question: "How can you ask us to open our markets when our big neighbors are taking the limited option or moving in the opposite direction?"

Globalization and the Boundaries of Domestic Governance

Noting that periodization is a key concept for historians in understanding change, a participant from the United States observed that Asian countries, with their various histories, also have various periodizations: Japanese periodization differed from China's, and both developed uniquely vis-à-vis South Korea's, while that of Southeast Asia differed yet again. But with the coming of globalization, "we are all in this together," the American speaker asserted. Now, the East and the West are experiencing the same phenomena: despite their unique historical developments, nations are beginning to share a common history, via globalization.

In response to these comments on shared history, it was observed that many South Koreans conceived of globalization as "South Korea going to the world, not world capital coming to South Korea." In any event, globalization in the form of world capital did come to South Korea and had a large impact. Specifically, South Korean banks borrowed dollars from Japanese, American, and European banks at low, short-term rates, and made loans at high, long-term rates to high-risk businesses that foreign banks did not want to touch.

Western Models of Domestic Governance and Globalization: Globalization or Americanization?

A participant from the United States said that the changes facing nations belonging to the Organization for Economic Cooperation and

Development (OECD) are the same as those facing emerging economies. As posited in the recent book *Has Globalization Gone Too Far?*, globalization for OECD countries has had the effect of limiting the role and scope of state action for three reasons: (1) the limited substitutability of workers; (2) a conflict over social norms, especially worker rights and the environment in the context of trade negotiations; and (3) the erosion of governmental capacity to provide social programs and redistribute wealth.

Proposing that "we are not in a position to ask whether globalization is a good or a bad, because it is here," a participant from the United Kingdom argued instead that the focus should be on how to manage globalization. In response, a participant from the United States said that although he was in general "skeptical about claims to irreversibility in policy," citing the reversal of an earlier period of globalization during the world depression, the current period of globalization did indeed appear to be irreversible.

Asking whether any single country has a say in how the world globalizes, a British participant drew a parallel between China as a latecomer to the world club and England as a late entrant to the European club. According to this speaker, one way England has tried to avoid being bound up in regional constraints has been to appeal to globalization.

Next, a Japanese participant emphasized the differences between internationalization and globalization. While Japan might internationalize, it lacks many of the fundamental prerequisites necessary for the type of globalization mentioned above, this speaker maintained.

A participant from Malaysia described the cause of globalization as hypereconomic competition spurred by market forces for which no single government can be held accountable. He cited the criticism that globalization is not really global, but rather that the world economy is driven by only a few countries or regions, namely, the United States, Europe, and Japan. Some Southeast Asian leaders call this trend recolonization, not globalization. In the process, globalization has been elevated to the status of an ideology. Another criticism is that globalization has unleashed market forces but not sufficient overseeing mechanisms, a process with the two concomitant outcomes of destabilizing domestic governments and reducing national sovereignty. Finally, globalization is also spreading the inequalities characteristic of the countries that export it as an ideology.

A participant from the Philippines put a finger on the pulse of the discussion by asking whether globalization was not in fact the same as Americanization. Taking this as a cue, a participant from South Korea then noted

that an earlier generation of Europeans also thought of modernization as Americanization, citing Gebhard Schweigler's book on the "American challenge." In fact, to a large extent globalization does mean Americanization—but not necessarily an American conspiracy.

Changing the subject somewhat, a participant from Japan highlighted the bureaucracy's preponderance in Japanese history, contrasting this with the observation that the bureaucracy is losing its former central role. This situation gives rise to the question of what will take its place. While maintaining high expectations for civil society as a resource to meet the challenges of globalization, this speaker wondered if the pace and strength of civil society's development might in the final analysis not be adequate to facilitate this.

Referring the discussion back one point, a participant from the United States drew a distinction between the emergence of U.S. economic hegemony in the short run, and the potential for a more positive impact in terms of the extension of U.S. legalistic norms and demands for freer markets in the long run. He viewed U.S. pressure on Asian states to adopt such U.S. practices as transparency and the rule of law as inevitable, because these allow U.S. companies to flourish.

As a previous participant mentioned, Europe also held a debate over its "Americanization," which was really a debate over modernization. Government was strengthened in the nineteenth century with the aim of solving social ills. In that context, the potential for a more limited governmental role is pertinent, particularly as governments may be weakened by globalization. But can civil society replace government? Although many have been Pollyanna-ish on civil society in the past, such a replacement does seem to be a logical development.

Session 2

Globalization and International Governance

PANEL PRESENTATIONS

Sir Timothy Garden, director of the Royal Institute of International Affairs in the United Kingdom, opened by describing globalization as "a change in the solidity of national borders, with national boundaries becoming more transparent." At the same time, he said, the economy and environment, while still spheres of relevance for nation-states, require further regulation to make the global system work.

Yet there are still concerns, previously raised, over the forms that internationalization can take. Garden reviewed historical forms of internationalization, including colonialism, imperialism, and "the first experiment in international governance, the League of Nations." He contrasted these with the current round of globalization, which is different insofar as it is not artificially imposed but naturally developing. Of course, even now globalization is being managed through mechanisms such as the United Nations, INTERPOL, and the World Trade Organization (WTO), Garden said. In addition, still other phenomena are fueling globalization, such as the activities of multinational corporations and nongovernmental actors working through the Internet. As well, Garden cited the increasing demands for self-determination from individuals or groups whose identities fall outside of traditional, geographically determined bounds.

Richard Haass, director of Foreign Policy Studies at the Brookings Institution, made two major points: (1) definitions matter, and the current phenomenon of globalization is qualitatively different from what came before; and (2) the key issues should be how to cope with and manage globalization.

On the economic side, obvious problems exist, as seen before in Mexico and now in Asia, Haass said. In this context, he cited three main problems: (1) in banking, current banking practices are inadequate; (2) in

capital flows, problems with exchange rates exist; and (3) no international or common bankruptcy procedure is in place.

Likewise, three schools of thought contend for the appropriate response to globalization, Haass continued. First is the market or laissez-faire response, which insists that we let moral hazard dominate. The second school, the opposite of the first, relies on institutions. An example of such an institution is the international credit insurance association called for by George Soros. The third school combines aspects of the first two and is the one that Haass himself favors. While admitting that the advocates of the market are right in that markets are more efficient, Haass cited problems with the market-response view. To wit, markets are reactive, not proactive, and, moreover, they tend to not just react but overreact. In addition, market responses cause collateral pain to those hurt by disequilibrium, even if they did not cause it. Haass cautioned that the institutional response would lead to an overly structured international financial market. The mixed approach, which preserves some moral hazard while offering some international standards, is possible by making the WTO, the International Monetary Fund (IMF), and the World Bank able to bear more responsibilities.

Haass called for the establishment of codes of conduct, citing the need for clear rules and standards for banking behavior. If these are established, Haass argued, the market will enforce them: the market rewards those who live up to the codes of conduct and punishes those who do not, and market managers simply will not invest without these standards. Haass also noted the need for "domestic concomita." While the majority benefits from globalization, he said, a minority loses from it—and the intense displeasure of the losers outstrips the general satisfaction of the gainers. Therefore, midcareer education and training, adjustment assistance, health and retirement plan portability, as well as an attempt to build domestic support for an international globalization policy, are all necessary to avoid a political backlash against globalization.

V. A. Pai Panandiker, director of the Centre for Policy Research, India, described globalization as a historical process that emphasizes the essential unity of humankind. Panandiker said that Indians, having begun the process of economic integration with the rest of the world only in 1991, nevertheless accept that globalization is inevitable and even desirable. Panandiker identified two trends in India today. The first is greater integration both within India and between India and the rest of the world. In contradistinction, the second trend is the greater assertion of identities,

be they religious, ethnic, linguistic, or regional. Panandiker reported that great concern exists in India that globalization is designed to serve the interests of the rich countries. Selectivity by the more affluent nations is most conspicuous in labor flows, which are permitted or even encouraged only when the rich countries experience shortages of highly skilled manpower in their own economies. In other words, the wealthy countries want free access to trade and investment opportunities in the rest of the world, but only on their own terms. This selective globalization has stirred a domestic political reaction in India, Panandiker reported, citing the election manifesto of the Bhartiya Janata Party from February 1998: "Every nation advocates free trade in all global fora, but in practice they compulsively resort to quotas, tariffs, and antidumping measures to protect their national interests. While the declared agenda is free trade, the undeclared but actual agenda is economic nationalism. India, too, must follow its own national agenda." This highlights the widespread fear in countries such as India that globalization and international governance are merely smoke screens for a system of international relations favoring the rich countries, which can be summarized as "might makes right." Panandiker also questioned many "rich Western countries' advocacy of the menacing 'self-determination' theory [which] played havoc until the implications of Bosnia were fully digested." "Was this a well-thought-out concept to be included in international governance?" Panandiker asked.

Globalization in the coming years will create great global churnings, and like the mythological Samudra Manthan, or Churnings of the Oceans, it will bring both poisons and jewels. A properly designed framework of international governance must provide both antidotes to the poisons as well as plans for enjoying the jewels. However, the present system and institutions of international governance are inadequate. Besides their limited scope and coverage, they are not sufficiently representative of the views and interests of the vast masses of the world. Without such representativeness, Panandiker warned, these mechanisms for international governance will become a new system of colonialism, more invisible and thus more oppressive. They will not be accepted and could lead to conflicts, even violent conflicts.

Gebhard Schweigler, senior fellow at Stiftung Wissenschaft und Politik in Ebenhausen, Germany, concurred with earlier speakers in his comment that "a globalized world is not necessarily new." With the proliferation of states and technologies occurring in the context of both modernization and internationalization, people are being forced to or choosing to redefine

their self-identities. And as the number of persons so defined grows, the concomitant rise in demand for self-determination will in turn produce ever more actors wanting to play a role in this age of globalization, Schweigler predicted. The central paradox of this globalization process is that while it heightens these new actors' sense of self, it tends to limit their sovereignty. As a result of globalization, borders become increasingly porous to flows of goods, capital, and information. Schweigler added that one result of shrinking national sovereignty is an increase in the demand for global governance, a trend further strengthened by the diffusion of bad local governance and its negative effects.

Though abundant mechanisms for global governance exist, Schweigler believes that the challenge now is to identify and agree upon those areas needing additional attention. These fall under two categories: truly global problems, such as planetary environmental problems; and the negative effects of bad local governance. Schweigler identified the current situation in Asia as a problem falling under the second category, which raises questions such as why rich nations should spend money bailing out bad local governments, or why Asian nations should follow IMF dictates despite the absence of a clear definition of good local governance.

According to Schweigler, a liberal democracy and market economy are the two main features of good governance, considering that the most successful nations are liberal democracies with market economies. A corollary argument is therefore that the goal of global governance should be the advancement of liberal democracies and market economies. Historically, democratic governments have joined together in addressing the issues of global governance. Schweigler concluded that the need for global governance will decline in proportion to the spread of good local governance, which will then allow democratic governments to deal with truly global problems.

In his presentation, Fukukawa Shinji, chairman and chief executive officer of the Dentsu Institute for Human Studies, observed that global governance first emerged in the form of cooperative schemes for handling international problems. The end of the cold war engendered a number of such schemes, including cooperative peacekeeping in Bosnia and Cambodia. Another area of cooperation, according to Fukukawa, was the development of a common approach to markets and free trade.

Fukukawa went on to explain how comprehensive security, including peace-creating measures, offers fruitful new ground for the consideration of globalization. In Fukukawa's scheme, preventative, or peace-creating,

measures are of two types. The first type—conventional military measures—includes the abolition of nuclear testing, wholesale disarmament, enhanced transparency of arms buildups, and control of the international arms trade. The second type—nonmilitary measures that will lead to comprehensive security—includes solving international poverty, relieving the plight of refugees, and checking and reversing environmental degradation.

Citing examples of regional organizations (APEC, NATO, et al.), multinational corporations, and nongovernmental organizations (NGOs), Fukukawa asserted that in the international context the players within world regimes have become more multifaceted. He also stressed that such groups must find common ground among themselves to establish effective methods for international governance. Areas for additional regulation are worldwide telecommunications, intellectual property rights, and, as computerization spreads, the reconciliation of domestic and international computing standards.

Finally, Fukukawa suggested that the study of different cultures is necessary to avoid a clash of cultures. In the development of international governance, moreover, nation-states are likely to be the main players, although they must cooperate with the players to coordinate national interests with international interests.

Paul Stares, senior research fellow at the Japan Institute of International Affairs, began his presentation by introducing a JCIE-sponsored research project titled the "New Security Agenda," which focuses on new security problems such as environmental degradation, ethnic strife, demographic threats (unchecked migration and population growth), organized crime, drug trafficking, epidemics such as AIDS, and economic insecurity. States and communities around the world feel increasingly exposed to these threats, Stares said, either because they sense a growing indirect threat as a result of seeming closer to problems, or because they are directly experiencing these threats firsthand.

Globalization has exacerbated the problems already existing as a result of earlier attempts at economic modernization or catch-up with the West, Stares added. Examples of this phenomenon include the recent chain of events set off by capital flight from Southeast Asia, and transnational criminal organizations, which can move faster than governments to take advantage of opportunities arising from globalization.

Definitional issues beset the study of "new" security threats, Stares reported, because it is unclear whether they indeed constitute security threats or are merely social problems. Moreover, in the post-cold war period,

debate exists as to whether these new security issues now constitute a primary or a secondary threat. In any case, Stares insisted, it is clear that new institutions or instruments are needed to address these threats.

The JCIE project brings together researchers from around the world to study these issues, which, Stares emphasized, are not themselves new but simply growing in salience. In Asia, the distinction made between "traditional" and "new" security threats is not necessarily the same as that made in the West. For example, many Asian societies have traditionally considered as security concerns several items that, until only recently, were not perceived as such in the West, including internal security and stability. Stares concluded by noting the irony that Japan's new security agenda is similar to the "traditional" agenda that until recently predominated overwhelmingly in the West, while the West may be moving toward the idea of comprehensive security.

DISCUSSION

International Governance in Managing Globalization

A participant from the United Kingdom observed that "there seems to be an evolving view that if you are from a rich nation you are happy with what you have and believe you can muddle through, but that if you are from elsewhere you are less satisfied and want some action to be taken to manage globalization."

Next, a Japanese participant pointed out that when Japan was a debtor nation its government followed IMF advice, unlike now. This raised the question of what the most effective way is to exercise international governance over countries such as Japan that do not have to borrow from abroad. Despite general optimism about managing globalization, the participant wondered how to influence states that are experiencing difficult domestic financial problems but that also have a balance-of-payments surplus.

In response, an American participant pointed out that the Bretton Woods system in theory was to address the problem of only certain states having a balance-of-payments surplus. This participant expressed the hope that an expanding role for the WTO would finally eliminate artificial surpluses.

Noting the existence of multiple levels of international governance, i.e., local, national, international, and corporate, a South Korean participant

proposed that international governance "should operate on the principle of subsidiarity." For example, in the trade arena the main concern of the WTO in performing its global governance functions should be to identify areas inadequately managed by the other levels of governance, such as the environment or financial flows.

The problem is not only a shortage of global governance but also substantive differences of opinion concerning what it should govern, a participant from the United States added. For example, if no agreement exists on the necessity of regulating financial flows, it makes no sense to think about how to address them. Only after resolving disagreements about the targets of global governance can we get into questions of governance mechanisms, this speaker concluded.

Another participant from the United States noted that although the state is no longer the only actor, it does remain the final arbiter. Nevertheless, it is increasingly either passive or reactive. Giving an example of this trend, this speaker pointed out that the Association of Southeast Asian Nations was created by ASEAN foreign ministers in the hire of governments, yet the lead on an ASEAN Free Trade Area was taken by civil society groups.

A German participant then asked if globalization can take care of those whom it leaves behind. European countries have realized that they can not maintain forever the welfare systems enjoyed by their citizens now. "Germany has 12.5 percent unemployment while the United States has 4 percent. Something must give, and I don't think it will be the United States that will change."

In response, an American participant made two comments: globalization is not seen solely as a positive development in the United States, and it has incited the internal politics of other industrialized countries, as well. He then suggested that nonstate actors might be one antidote to the problems of globalization. Addressing this final point, another participant from the United States sounded a note of warning that those actors now seen as potential solutions could in the future become problems, for example, overgrown NGOs that are inefficient, unresponsive, and self-interested.

International Governance through Codes of Conduct

Regarding codes of conduct, a participant from the United States made suggestions addressing three areas: (1) schedule a conference devoted to

the international rationalization of bankruptcy proceedings; (2) adopt Swiss banking standards, make them transparent, and avoid formal enforcement by housing them in an international NGO; and (3) institute codes of conduct for investment flows. For the third area, this American participant cited the example of Chile, which has successfully established reserve limits without inhibiting investors.

In response, another participant from the United States parried that "the greed factor will overwhelm any voluntary code of conduct." That much said, however, he acknowledged that apparel manufacturers in the United States have made concessions in their domestic labor agreements that then influence their conduct abroad. In this sense, leverage must be domestic to be effective. Yet another American participant concurred, admitting that the real reason the manufacturers signed on to such agreements was that revelations of exploitative practices abroad were affecting profits. As he put it, "You lose money in the United States if you are associated with sweatshops." A participant from the United Kingdom added, "NGOs made the public aware of such practices."

Another American participant agreed that transnational civil society can indeed monitor compliance with voluntary codes, especially those affecting businesses or concerning the environment, in many cases where governments are unable to enforce or monitor such codes. She cautioned, however, that even some monitoring NGOs are not above legitimacy problems.

At this juncture, another participant from the United States remarked that many of the discussion comments implied that the breakdown of international governance in Asia regarding the recent economic crisis arose from speculative capital flows. However, he emphasized that the real issue was irresponsible lending practices, and questioned whether these can be disciplined effectively by international codes of conduct.

Regionalism and International Governance

A participant from the United States remarked that regionalism has been underexplored in studies of international relations, particularly in the area of security studies, although it has been held up as a potential medium for introducing activity restraints. On the other hand, the issue of inventory restraints is better addressed at the global level. In the area of trade, according to this speaker, the Asia-Pacific Economic Cooperation (APEC)

forum sees itself as an adjunct to globalism, indeed even as a laboratory for ideas that will be incorporated later in the WTO. Some scholars, in contrast, see APEC as a distraction. Supporting this view is the fact that in Africa subcontinental groupings have been more effective than continental groupings.

Another American participant commented that regionalism can be productive as long as membership in regional groupings is limited. The legitimacy of regional groupings often derives from their inclusiveness, but the resultant enlargement, which is difficult to resist, can dilute effectiveness. This the speaker termed the "enlargement paradox," posing the question of how regionalism can be logically demarcated in a globalized world.

A participant from Germany noted that for decades regionalism has been well-researched in the case of the European community. He gave three reasons for regionalism in Europe: to enhance security, to overcome the sovereignty weakness of individual nations, and to "gang up against the Yankees."

Sources of Globalization

To start discussion on this topic, a participant from Japan raised the issue of the major sources of globalization. He pointed out that a wide variety of sources are commonly held to contribute to the globalization process, ranging from CNN, Hollywood, airlines, multinational corporations (MNCs), international bankers, and Microsoft to the American Evangelical Church. Perhaps a more relevant challenge is determining how such elements are related to each other.

Another Japanese participant responded that a research project is currently under way to index the factors influencing globalization. By measuring factors contributing to globalization and shaping international governance, the project ideally will compile the data necessary to analyze factors in both areas with greater sophistication. A participant from the United Kingdom added that technology has finally caught up with the 1960s idea of the "global village," which in turn means the end of the tyranny of geography: "We are no longer prisoners of where we are."

A participant from South Korea stated his view that the leading forces behind globalization are the MNCs, and predicted an increasing concentration of economic power in a shrinking number of companies, as seen in the automobile and pharmaceuticals industries. This would tend to

create many problems, including the exclusion of some countries from development opportunities in particular industries while also exacerbating income inequalities. The IMF bailout of Mexico is often cited as a success story, but the income and social inequalities that have persisted thereafter belie that assertion.

Also addressing the question of inequality deriving from proliferating sources of globalization, an American participant maintained that even though globalization is often blamed politically for inequality, it is not the principal cause of inequality. Moreover, inequality per se is not a problem, he declared. Rather, issues of concern are social mobility and the existence of a social safety net. If these are present, inequality is not a problem.

Globalization and Security

Returning to the theme of subsidiarity discussed earlier, a participant from the United States suggested that such an issue might be examined best in terms of regions. He offered peacekeeping within Africa as an example of a security threat that was well-addressed regionally, and suggested that the crisis in Haiti would have been better handled by Latin American countries.

Another American participant added that even though we are now in a global era, states continue to act as if it were the nineteenth century and they enjoyed full sovereignty. In fact, states have lost *de facto* sovereignty but still cling to *de jure* sovereignty. Using the example of national military forces in a multinational force, he concluded that states must give up *de jure* sovereignty on matters over which they have very little control in order to get more *de facto* sovereignty overall.

Next, a participant from Japan questioned whether security demanded a global response. In contrast to trade or environmental issues, it was argued, security involves national territorial integrity. In response, a Chinese participant pointed out that security can be regional, as in Europe, where there is a very united consensus on issues of the economy, security, and values. However, in Asia the existence of a "security community" is debatable. To this, a German participant responded that community-building requires a community of values. One basis for such values could come from the free flow of information, while another from confidence-building. For example, Germany's frank handling of its own national history has greatly facilitated the process of confidence-building in Europe. In Asia, such a process has been lacking.

Session 3

Civil Society and Domestic Governance

Yamamoto opened the second day of the conference by remarking upon the difficulty of distinguishing between international governance and domestic governance when conceptualizing civil society. In many cases, the roles of civil society organizations can not be differentiated in terms of domestic or global governance functions.

PANEL PRESENTATIONS

Mohamed Jawhar bin Hassan, director-general of the Institute of Strategic and International Studies in Malaysia, opened the session with a statement that civil society can contribute to good domestic governance. Jawhar described good governance as a democracy that features such important characteristics as the efficient delivery of goods, promotion of a decent standard of living, and aid to the poor—in other words, clean government that fully considers the social and ecological dimensions of domestic needs.

Yoshida Shin'ichi, columnist and senior political correspondent for the *Asahi Shimbun* newspaper, describing research carried out in support of the JCIE project "Civil Society and Governance," proposed that at the root of the current turmoil in Japan lies a confusion about defining and managing the public interest in society. The central bureaucracy, which has long maintained a de facto monopoly on this governing function, is now showing signs of fatigue and dysfunction. Political parties have also failed to put forth a convincing vision of the public interest. At the same time, nongovernmental entities have increasingly challenged the bureaucratic monopoly on defining the public interest while accelerating the breakdown of the traditional political order.

Defining civil society as a "spontaneous, concerned group of citizens acting independently of government," Yoshida remarked that "[Japan is now] observing . . . the emergence of this kind of civil society."

However, an obstacle to this emergence exists, which Yoshida described as an inability of the Japanese to distinguish between public and official. Yoshida argued that Japanese society has long been bureaucratic and authoritarian, which has led to a public-equals-official way of thinking among the citizenry. Moreover, this national mindset was further strengthened during the period of Japan's modernization, when an effective government-sponsored ideological campaign equated things "public" with things "official."

Yoshida then described three trends that have provoked recent debates over the role of government and its relation to the public interest. First is the reduction of government activities due to fiscal constraints and pressure from "small government" and deregulation advocates. Second is the recent inclusion in the public domain of issues that traditionally have not fallen under the purview of government action, such as international cooperation with nongovernmental organizations (NGOs). Third is a growing consciousness among citizens of their tax burden, which has led to greater citizen interest in the quality of governance. Yoshida described the third trend as the most important, ascribing to it an important role in the formation of movements for the disclosure of public information, citizen action that directly challenges the public-equals-official mindset.

However, Yoshida cautioned that it took almost two decades for the disclosure movement to achieve any success whatsoever, thus concluding that "what we need here is not only commitment but also patience."

Carolina Hernandez, president of the Institute for Strategic and Development Studies, the Philippines, noted that economic growth has been a leading cause in the remarkable changes in Asian civil society. In the Philippines, NGOs have a dual history of both meeting social needs in rural communities plagued by insufficient access to state services and performing political functions. Recent economic growth has produced a professional class that is now demanding participation in governing functions. According to Hernandez, the friction between this class, which derives much of its political strength from its affiliation with the nongovernmental sector, and the state is increasing.

Hernandez seconded speakers heard in the previous day's sessions by identifying globalization as another trend challenging the state. She went on to say that not all recent developments have been positive for civil society organizations, offering the example of farmers, who were once at the center of the NGO sector in the Philippines but who have since been marginalized by the rising middle class. This development has inevitably fomented discontent among the former group.

Although the Philippines has a civil society tradition of NGOs performing a complementary role to the state in the allocation of resources, many in civil society are no longer satisfied with a role that subordinates them to government. Hernandez described how demands by civil society organizations for political involvement have recently produced two positive measures. First, in 1987 the Aquino regime incorporated language in the Constitution requiring governmental consultation with NGOs during the formulation of laws. Second, 1991 revisions to the local government code provided processes for involving NPOs and NGOs in local governing bodies.

Hernandez stated that strengthening the capabilities of civil society organizations is one of the greatest challenges for the future. More specifically, she called for an extension of tax exemptions to NGOs and greater involvement of independent think tanks in both economic and foreign affairs policy making.

According to Jung Ku-Hyun, director of the Seoul Forum for International Affairs, as late as the beginning of November 1997 South Koreans had no expectations of a crisis of the current scale and are now just beginning to assess what happened. At this stage, Jung said, four possible explanations have been advanced in South Korea: (1) it is a U.S. conspiracy; (2) it is the fault of the international monetary system; (3) the South Korean government's supervision or regulation of the banking sector failed; and (4) the big South Korean business groups, or *chaebol*, were responsible due to their excessive investment, high debt-to-equity ratios, and poor internal governance. Jung then expressed his personal opinion that one-third of the blame for the current South Korean economic crisis is attributable to the international monetary and financial system, and two-thirds to the failure of domestic governance in South Korea.

Jung defined domestic governance as a system through which a society or organization makes critical decisions, such as the selection of its leaders, and coordinates the interests of stakeholders. "Korea Inc.," the model of government as decision-maker and business as implementer, worked well for many years, but now "this model must change," Jung asserted. Government should no longer be the allocator of resources, but should stick only to providing public goods.

On the positive side, Jung claimed that South Koreans are making structural changes in domestic governance. South Korea is still a two-pillared society—government and business—but the possibility of a significant reorientation exists. In support of this claim, Jung noted that as recently

as ten years ago labor unions were still suppressed in South Korea. Yet for the first time in South Korean history they were part of the social contract struck this year and from now will be allowed to nominate their own candidates for elections. Accordingly, if labor unions are considered to be part of civil society, then the power of civil society in domestic governance is increasing.

The emergence of civil society organizations can also be seen in the rise of two significant areas since 1987, Jung continued. First is the rise of citizen groups such as the Citizens' Coalition for Economic Justice, and second is the establishment of a citizen-financed newspaper five years ago.

Jung echoed Yoshida in saying that Korean society traditionally has thought that public equals official. However, Jung concluded, there are signs that South Korea is moving away from a society dominated by government officials at the same time it is restructuring its way of doing business.

Andrei Kortunov, president of the Moscow Public Science Foundation and an expert for the Committee on Foreign Relations of the Russian State Duma, began his presentation by stating that the key link among globalization, governance, and civil society is governance. Russia, he continued, has been particularly vexed by the problem of governance, proposing that a discussion of Russia's state bureaucracy is a good place to begin understanding the reasons for this.

Kortunov next made the observation that good governance in Russia is hindered by the absence of decision-making norms and standards, as well as by the low quality of its government functionaries. In addition, Russian politics is characterized by overlapping spheres of influence within which competing forces fight for power.

Moreover, he continued, the state is alienated from society generally, and it is increasingly dubious about a civil society in which some NGOs have been accused of involvement in money-laundering schemes. This mutual antagonism, in which the state does not trust society and society does not consider the state to be a faithful representative of its interests, means that the state can not rally society in support of common goals.

Kortunov asked whether civil society can fill the gap left by the state. According to Kortunov, civil society can interact with the state in three ways in the process of state-building in Russia: undermine the state, assist the state, and compete with the state and its structures. These three approaches correspond roughly to the genesis of Russian NGOs, which can also be fitted into three categories: proxy NGOs, established by the state as a facade for its activities; dissident NGOs, or groups established initially

to fight the state but that developed into extreme, sectarian organizations; and comprador NGOs, or groups funded from abroad. (One delimiting, even dangerous, aspect of such comprador NGOs is that they will fall into a predictable patron-client relationship with their funding organizations from abroad.)

One can not say with any confidence that NGOs could actually replace the state, yet because of their greater flexibility they fulfill the useful role of assisting the state as watchdogs of governance while also pointing out issues looming on the horizon, as they have done in the past regarding environmental and human rights questions. Citing Anwar as an example of a politician who first trained in civil society organizations and then went on to participate in government, Kortunov added that NGOs can also function as a kind of preparatory school for politicians. In addition, community organizations and groups promoting grass-roots development can complement state structures at levels the state can not reach.

Finally, Kortunov specified that although civil society organizations will not replace the state they can fulfill certain functions currently assigned to the state by acting in the public policy sphere in a manner analogous to Russian private business in the economic sphere. Here, he offered as examples the privatization of some state-sponsored social programs in the areas of education, the environment, and the preservation of culture and national heritage.

DISCUSSION

Civil Society and Democracy

Kato Koichi, secretary-general of the LDP and a member of the House of Representatives, was a special speaker at the conference and fielded questions from conference participants following his remarks. Several of Kato's responses addressed the themes of civil society and democracy, and are included herein.

The "core of the chaos" in Japan now, as Kato put it, stems from the absence of a national consensus on Japan's future. Ten years ago, the Japanese mistakenly thought that they had caught up with the United States and Europe; indeed, this misperception was abruptly revealed when the "bubble" economy burst. During the ensuing five years, the leadership focused on political reform as a means to generate political debate on

policy issues. According to Kato, however, the election held in 1996, which was considered to be a test of the new system, generated no substantive policy debates—there was “no improvement at all.”

At issue now is the next frontier, Kato asserted. To attain its chosen goals, Japan can draw on a highly educated population of 125 million, an abundance of capital, and a capacity for technological innovation. Pointing out that China’s modernization will require vast new energy resources but is also likely to pose challenges to environmental management, Kato expressed his belief that “basic scientific research based on a regional Asia Pacific concept should be our next frontier.” Accordingly, Japan must allocate resources for basic research and bring together young minds from across Asia to jointly engage in such research. With a specific combination of science and an Asia Pacific focus forming the core of Japan’s future, Kato asserted, “We can find a target.”

The LDP secretary-general also mentioned the problem of the public’s lack of confidence in the ability of politicians to take the lead in policy making, attributing this to the fact that policy matters had been left in the hands of bureaucrats for so long. In conclusion, Kato stated that “the only way out is for young people, young politicians, to pose policy alternatives and prove that politicians can take the lead.”

A Japanese participant also mentioned the long history of bureaucratic dominance in Japan, calling for a change in the training of Japanese bureaucrats to enable them to effectively respond to the demands of globalization. This participant specified that bureaucrats should have a broader variety of work experience, including in voluntary associations, so that Japan might have higher-quality bureaucrats.

Another participant from Japan expressed frustration with the current stalemate in political reform, but then acknowledged that Kato’s remarks indicate how much has changed. Kato’s distancing himself from the bureaucrats demonstrates the growing split between politicians and bureaucrats, which would have been unthinkable only five years ago and which furthermore offers an unprecedented opportunity to question the quality of Japan’s bureaucrats. Moving on to an analysis of civil society organizations, the participant noted that although the Japanese media has been especially critical of politics and the bureaucracy for the past seven or eight years and has thus contributed to public discontent, the media should now join in defining the public good by taking a position of leadership rather than simply echoing the polls. In this way, civil society can offer a way out of the “chaos” Kato described.

Another Japanese participant further emphasized the potential for a positive role for NGOs and NPOs in the framework of governance, noting that Japan is "trying to get away from the idea of NPOs as oppositional."

A participant from the United States pointed out that there are many components to civil society: NGOs engaged in advocacy, the media, foundations, even those people who say not-in-my-backyard to any development project. Although emphasizing the necessity in general for community-building at the grass-roots level, she suggested that the appropriate level of public involvement in the formation of public policy was simply the expression of public opinion, with the government then carrying out the public's wishes.

A participant from South Korea added that Christian groups have a tendency to become NGOs or to engage in advocacy politics in South Korea, concluding that the problem in that country is the power of the bureaucrats, not the lack of accountability on the part of NGOs. A Singaporean participant observed that a major challenge to civil society in many Southeast Asian countries is a mindset that equates criticism of the party with criticism of the state, attributable to the long periods of one-party dominance in these countries in recent decades. To remedy this situation, she called for more frequent reevaluations of the meaning of good governance in these countries. A participant from Malaysia cautioned that in the current context it is perhaps too easy to criticize the state and praise civil society; a realistic appraisal would not be so black and white.

Finally, Yamamoto conveyed the regrets of Hironaka Wakako for not being able to participate in the session, adding that the newly formed Minseito party, of which Hironaka is a member, had just decided upon Good Governance Party as its English name.

Civil Society and Individual Rights

A participant from the United States proposed that "democratic governance is built on public opinion, and public opinion is built on civil society." In this context, he introduced the issue of individualism, suggesting the possibility that civil society in a given nation can be strengthened and yet leave that nation's cultural valuation of individualism unchanged. Asserting that joining an NGO might enhance an Asian's sense of belonging

to a group, this participant expressed the concern that NGOs might end up being just another level of associations reinforcing communitarian, as opposed to individualistic, values.

Another American participant noted that Asian values prioritize the community at the expense of the individual, thereby privileging the state through the reinforcement of a politics of petition. He then asked, by corollary, whether the development of civil society was not in fact contingent upon a stronger concept of individual rights. In response, an Indian participant agreed that civil society can not be developed unless the rights of citizens are protected: "Unless the citizen qua citizen has rights, there will be no development of civil society."

Next, another participant from the United States cited examples of cases in which NGOs cooperated with governments to protect group and individual rights, arguing that in these instances the protection of individual rights was not a precondition of either advances in NGO autonomy or the protection of group rights. A participant from the Philippines added that many examples exist of NGOs functioning in an environment hostile to human rights. In the Philippines, such groups categorized themselves as rule-of-law associations and promoted respect for human rights.

Citing the experiences of societies in Eastern Europe and the former Soviet Union, a participant from Russia described the collapse of collectivism as being "like one large South Bronx where no one cares about anyone else and atomization occurs." Echoing an earlier point made about community-building, he stressed that this process must begin in people's own backyards: "Community starts when people get angry about the graffiti in their elevators."

A Japanese participant noted the growth of individualism in Japan, citing as evidence recent public expressions of taxpayer anger due to high taxation levels. While allowing that American-style individualism is not likely to develop in Japan, this participant pointed to definite trends toward greater consciousness of individuality in general. Another participant from Japan stressed that Asian values as defined by many of the participants, as well as in the background paper by Han, are not communitarian values, arguing that "it is a mistake to regard Asian values as such."

Finally, a participant from the Philippines remarked that membership in civil society organizations can promote individualism by "enhancing individual capacity and efficacy." This participant also noted a history of

limited central authority in the Philippines, which facilitated the development of a vital civil society.

Civil Society: Organizational Capacity and Domestic Governance

A participant from Japan remarked that during the process of policy debate and formation on topics such as security, trade, and social issues, mutual confidence and respect among all participants is vital. In this regard, he pointed to the emergence of Japanese NGOs and their ability to gain the trust of government officials, and stressed the need for increased cooperation between NGOs and businesses, as well. Another participant from Japan highlighted the need for NGOs to have enough "guts and shrewdness" to work with government while maintaining their independence. Regarding the strengthening of civil society organizations, a participant from the United States cited the conference in Bangkok in January 1998, which resulted in a proposal of five basic goals: (1) the establishment of a fiscal, regulatory, and legal framework for NGOs and NPOs, particularly favorable tax treatment; (2) an increase in public interest in, and awareness of, the sector; (3) the strengthening of individual nonprofit associations; (4) an increase in the number of intermediary organizations to provide training, offer technical assistance, and raise and channel funds; and (5) an increase in horizontal contacts among NGOs within and across national boundaries.

A participant from Russia described the difficulty that NGOs have in competing with for-profit companies when seeking United States Agency for International Development (USAID) largesse. In Russia, USAID prefers to give million-dollar contracts to for-profit firms owing to three reasons, according to this participant: (1) both Western and local NGOs are unable to absorb such large sums; (2) they have poor accounting standards; and (3) they have political agendas.

A participant from the United States identified three key challenges for civil society organizations: (1) promoting cooperation between NGOs and multilateral organizations; (2) expanding NGOs' sense of their own role; and (3) facilitating the entry of NGOs into the policy-planning process as partners rather than in a subservient role, with the help of governments and corporations.

Civil Society Organizations and the Business Community

Describing the challenges blocking the path to increased cooperation between civil society organizations and the business community in Russia, a Russian participant remarked that the instability of the current business environment especially compounds the problem of winning long-term commitments for support from companies. Under the current regime, it is easier for a company to "fund a Michael Jackson concert in Moscow than to fund an NGO," as this participant put it. This environment has encouraged a tendency among Russian NGOs to engage in strategies of direct action rather than of institution-building.

A participant from Japan noted that the Japanese business community also is very reluctant to contribute to NGOs, particularly in the current economic environment. He suggested that the popularity of NGOs among housewives and women in general in Japan can be attributed to women's willingness to give money to organizations they perceive as opposing male-dominated society.

Another Japanese participant related that under the leadership of Hiraiwa Gaishi, the Japan Federation of Economic Organizations (Keidanren) established environmental standards and promoted interaction among civil society groups, government, and business. This participant stressed the importance of such leadership in changing the logic governing individual organizations' approaches to domestic governance issues such as the environment.

Yamamoto stressed the necessity for a society to develop its own funding infrastructure to support NGOs. In this respect, he remarked that the presence at the conference of Wakahara Yasuyuki, chairman of the One-Percent Club of Keidanren, demonstrated the trend prevalent among corporations recently to behave more responsibly as social organizations and as stakeholders in their communities.

After making the general observation that Japanese NGO development has been very closely tied to economic events such as the Plaza Accord in 1985, a Japanese participant then noted that Japanese companies began to give substantive support to domestic NGOs only after having encountered the concept of corporate citizenship in their new overseas offices, most of which were established after the Plaza Accord. A participant from the Philippines added that an increase in corporate support of think tanks is a recent trend in the Philippines.

Another participant from Japan pointed out that Japanese executives consider good corporate citizenship primarily to be the enhancement of job welfare for employees, adding that layoffs are not in keeping with good corporate governance and are the antithesis of Asian values. If this notion of good corporate governance goes by the wayside, then the Japanese government will have to spend more and more on social welfare. This participant concluded by asking what the role for civil society would be in such a situation.

A South Korean participant cautioned that greater transparency in corporate governance could actually lead to a reduction in corporate support for the nonprofit sector. Business traditionally has supported nonprofits merely to satisfy the paternalistic urges of executives or as a way to whitewash corporate images, according to this participant. However, greater transparency may very well bring about a decline in corporate paternalism and corruption, and with them the motivation for business support of the nonprofit sector.

Session 4

Civil Society and International Governance

PANEL PRESENTATIONS

Yamamoto opened the session with the comment that the widespread phenomenon of "rising nationalism compromises the ability of individual nations to deal with internationalization," adding that we are now witnessing the inevitable decline of nation-states against the backdrop of the rise of international governance. Yamamoto then described civil society as consisting of independent policy research institutions, NPOs, foundations, media, MNCs, and local government.

Ann Florini, resident associate of the Carnegie Endowment for International Peace in Washington, D.C., discussed the rise of international NGOs in response to the retreat of nation-states and the resultant need for international governance. She pointed out that international NGOs have a long history dating from the turn of the century; that world wars were counterproductive to the establishment of such NGOs; and that the whole post-World War II period, not just the post-cold war period, has seen a surge in the number of international NGOs.

Asserting that "civil society has a direct role to play in government," Florini emphasized movements rather than institutions in her talk. As an example of the former, she offered the International Campaign to Ban Land Mines (ICBL) and the resultant treaty. During the treaty process, civil society rather than national governments took the lead, thereby establishing "a new global norm" and perhaps marking the beginning of a "new partnership," Florini tentatively suggested.

The anti-land mines movement is particularly remarkable inasmuch as civil society groups and a medium-sized power, Canada, were able to craft a major treaty despite opposition from China, Russia, and the United States. Florini pondered whether this is a unique case or in fact the wave of the future, noting that on the one hand it is easy to organize opposition

to such heinous devices as antipersonnel land mines and that therefore the issue has little complexity, and on the other that international NGOs learned from the experience how to mobilize opinion and create a transnational movement that actually affects policy and has the potential to influence movements again in the future. In the anti-land mines case, instead of talking to states Canadian officials launched a public relations campaign that went directly to the people. Additionally, the cause was boosted by the death of Princess Diana, a supporter of the movement, and the great publicity of the Nobel Peace Prize.

Florini emphasized that transnational civil society is not only formal organizations but also networks. The anti-land mines movement was started by a network of NGOs communicating largely by e-mail. And as technology advances, transaction costs will only drop and networks become easier to create. At the same time, transnational civil society is growing as the global middle-class population increases. Still, as Florini noted, transnational civil society consists mostly of Western NGOs, organizations, money, and people. "If civil society is a way of forming a global system of values, it should reflect the best of what the whole world has to offer."

Yamamoto agreed that the anti-land mines case is important, and mentioned that the campaign's Chris Moon of ICBL was the last torchbearer in the Nagano Winter Olympics opening ceremony. He then related the challenges facing an entrepreneur in Japan who has made a breakthrough in demining technology and who wants to start an NGO. First, the man is currently unable to incorporate his NGO because his discovery comes under dual jurisdiction, making incorporation problematic. Incorporation may require at least one year and US\$3 million in assets—a formidable hurdle—and then there is the further issue of building organizational capacity. Second, tax-deductible status may take some years to obtain. Third, the technology infringes upon the MITI ban on sales of military equipment, because, as Yamamoto observed, demining devices are often used to advance troops.

Iriye Akira, professor of history at Harvard University, commented on research reflected in the JCIE project "Civil Society and Governance," stating that a historian of international affairs might assign equal importance to two phenomena in the half century after World War II: the cold war and the rise of NGOs. There are now a mind-boggling number of active NGOs, and among them a considerably large subgroup devoted primarily to intellectual exchange.

Intellectual exchange has a long history, and Iriye asked what it has accomplished. The anti-land mines campaign was a dramatic success, but what about the gatherings of scholars, artists, and the like? According to Iriye, intellectual exchange's first contribution is to the idea of international civil society, while its second is to the promotion of a sense of international community. Third, intellectual exchange provides an alternative organizational principle for international life, other than security and trade.

Asserting the importance of confidence-building among nations, Iriye called for a coming together of Asian scholars to examine, in a spirit of open inquiry, the history of Japan vis-à-vis Asia in the 1930s and 1940s. To Iriye, this is the only way to build a sense of shared interests, a shared imagined world, and a healthy interdependence in Asia. He cited as an appropriate organizational model the U.S. National Council on History and Education, which attempts to engage in an active dialogue with history and to understand the past freed from the blinkers of nationalism.

To the proposition that there exist some NGOs not necessarily devoted to positive goals, Iriye noted that some NGOs in Japan seem to exist only to glorify Japan's militaristic past. Here again, Iriye stressed that only by examining history and building a sense of a shared past can we create the global historical understanding that is necessary for a global future.

John Sewell, president of the Overseas Development Council (ODC) of the United States, focused his discussion of the role of think tanks and independent policy research institutions in international governance on three main subjects: those elements of globalization having an impact on civil society, the activities of think tanks in civil society, and the shifting orientation of the ODC from a national to an international organization.

While globalization opens up vast opportunities, it also potentially comes at the high cost of instability and marginalization, Sewell began. A major challenge of the current era is the declining importance of national governments and the concomitant rise of a host of new actors, including many that are independent of the state such as the IMF, MNCs, the World Wildlife Fund, and Amnesty International, among others. In this context, Sewell added that to effectively face the challenges of globalization, domestic-oriented civil society organizations must shift their attention to international issues.

Sewell then examined the role of think tanks in international governance, which he described as including research and the analysis of policy options; the evaluation of government actions; the creation of new ideas and proposals; and the provision of venues for corporations, NGOs, and

government officials to convene and informally discuss issues as part of track two processes. Here, Sewell made a distinction between issues and problems, and further specified that "think tanks are issue-oriented, not problem-oriented." To cite Florini's example of land mines, he argued that these were only a problem until they were made an issue. Sewell asserted that a think tank's efficacy in the policy process can be measured in terms of how it influences the handling of an issue, which can be determined by examining whether it altered the terms of a debate, affected policy outcomes, or reconfigured the political alignments on a particular issue.

Finally, Sewell related how the ODC has transformed itself from a U.S.-oriented think tank to an international one over the past three decades, thereby enhancing its capacity to respond more successfully to international trends. As a result, the ODC's new international programs now reflect a sensitivity to both globalization and development, and are conceived and executed through collaborative efforts based on a worldwide network of branch offices.

Seiki Katsuo, executive director of the Global Industrial and Social Progress Research Institute in Tokyo, spoke about the Third Conference of the Parties to the United Nations Framework Convention on Climate Change, held in Kyoto in December 1997, in the context of civil society and international governance, addressing four issues: (1) the track two involvement of NGOs in the Kyoto conference, (2) the transparency of interactions during the conference, (3) the decreasing ability of national governments to contribute to dialogues on international issues, and (4) the role of business in international governance.

Seiki stated that the involvement and impact of NGOs in the Kyoto conference was unprecedented in such an international gathering. Participating NGOs ranged from environmental organizations such as GreenPeace and the WWF to policy advocates such as the Sierra Club International. He remarked that "the Japanese government [said] they were not 100 percent sure they could meet [the agreed upon] targets, but that international public opinion was crucial in agreeing to the targets." According to Seiki, after witnessing the proactive involvement of European NGOs Japanese government officials concluded that to attain their own goals at future such conferences they would need to cooperate with the domestic NGO community under bureaucratic influence.

Turning to a discussion of transparency, Seiki reported that "the Kyoto process was virtually transparent. About 95 percent of everything that occurred was known to everyone. . . . This was thanks to the establishment

of an action network by the NGOs, which pooled information contributed by NGO representatives to the various national delegations."

In many ways, Seiki asserted, the Kyoto conference demonstrated the inability of national governments to function within the new regime of international governance. Nowhere was this more apparent than on the question of North-South cooperation, an impasse broken thanks only to the intervention by NGO representatives from OECD nations.

On the role of business in international governance, Seiki stated that business could be a good partner for NGOs, particularly inasmuch as cooperation and funding from the private community could allow NGOs to operate with a higher level of autonomy. Ironically, though, many NGOs fear to ally with business because they associate this with loss of independence, Seiki concluded.

DISCUSSION

Western Models of Civil Society and International Governance

A participant from Malaysia began the discussion with comments about the role of Western NGOs in Asia, stating that the "role of Western NGOs in Cambodia was crucial" as the long period of civil strife had created a vacuum that Cambodian NGOs could not fill. In fact, he said, it was almost as if there were "two parallel governments"—the transitional government and a government of Western NGOs. Until Asian NGOs develop the capacity to fill such a vacuum in similar situations, Western NGOs must continue to offer support.

Next, a participant from India highlighted the amount of Asian anger generated by what he called "eco-terrorism," citing the specific example of current conflict affecting the construction of an Indian dam. According to this participant, many Indians feel that the dam will improve their quality of life, but even so its construction is being held up by foreign NGOs. Moreover, as a result of the hold-up costs are rising. While acknowledging that the West has taken a positive leading role in international civil society, as demonstrated by its leadership of the anti-land mines movement, he emphasized that the Indian dam conflict represented something entirely different: a problem created, as opposed to solved, by the West.

A participant from Japan continued the discussion of Western models of civil society and Asia by raising the possibility that governance and

civil society have unique meanings in each Asian country but have more or less the same meaning throughout Europe and the United States. If this were in fact the case, he suggested that it might be easier for Asian nations to import a Western model of civil society rather than to develop modes of their own.

To this proposition, a participant from the United States responded that vastly different models of civil society exist both within Europe and the United States. She pointed out, furthermore, that Western civil society influences Asian civil society more directly in other ways than in its capacity as a model. Here, she noted the large number of Western-based foundations in Asia—what Kortunov called the “comprador NGO” class—and reminded that official aid from Western governments also goes to grass-roots NGOs in Asia. Given the importance of these financial sources from the West, she asked, “What would be the state of civil society in Asia if Western aid and government support disappeared today?”

A Russian participant responded that the results of such external aid are “enclaves of integration,” and that these “pockets” of aid recipients are more attuned to the transnational system than they are to their neighbors in their own countries. He cautioned that one negative aspect of these pockets is that they are seen as being under the influence of external powers.

Legitimacy and Accountability of Civil Society Organizations in International Governance

A participant from the United States questioned the source of legitimacy for international NGOs, relating this query to the issue of whether or not Asian NGOs are the extension of Western NGOs or the legitimate representatives of local sentiment. In general, when international NGOs simply deliver services, their legitimacy is not questioned: problems only arise when they advocate policy change. This participant then raised the related issue of accountability, once again using the anti-land mines campaign as an example. ICBL won its fight, but the U.S. secretary of defense is accountable for the safety of American soldiers abroad, including the lives of the 40,000 U.S. forces in South Korea. If the secretary of defense is wrong, he is accountable; but if ICBL was wrong and as a result U.S. soldiers die, who is accountable?

A participant from the United Kingdom agreed with the assertion that the legitimacy and accountability of NGOs in international governance

are important issues, especially as "NGOs are not democratically elected." Regarding accountability, he noted that the ICBL might be a one-off success story, and that other issues, even in arms control, can be very complex and take years for states to negotiate. Next, this participant made a distinction among different kinds of NGOs. Monitoring NGOs, such as Amnesty International, do not have legitimacy problems, nor do humanitarian NGOs, such as Doctors Without Borders, "who just go in there and save lives." On the other hand, many NGOs are politically oriented or have special interests, he noted, and the ascent of these may or may not be a good thing. Here this participant referred to the point made earlier that think tanks should measure their success by the impact they have on policy change. All think tanks have political views; thus, if we want the "democratic process to succeed, don't we also want elected politicians to make policy?"

Next, an American participant spoke directly to the issues of accountability and legitimacy for international civil society. She first suggested that perhaps ICBL is really a case of "the tail wagging the dog," pointing out that even though the ICBL outcome was good, the process that produced it may not always work. Next, this participant noted that the concept of civil society is a product of the Scottish Enlightenment, when civil society was seen as the appropriate place for people to discuss and reach a consensus on what is moral and right. This rationalist approach, then, is what civil society leaders implicitly consider to be the basis of their legitimacy. She concluded by cautioning that for international civil society, the government to which one is accountable is not necessarily the government of the people whose lives one affects.

A participant from Japan at this point recalled that China's entry into the UN was discussed at the 1967 Shimoda Conference. After the conference, according to this participant, he was personally criticized by someone from the Ministry of Foreign Affairs, who questioned the right of NGOs to discuss such things. This participant concluded by expressing his belief that the legitimacy issue will be alive for a long time.

Next, a participant from the United States cited World Jewish Congress testimony before the UN Human Rights subcommittee in 1951 that NGOs "represent elements of international public opinion." Insisting that this was not only true but also what legitimated the existence of NGOs, this participant said that at the same time, think tanks also have a role in generating public opinion and there is nothing wrong with this. Another American participant responded that although legitimacy may indeed

come from international public opinion, for the time being so-called international public opinion basically means Western public opinion.

A participant from Germany questioned the right of NGOs to take problems and make them issues. He added that such NGO activities impinge on culture, too, and cited the example of female genital mutilation in Africa. In the coming debate on the future role of civil society organizations, discussion must take place on where involvement is legitimate, he proposed, further noting that this process will inevitably hinge to some extent on non-Western cultural ideas.

Track Two Diplomacy in International Governance

A participant from Japan observed that track two negotiations are important in the Asian region because they are, in his view, a basic element in community-building and also a precursor to many government actions. A participant from the Philippines supported this position with a few examples. The track two activities of the ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS) were instrumental to the establishment of the ASEAN Regional Forum as well as similar track two activities to the progress made in Asia-Europe cooperation. This participant also cited ASEAN-ISIS's letter-sending campaign in response to the proposed inclusion of Myanmar in ASEAN, claiming that the campaign had the desired effect of convincing ASEAN that such a move could damage its internal unity and external credibility.

A participant from the United States mentioned the role of both think tanks and civil society in track two negotiations, emphasizing their key role in Kyoto both in bringing actors together in preparatory meetings and in resolving sticking points during negotiations. Another American participant responded that although ASEAN was conceived by ASEAN foreign ministers in the hire of governments, AFTA was first percolated by civil society groups.

Describing an example of an Asian civil society organization's attempt to contribute to improved international governance, a participant from Malaysia noted the Institute for Policy Research's promotion of policies of constructive intervention in Laos and Cambodia two years ago. Such a proposal went against the ASEAN countries' policy of nonintervention, yet the institute pushed hard for the idea. In the end, of course, the institute was unable to win acceptance for the proposal. This participant

concluded by wondering if the coup of July 1997 did not occur partly because Cambodia did not get the help it needed.

A participant from the Philippines agreed that think tanks in general have oftentimes had difficulties convincing governments to adopt the international policy positions advanced by civil society. On the other hand, she continued, think tanks seem to have had a relatively large influence on ASEAN, although clearly some efforts have failed. Here, she cited the example of a think tank in the Philippines that prepared and submitted a memorandum on what ASEAN should do after UNTAC (United Nations Transitional Authority in Cambodia), concluding that if parts of this proposal had been followed then perhaps July 1997 could have been avoided.

Even though Western governments abandoned Cambodia after the Paris Treaty, a Malaysian participant stated, Western NGOs continued to play an important role in many ways. He noted, however, the perhaps destructive decision on the part of some governments to support elections rather than human rights, interpreting this as a setback to NGOs as well as democratization.

Future Role of Civil Society Organizations in International Governance

The strong impact of UN international conferences, which derives from the participation of national governments, was emphasized by a participant from the United States, who further pointed out that these conferences have tended to encourage the creation of NGO networks. Although the World Bank is open to input from NGOs, it can hardly be said to represent their positions, he clarified, as opposed to the International Labor Organization, for example, which has a system of representational decision-making involving business, labor, and government.

A Japanese participant added that the United Nations Conference on Environment and Development was a watershed for the NPO movement, evidence that the UN can contribute positively to the development of civil society organizations.

The quickening pace of decision-making on future international agendas was cited as a problem for NGOs by another participant from the United States. He offered the example of some U.S. NGOs being opposed to a European Union–United States free-trade area for the simple reason

that they have too much on their plates already, concluding that civil society must avoid becoming just a naysayer.

Another American participant remarked that ICBL is indeed a case of the tail wagging the dog, asking in turn whether the tail is representative of the dog. He noted that NGOs have produced global change before, citing the antislavery movement of the nineteenth century and the Opium Conventions at the end of the same century, which were driven by global temperance movements. The corollary—that straightforward issues involving innocent victims and commercial profiteering are the most effective galvanizers of public sympathy—suggests that child labor, child prostitution, or child soldiers were likely candidates for successful NGO action.

Another participant from the United States posed the question of which issues should be at the top of the international agenda, indicating several possible candidates, including climate change and the trade in small arms, which obviously kill more people than nuclear weapons but which attract scant international attention.

Proposing a different agenda for civil society organizations, a participant from India reminded the audience of the hundreds of millions of people in dire poverty throughout the world. Bearing this in mind, he called on international civil society to ban nuclear weapons and to end poverty, stressing that “we can do this. Let’s put it on the agenda.” A British participant denied the possibility of the banning of nuclear weapons, remarking that even though it is a straightforward issue the ICBL method will not produce effective action. Instead, he maintained, nothing will happen until the key national governments decide to act, at which point the UN will take the lead. Finally, a participant from the United States expressed his belief that there is a chance for a successful NGO movement to eliminate absolute poverty, as defined by the World Bank.

Yamamoto concluded the discussion by noting that civil society guarantees an improvement in the quality of the debate, and that this conference had definitely made a contribution in that respect. Observing that issues related to globalization, governance, and civil society will continue to be important in the future, he stressed that this conference had offered an important new perspective by including Asian views on these issues. Finally, Yamamoto admitted that the questions addressed were far too big for one institution alone to handle, concluding that the task required nothing less than a network of civil society organizations.