Emerging Market Democracies: East Asia and Latin America is the fruit of a conference held in Santiago in November 1999 under the auspices of the National Endowment for Democracy, the Taiwan-based Institute for National Policy Research, and the Santiago-based Centro de Estudios Publicos. The book seeks to answer an important question: Amid globalization, are shifts toward both democracy and the free market ongoing in Latin America and East Asia? Put briefly, is there a trend toward ‘convergence’ in the two regions? The answer advanced in the book is yes – at least in general and for the moment.

In the introductory chapter, editor Laurence Whitehead is relatively optimistic that both economic and political liberalization will continue. At the same time, he highlights important differences between the two regions. He emphasizes the greater international creditworthiness of East Asia, enabling most nations in the region to eschew privatization and maintain close state–business relationships amid long-term development strategies. At the core of Latin America’s negative reputation, he suggests, is the egregious social inequality in the region that often provokes grassroots protest and instability. Whitehead also points to the greater urgency of national security issues in East Asia, which at times overrode pressures for democratization in the region. In the concluding chapter, written after 11 September, Whitehead is more pessimistic, underlining that the US government had been a key impetus behind economic and political liberalization, but is now less focused on these goals.

The book’s central question is rigorously addressed in the chapter by Francis Fukuyama and Sanjay Marwah. While interesting for scholars, the chapter is also accessible to undergraduate students. Incorporating precise information on per-capita GNP, economic growth, and democracy in the two regions, Fukuyama and Marwah point out that, although many Asian governments were as interventionist as in Latin America, East Asian economic performance was superior; by contrast, Latin America has been more democratic than East Asia. Various explanations for these differences – cultural, institutional, and international – are explored. Fukuyama and Marwah also argue that, while East Asia remains superior in economic performance to Latin America and Latin America remains superior in democratization, the gaps are narrowing.
In another particularly valuable chapter, Ayanya Basu and Elizabeth M. King compare educational trends in the two regions. They show that access to education has expanded dramatically in both East Asia and Latin America; primary education is now virtually universal in both regions. However, the quality of education, as measured primarily by students’ scores on standardized tests, appears superior in East Asia. Still, the authors believe that economic policy, not education, is the most important factor in East Asia’s higher economic growth rates.

A third chapter that directly compares the two regions is Sylvia Maxfield’s on capital flows. Maxfield challenges the conventional wisdom that unregulated financial flows often provoke financial crisis. She suggests that freer financial flows may have positive implications for democracy. The chapter is barely more than ten pages, however, and Maxfield’s argument is not fully developed.

The other chapters in the book focus solely on one region or the other, primarily with respect to state–business relations. Three of the chapters analyze state–business relations in East Asia. The first, by Stephan Haggard, describes the political and economic implications of the 1997–99 Asian financial crisis. Examining six administrations in four East Asian nations (South Korea, Thailand, Malaysia, and Indonesia), Haggard shows that the crisis intensified pressures for democracy and transparency in state–business relations, as well as pressures for ‘social safety-net’ programs.

The second, by Tun-jen Cheng and Yun-han Chu, describes state–business relations in South Korea and Taiwan. Cheng and Chu discuss the distinct trajectories in the two nations in recent decades. Cheng and Chu believe that, until recently, the strong state in both nations was able to work with private business to forge effective and innovative economic policies. They worry that, amid democratization, the state has weakened and the business elite has become too powerful.

An alternative view is advanced in the third chapter by Gordon Redding. Redding believes that, for cultural and moral reasons, the state will remain strong in East Asia; unfettered free-market capitalism will not be allowed. Entitled ‘Alternative Systems of Capitalism’, this chapter is highly abstract.

Eduardo Silva provides the only chapter on state–business relations in Latin America. Like Cheng and Chu, Silva is concerned that the power of business in Latin America’s democracies has become too large. He discerns a ‘truncated or incomplete Latin American style of pluralism’ – a style that does not include other social groups. Silva describes the evolution of state–business relations in Argentina, Mexico, Brazil, and Chile, but unfortunately his analysis is somewhat dated; for example, predating the Argentine financial crisis, Silva is too positive about its economic record.

Today, most scholars of comparative politics agree that informed cross-regional analysis is imperative. This book is a good start for cross-regional analysis of the political economy of East Asia and Latin America. The central theoretical question in the volume is most appropriate, and the chapters are informative.

Still, as the contributors to this volume would readily acknowledge, much remains to be done. Most of the contributors to this volume are experts on East Asia or Latin America – not on both. Scholarship based on cross-regional field research continues to be the exception. In the future, state–business relations in the two regions could be addressed, for example, through comparative analysis of approval and implementation of a specific economic policy salient in both regions. Also, the topic could be addressed through comparative analysis of relations with the state for specific companies operating in both regions. Further, for a volume with a major
focus on democratization in East Asia and Latin America, data-rich cross-regional scholarship on public opinion, civil society, and political institutions would be invaluable.

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Since its ‘discovery’ at the outset of the 1990s, the literature on globalisation has burgeoned. The first enthusiasts, such as Kenichi Ohmae or Walter Wriston, forecast the end of the nation state, clearly an overwrought claim. But the view that the state was constrained by its new external context attracted increasing support. In the Anglo-American political economy literature, this argument was developed by such scholars as Susan Strange, David Held, Philip Cerny, and Robert Reich. The culminating work in this genre was Thomas Friedman’s popularisation, *The Lexus and the Olive Tree*, published in 1999. Friedman wrote of the prosperity promised by engagement in economic globalisation but also of the ‘golden straightjacket’ (based on deference to international financial capital) that was its entry ticket.

Linda Weiss, the editor of this new study, has assembled a noted array of contributors to test these claims. Her own earlier work had focussed on ‘strong’ states, including the developmental states of East Asia (1995) and, later, the distributive states of Europe (1998). She has been a major contributor to the literature on state capacity and her analysis has been distinguished by both scholarly rigour and imagination. These same features mark this present study. Weiss’ first chapter summarises the arguments put by proponents of the constraints school and sets the stage for the empirical studies, which occupy the following 12 chapters.

The rebuttal involves a number of arguments. A first wave of scholarly responses to the constraint arguments challenged the political significance of economic interdependence. ‘Sceptics have shown that economies are still primarily national in scope: around 90% of production is still carried out for the domestic market and about 90% of consumption is still locally produced’ (p. 14). But this is insufficient as a response to the constraints proponents. Detailed empirical tests of the actual strategies of particular states are required.

These tests are embodied in the case studies, which are grouped in three sections. Two explore areas of purported constraint. One involves public spending, particularly in relation to tax levels and welfare spending. ‘Footloose capital’, whether in the form of mobile funds or mobile companies, is allegedly hostile to budget deficits, high taxes, and high welfare spending. But the evidence does not accord with these suppositions. In the first chapter, John Hobson shows that, far from diminishing, corporate tax rates have in fact expanded amongst OECD states. Later, Duane Swank shows welfare arrangements have waxed or waned, depending on a variety of local institutional features not on international pressures. Elsewhere, Ramesh catalogues the domestic pressures to develop social policy that are emerging in Taiwan and Korea.

A secondary constraint on national governments was purportedly derived from the new international regulatory regime that progressively developed to replace the ‘embedded liberalism’
of the post-war order. This new regime, expressed through such institutions as the WTO and the OECD, was said to limit the freedom of manoeuvre of states in the areas of industry, trade, and investment policies. Other chapters test these propositions. Case studies cover financial deregulation in Korea and Taiwan, the development of rules for international derivatives markets by the UK and the US, and India’s on-going adaptation to economic liberalisation. In each case, the room for manoeuvre by governments is shown to be much larger than anticipated by proponents of the constraints school and to be primarily a function of domestic institutional patterns.

In fact, Weiss turns the constraints argument on its head. Economic globalisation can also be ‘enabling’, creating a context in which states extend their powers and capacities. The empirical record shows that this can involve at least three areas. The first is associated with the development of social welfare arrangements. Following Peter Katzenstein’s pioneering study, she notes the larger the exposure to the international economy, the more likely states will have put in place elaborated social policy arrangements. In the present volume the chapters by Swank and Ramesh affirm the continuing vitality of this dynamic. Weiss wonders if, as global economic engagement spreads, the experience of Katzenstein’s ‘small states in world markets’ might be a template for their larger cousins?

A second form of enablement is associated with the needs of business. Commentators as diverse as North (1990), Porter (2003), Hall and Soskice (2000), and Nelson (1993) have pointed to the key role of the state in the provision of the capabilities that are required for business success. Those nominated range widely: national innovation systems, ITC infrastructure, education and skills development, clusters, corporate governance regimes, labour regimes, etc. The point is that these capabilities, essential to business success, are supplied by states.

Part II of six chapters focuses on state roles in competitive adaptation. The countries covered include Thailand, China, France, Korea, the USA and Japan. In a notable chapter on Thailand, Richard Doner and Ansil Ramsay explore not only the imperative for state-led economic upgrading but also the varied features of domestic institutions, which inhibit this outcome. Michael Lorieux explores the persistence of French etatisme through the maintenance of an elite culture despite substantial institutional change. Meredith Woo-Cumings evaluates the contribution of traditional administrative approaches in the achievement of financial liberalisation in Korea. Local practice prevailed over IMF nostrums.

All the chapters in this wide-ranging study are spirited and sharply written. Together they make a convincing case for the book’s central propositions. Globalisation can create new contexts – whether through the development of international markets with new risk patterns or through a reconfiguration of the national competitiveness challenge. But it is domestic political institutions and elite norms that are central to patterns of adaptation: these determine whether states react as though to a constraint or through strategies that enable.

Indeed, whether states follow the ‘enabling’ path seems to depend on three features of their domestic institutions. The first concerns the voting system. More inclusive or enabling responses are evident in states that have proportional systems. A second feature concerns the elite consensus about economic strategy. An elite consensus that favours state action is more likely to produce effective policies. The third feature concerns the structure of the interest group system. Where existing arrangement privilege group–government relations, particularly involving business, enabling responses are more likely to emerge. Weiss concludes by recommending greater attention to domestic institutional capacities. This is timely in part because of the pressures to which states are exposed and in part because of the institutional capabilities that are involved.
The capabilities covered under the concept of an enabling state touch its institutional and normative core. For example, the development of (differentiated) welfare arrangements in Scandinavia and Germany were associated with a major political mobilisation that unfolded over many years and that involved extended campaigning by both political parties and interest groups. Although Ramesh’s chapter points to pressures for analogous outcomes in some Asian states, the scale of the mobilisation and the scope of claims remain unclear. What is happening seems more like a top-down concession than a system-transforming, bottom-up agitation. The political and institutional dynamics in the Asian case invite a detailed comparative analysis perhaps against the background of analogous Western experience (for example, Polanyi, 1944). A comparison might reveal much about the democratic consolidations that are unfolding in Korea and Taiwan.

The development of welfare states, at least in the European context, was associated with regime transformation. The development of policy at the sectoral level involves a narrower kind of politics, although to the extent it draws on an elite consensus it also looks back to larger issues of regime structure and dynamics. Can these ‘enabling’ capabilities be maintained in states where they now exist? Can they be seeded in states where they are absent?

A variety of studies of change in European states indicate the influence of the neo-liberal narrative in contemporary political adaptation, even in states with strong social democratic traditions (for example, Scharpf and Schmidt, 1999; Pierson, 2001). This ideology is hostile to state action. Meantime, according to Peter Mair (1997), the major European party systems increasingly resemble an ideal type he christens a cartel. In this pattern, representation moves from citizens to state elites. He has described elsewhere the populist (and wedge) patterns of political mobilisation that are its handmaiden (2001; also Wilson and Evans, forthcoming 2004). Similarly, Susan Pharr and colleagues (2000) have described the ‘disaffected democrats’ who are its progeny. As a result of institutional change, the outlook for governance in the traditional developmental states of East Asia is also more fluid (Marsh et al., forthcoming 2004), although Weiss’ own chapter in the present volume suggests state capacity remains strong at the sectoral level. For her part, Japan, the paradigm state only a decade ago, remains constrained by problems of domestic adaptation.

These considerations all underline the importance of a focus on domestic institutions. But they also suggest attention to a somewhat wider range of political and social factors. When these are also taken into account, the prospects for enabling action by states may be found to be more problematic than might be suggested by attention only to external contexts (for example, Evans, 1997). But this is to anticipate the outcome of what is, in the book under review, a foreshadowed research agenda. This outstanding study deserves the attention of all who care about the capacities of states and the future of governance.

**References**


The global–local nexus

Clearly, all chapters examine the local dimension of globalization (p. 7). Globalization is understood by Jacobsen as a process of local transformation (Chapter 13). For Friedman, globalization and the spread of democracy must be understood in localized terms (Chapter 4). The global–local nexus can be expressed by one invented word ‘glocalization’. What appears as globalization for some, means localization for many others. Globalization creates an increasing gap between the global and extra-territorial elites and the ever-more ‘localized’ majority.1

Nation-states play complex roles in the process of the global–local nexus. For Lowell Dittmer, Asian states have simultaneously been main actors, enthusiastic globalizers and beneficiaries of economic globalization (Chapter 2). However, in the eyes of Michael Jacobsen the Indonesian state occupies a ‘sandwiched’ position, in which Indonesia is in an intermittent position between the local and the global (p. 245). Ethnic groups, like the Minahasa in eastern Indonesia, actively utilize the various instruments available to them due to the process of globalization as vehicles to create a global politicization of ethnicity and to negotiate with the Indonesian state (Chapter 13).

Almost all of the chapters examine the impact of globalization on local societies, rather than the impact of local societies on globalization. In examining the changing relationships between local political practices and identities and emerging forms of global economy, culture, and polity, one might ask a different and crucial question: To what degree, do local actors and efforts constitute a global practice? How do Asian local actors redefine global political, economic, and cultural standards? We wish that the editors would edit another book, tentatively entitled ‘Globalization from below’, in order to address these important questions that are the other side of the coin of the global-local nexus.

The impact of globalization on democratization in Asia

Globalization has impacts on democratization in different ways and in different countries depending on the specific national context. While it is inappropriate to make a simple generalization, if one word can be used to summarize up the discussion on the impact of globalization on democratization, ‘discontent’ is probably the best candidate. The book expresses Asian discontent with the impact of globalization on democratization. The exception is Hugo Dobson’s chapter on Japan where he argues that ‘globalization has led to an increase in NGOs and NPOs playing an active role as part of, and serving to define, an oft-overlooked civil society in Japan’ (p. 139), and playing crucial roles in creating bottom–up local democratization.

The conventional view holds that economic globalization and liberalization should pave the way for political liberalization and finally democratization. Nevertheless, most chapters offer us different pictures, stories, and arguments. Edward Friedman points out ‘the contradictory forces of globalization as they impact on the promise of democracy’ (p. 72). Through the case of Falun Gong, Vivienne Shue demonstrates that the interactions of the global and the local ‘may lead first to more violence and oppression, before they ever give us freedom’ (p. 226). Shamsul A. B. observes that ‘democracy did not come to Asia or Southeast Asia with globalization’ (p. 193).

Aswini Ray shows us several ways in which globalization has not favored the democratic development in India. The paten regime of the WTO has stoked up the fading embers of India’s postcolonial nationalism (p. 47). Economic globalization has widened regional and sectional disparities and has reinforced the structural imperative towards coalition government, which in turn has added to the difficulties of governing (p. 48). Global campaigns against child labor, for gender equality, and for the protection of environment are creating new problems for export industries (p. 49). Ray also asserts that ‘the number of disaffected, drawn from India’s traditional society in opposition to globalization, are significantly large within the political democracy ’ (p. 47).

In Richard Robison’s chapter on Indonesia he argues that, while the globalization of markets undermines highly Indonesian centralized authoritarian regime, the ‘political pressures emanating from global markets drive a neo-liberal agenda that shrinks from a democracy’ (p. 93), excludes political participation, and transforms decision-making into ‘a technical exercise based upon notions of efficiency’ (p. 109).

Geir Helgesen, in his chapter on South Korea, asserts that commercialized global networks promote the gospel of individualism. He questions the liberal model of democracy being applied in South Korea and argues that liberal democracy is not universal. He also examines the Korean

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search for more indigenous ways as a reaction against globalization, in which Confucian morality is taken seriously in order to set constraints on the individualistic behavior (Chapter 5).

The cases of Vietnam and Laos show that the relationship between democratization and globalization is by no means unidirectional. Vietnam and Laos are trying to combine their one-party systems with a market economy in an increasingly globalized world. As Kristina Jonsson argues 'Globalization may lead to democratization, but the result may also be a shift in power to groups in society that are not interested in democratic reforms' (pp. 127–128).

It is worthwhile to note the interesting insights into the effect of transnational civil society. Anders Uhlin’s chapter on Malaysia and Thailand demonstrates that globalization creates a transnational civil society. However, globalization and the development of a transnational civil society pose dangers for civil society activism and democratic development. ‘The reliance on transnational funding for civil society activities create new dependencies and may even reinforce inequalities within local civil societies’ (p. 163). By contrast, Shamsul in his case study of Malaysia observes that Chinese Diaspora in Malaysia have formed a transnational network that enables them to ‘negotiate with the state over the terms of local and/or cultural sustenance’ (p. 206).

Asian discontent with the impact of economic globalization on democratization is understandable. In essence global market forces are undemocratic, they are more interested in making money than in creating and supporting democracy. The global business class is uninterested in local democracy if it is unfavorable to their invested interests. Capital moves globally with ease, and capital holders can be unified. By contrast, the global flow of labor is restricted by nation-states and global competition creates divisions among the working classes between nation-states. As a result, labor is unable to be unified in its push for labor rights and democratic participation. Economic globalization is accompanied with competition, rationalization, managerial performance systems, job cuts, cost-saving, labor law reform, and the decline of trade union membership and power. All this creates unfavorable conditions for developing democracy. Economic globalization becomes an excuse for governments to squeeze welfare and democracy. Behind global economic rationalization is an emphasis on libertarian freedom and efficiency, not equality or democracy. In an age of economic rationalization, most people don’t have enough time for seriously deliberative democracy.

The strength of this edited volume is its richness, diversity, and variety of case studies. The book is an excellent reference and text-book for graduates and post-graduates in Asian studies and democratic studies.

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In the process of ongoing globalization various new ideas of citizenship are proposed or actually put into practice. For example there are theories of ‘transnational citizenship', by which
citizenship rights are extended beyond the state borders, and in the European Union people are already enjoying ‘multiple citizenship’: the citizenship of the state to which one belongs and that of the EU. Such a situation tends to be regarded as the reflection of new trends that have resulted from the transformation of the international system based on nation states in recent years. But in the case of Britain, which possessed a big empire (later Commonwealth) extending over a quarter of the world, the citizenship structure with multiple citizenships is not a new phenomenon. This is one of the central assertions made by Dr Rieko Karatani in this meticulously researched book, which is based on her Oxford D. Phil. thesis. The reason why Britain has not yet established a citizenship that is based on nationhood can also be sought in the history of the British Empire/Commonwealth.

The present reviewer came to realize the complex nature of the historical background of the British citizenship at the time of writing entries about immigration and nationality acts in Britain for a Japanese encyclopedia of nations and ethnic relations nearly ten years ago. It was intriguing that a clear notion about the British citizenship appeared in the statute book as late as in 1981, when the British Nationality Act was enacted, but at that time the present reviewer did not pursue the problem further, holding the question in abeyance.

Hence this book by Karatani is welcome. It provides a neat answer to those who are interested in this unique case of the British citizenship. According to her the reason for the belated introduction of the notion of citizenship can be traced back to the history of Britain as the center of a worldwide empire, which she calls a global institution. In contrast to the preceding studies of immigration and nationality laws that treated the ‘imperial past’ as the remote background, Karatani places it in the center of her analysis and argues that the immigration and nationality policies in Britain after the Second World War can be understood only in the context of the long-held view about who belongs to Britain: Britain’s formal membership has always been granted in such a way as to encompass inhabitants of the British Empire/Commonwealth and has not been restricted to Britain. In other words the history of Britain as the core of the empire that comprised people of various nations and ethnicities has cast a long and enduring shadow on British policy on citizenship and nationality.

Following the first chapter that introduces theoretical discussion about citizenship, where a useful distinction between three elements of citizenship – nominal (citizenship-as-status), substantive (citizenship-as-rights and citizenship-as-obligations) and functional (citizenship-as-enclosure) – is put forward, Karatani’s historical study starts at the period before the independence of America. The notion of British subjecthood, which was based on allegiance to the Crown and was applied in all the territories within the British Empire, took its shape in the middle of the eighteenth century and was carried into the twentieth century. Though the growth and increasing self-assertion of the Dominions made it necessary to modify the method of maintaining British subjecthood in the early twentieth century and the ‘common code’ about the subjecthood was created for Britain and the Dominions as the result of consultation between them, the basic nature of British subjecthood did not change. Chapters 2 and 3, which deal with the long period from the mid-eighteenth century to the Second World War and elaborate on the persistence of and partial changes in the British subjecthood, can be regarded as the most original and stimulating part of this book.

Compared with these two chapters, the parts dealing with the immigration and nationality policies after the Second World War (Chapters 4 and 5) seem to be treading a more familiar ground, and the author’s interpretation of the meaning of the postwar legislations is not entirely
new. But Karatani’s long historical perspective enables her to explain convincingly why the framework of the Commonwealth citizenship stipulated by the British Nationality Act of 1948 survived the liquidation of the empire and the creation of British citizenship was delayed until 1981. The epilogue which is devoted to the decade leading to the British Nationality Act of 1981 is much shorter than other chapters, and, given the inaccessibility to primary public records for that period, the analysis is less dense than other parts, but for the readers who have followed her historical analysis Karatani’s evaluation of the 1981 Act is convincing: the British citizenship under the 1981 Act was only a nominal one; no interest was shown in defining the holders of substantive aspects of citizenship; and the Act remained silent about what ‘Britishness’ means.

In this way Karatani succeeds in her ambitious attempt to unravel the unique nature of the British citizenship. On the basis of her whole analysis, Karatani argues in the concluding part that alternative types of citizenship, which are different from national citizenship, have historically existed and are too prevalent to be treated as a mere irregularity. Though Karatani herself does not assert that transnational citizenship is preferable to national citizenship, her book encourages those who want to promote transnational citizenship.

It should not be forgotten that in many parts of the world, including former territories of the British Empire, various efforts are being made by those people who want fair and proper treatment within the framework of national citizenship. But such a problem is of course outside the scope of this book and does not diminish the value of Karatani’s work as a valuable contribution to the understanding of the legacy of the British Empire in the realm of citizenship.

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In *Australians and Globalisation*, Galligan, Roberts, and Trifiletti offer a detailed historical account of the development of Australian citizenship and governance, extending the period of research over two centuries to include the colonial era. They not only cover the narrow terrain of the legal aspect of citizenship, such as the rights and duties of citizen, but also extend to the broader social dimensions of citizenship culture and changing ideals of the respective times. The main focus of this book lies on the way successive Australian governments mediated continuous influences of the global forces and, by accommodating these external dimensions, ingeniously constructed citizenship and governance. Throughout the book, they emphasise that Australian citizenship has been multi-dimensional, with Australians being members of supra-national, national, and sub-national communities – the British Empire (later, the global community), the Australian Commonwealth, and the regional states such as Victoria or Queensland.

The book starts by pointing out the current widespread uncertainty about notions and concepts of national identity and citizenship in the face of globalisation. Claiming to take what they call a global perspective, the authors focus on how global matters influence citizens in order to provide a new interpretation of the nature of Australian citizenship. After defining the key
concepts of the book – globalisation, sovereignty, and citizenship – they provide six chapters in chronological order. Chapters 2 and 3 analyse the period before the formation of Australian federation in 1901, Chapters 4 and 5 the pre-World War II period, and Chapters 6 and 7 the post-war period. Each chapter then alternatively discusses the external affairs of how governments mediated with global forces of the time and the internal politics of how in consequence citizenship was shaped and reshaped.

In sum, for Galligan and et al., ‘Australia has never been an autonomous sovereign nation-state, but has always been a collectivity of political communities that have shaped and been influenced by international forces’ (p. 5). They reject the dominant view on Australian citizenship in the wider literature. The traditional interpretation expresses the concern that ‘the inroads of globalisation on sovereign nationhood’ has led to ‘the confusion about Australian political identity’ (p. 5). Against this view, the authors argue that Australia’s experiences in fact exemplify ‘the paradigm of multiple polities for sovereign nation, and the perspective of complex dependency and interdependency for national autonomy’ (p. 5). In today’s world where the national government cannot ignore the supra- and sub-national polities, Australia’s rich political heritage on, and its successful construction of, multi-layered citizenship and governance should be a big asset in the modern global era.

Citizenship has usually been defined in terms of domestic issues and linked with the formation and existence of the territorial nation-state. Yet, this traditional understanding of citizenship – national citizenship – is increasingly challenged by various types of alternative citizenship. These include multiple citizenship and multi-layered citizenship, such as, for example, that of the EU and of a member state. Some scholars even argue for the emergence of ‘cosmopolitan citizenship’ on the basis of a shared belief and understanding which transcend state boundaries. Against this background, Australians and Globalisation is a valuable addition to the debate on the meaning and role of citizenship in a contemporary era. It has the following three main contributions.

First, in spite of an explosion of interests in globalisation, its impact on national citizenship needs further research. This book provides a solid historical example of non-national citizenship as a concrete illustration in an often abstract and philosophical debate. In so doing, on the one hand, this work proves to the sceptics of non-national citizenship that multi-layered citizenship is not a novel phenomenon but has various historical examples, Australian citizenship being one of them. To the advocates for ‘cosmopolitan citizenship’, on the other hand, the case of Australian citizenship suggests that multi-layered citizenship is likely to be created from above through government decision, not from below as these advocates claim. They usually view EU citizenship as an embryonic case of cosmopolitan citizenship which emerges from below among ‘like-minded’ fellows irrespective of national boundaries. However, whether EU citizenship will develop into cosmopolitan citizenship is still highly questionable. Second, in relation to the above point, the authors demonstrate that future research on citizenship should pay more attention to the political structure of the state and its impact upon the form of citizenship. Citizenship can be forged, without being completely bounded to the nation-state, to entail multiple memberships and loyalties, for example, within the empire or the federal state.

Finally, the extended historical approach of this book makes a significant contribution not only to our understanding of Australian citizenship but also to British citizenship. Unlike previous works which largely ignored the pre-federal era, it is in this era when the complex system of layered citizenship evolved within the British empire. Then, a national overlay was
added to the existing imperial and local membership. While Australians were skilfully creating their own concept of citizenship, that of British citizenship was at the same time forged within the British empire, and later the Commonwealth. The ‘fuzzy’ nature of Britishness has been a topic of academic research in Britain, but the impact of the British empire and the Commonwealth upon the development of British citizenship has barely been explored but treated as background information. This study thus adds another angle, and, as a result, Britain’s imperial heritage in the formation of its citizenship can be properly examined.

_Australians and Globalisation_ is not without its limitations. Its usage of the term ‘globalisation’ is not completely convincing; at worst, misleading. It is highly debatable whether, as the authors seem to claim, imperial extension, technological innovation, neo-liberal economic forces, and powers of international laws and institutions are all globalisation in different forms. Moreover, the book hardly discusses British imperial government’s policies on citizenship. Although Australian colonial government possessed greater extent of autonomy than, say, its Indian counterpart, in the field of citizenship and immigration, Australian citizenship still remained subsidiary to British subjecthood until 1948.

Nonetheless, these are minor points compared with a fresh view which the book presents on Australian citizenship in particular and on contemporary citizenship in general. Once put through the global perspective, Australian citizenship and its multiple dimensions turn out to be the strength of the country, not the sources of anxiety. The rich historical survey of this book is also useful for the advancement of theoretical debate on contemporary citizenship.

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The waves of globalization are washing ashore everywhere, and governments and people are feeling the pressure to adjust their ways of life. Japan is not an exception. This intriguing book by scholars of Japanese political economy argues that the way Japan has adapted to those globalization pressures from the 1990s through to the present are unique. By introducing the notion of ‘permeable insulation’, the contributors of this edited volume explain how various aspects of Japan’s political economy, ranging from strategic industrial policy to external economic policies (macroeconomic, trade, and investment) are evolving. By ‘permeable insulation’, they define, ‘is Japan’s attempt to manage the process of globalization by differentiating its speed and reach by political issue-area and economic sector’ (p. 4). The authors argue that this is Japan’s proactive response to globalization by, on the one hand, shielding certain domestic interests from full competition through restrictive practices (insulation). On the other hand, however, the strategy allows other sectors that need more freedom to break free from the fetters of domestic protection (permeable) by less inclusive or binding policies (p. 7).

After a brief introduction by Schaede and Grimes, the book provides the readers with a well-summarized overview of the evolution of Japanese policy environment of the past decade.
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under changing global challenges and domestic political and economic constraints (Chapter 2). Then the main chapters are clustered into two parts; International Political Economy (IPE), and Domestic Political Economy. On the IPE side, Grimes (Chapter 3) argues that the recent push by the Japanese government to increase the use of the Japanese currency, the yen, in Asia (internationalization of the yen) came about because of the government’s desire to insulate the regional economy from international market threats (p. 55). Pekkanen (Chapter 4) focuses on the WTO and Japanese trade strategy, and indicates that Japan has begun to use the newly introduced WTO dispute settlement system ‘as both a “shield” for controversial domestic policies and measures, and as a “sword” with which to challenge its trade partners’ (p. 78). Turning to foreign direct investment, Solís (Chapter 5) argues that public FDI credit policies in Japan have targeted uncompetitive domestic firms and promoted their internationalization under adverse market conditions. Nelson (Chapter 6), conversely, focuses on Japan’s competitive electronic and automobile industries to examine how those multinational firms led the process of globalization in the 1990s, through their FDI activities and overseas production networks.

In the domestic context, Elder (Chapter 7) examines the transformation of the infamous MITI (Ministry of International Trade and Industry, renamed and reorganized in 2001 into the METI, Ministry of Economy, Trade and Industry) from a ministry full of ‘insulative’ and sector-specific protectionist policies to that of ‘permeable’ and general policies, policies which are potentially beneficial to various sectors (pp. 161–162). In the area of domestic economic reform, Schaeede (Chapter 8) asks why, after 20 years of continuous deregulation, the Japanese market continues to be dominated by Japanese firms. Her analysis to the question focuses on the ‘self-regulation’ among firms that ‘began to structure their own restrictive rules of market entry, limits to competition, and other means to deter entry by new competitors’ (p. 193). Finally, Ahmadjian (Chapter 9) looks at challenges of corporate governance in Japan, and predicts that its basic objectives to reflect interests of shareholders on the management by controlling managers’ actions continue to face resistance from the Japanese management, despite legal changes.

All the chapters and the editors of the book deserve high praise, because the book successfully avoided both ‘disjointedness’ and ‘uneven quality’ among chapters, both of which are customary criticisms received by many edited volumes. The book shows a well-coordinated effort among the editors and contributors to define clearly the framework of the book, ‘permeable insulation’, and create incentives for the contributors to produce high-quality chapters. All of the chapters, without exception, are substantively and analytically interesting and up to date. I would recommend this book as a good text for advanced undergraduate classes, for it introduces many essential elements of transformation in Japanese political economy in the past decade and beyond. In addition, I particularly liked the fact that both political scientists (political economists) and business scholars have contributed to this volume and covered both public and private dimensions of the multi-dimensional challenges faced by Japan.

Although the book is definitely of high quality, I would like to raise two major elements of dissatisfaction. First, the concept ‘permeability’, which is fundamental to all the chapters, should be used more systematically across the chapters, otherwise the concept confuses more than it clarifies. In some cases, the concept of permeability is used to describe the consequences of policy reform and liberalization (Grime, Pekkanen, and Schaeede). In this case, permeability illustrates global forces penetrating domestic economic arenas. While in other cases, the concept is used to
depict political maneuver by certain sectors or in certain issue areas that influences the Japanese government (Solís, and Nelson). Here, then, the concept of permeability is used to mean that the policy-making process is being influenced by domestic or international actors. Obviously, both aspects are important, but it might make sense to distinguish and analyze how ‘permeability’ functions in various issue areas or contexts.

Second, I would like to see each chapter probe more the factors behind this managed globalization observed in Japan. The book currently concentrates on the question of how this holds, but it would be quite intriguing for the book to systematically address the question of why Japan has experienced the emergence of such ‘permeable insulation’. Is this a rational reaction against external forces, or is there any cultural trait that makes Japan respond in such a manner? Did this arise from institutional stickiness, or was it driven by Japan’s political structure? Then, we can all think about what this managed globalization will imply, as Japanese economy gets exposed to more globalizing pressures in the near future.

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Observers of Japanese agricultural policy and of the trade disputes to which it has often given rise will be familiar with the frequently-used Japanese defence that ‘American farmers receive lots of state help too’. As Adam Sheingate points out, as the starting-point for his book, political scientists studying the United States have also typically argued that American-style political structures – characterised by such features as the division of powers, relatively weak parties but strong individual politicians and influential local interests with their eyes on the pork barrel – provide an ideal context for ‘policy capture’ by organised interest groups, such as those that represent farmers. Sheingate argues that one way to test this argument is to compare the process of agricultural policy-making in the US with those of two other countries – France and Japan – that are characterised as possessing the kinds of centralised political structure held to enhance the capacity of the state to insulate itself from interest-group power. In fact, French and, especially, Japanese farmers have achieved significantly more state support and protection, and have been more successful at resisting attempts to reduce state spending on agriculture, than their US counterparts and Sheingate’s purpose is to demonstrate, by means of his comparative framework, how, contrary to expectations, the structure of US political institutions has actually proven to be less favourable to interest-group power than has been the case under the rather different French and Japanese systems. In this way, he takes issue both with economic explanations of the rise of agricultural protection and non-institutional political explanations based on, for example, the electoral over-representation of rural areas.

Sheingate’s method involves a chronological account of the stages in the development of state intervention in agriculture, juxtaposing the three countries, although with considerably
more attention paid to the US. He argues that, in the nineteenth century, the decentralised US system was more effective in providing promotional support for agriculture at the local level than were the more centralised French and Japanese ones, although here the comparison with Japan is perhaps least satisfactory, given the nature of agriculture and its role in the economy in late-developing Japan, compared with the much more advanced economies of the USA and France at the time. Thereafter, however, as the goal of policy shifted, in all three countries, from the promotion of output expansion to protection and income support for farmers, the scope offered under the French and Japanese systems for the ‘corporatisation’ of relatively unified farmers’ organisations as, on the one hand, powerful representatives of agricultural interests at the political level and, on the other, the arm of bureaucratic intervention in agriculture, produced significantly more effective state support. Later, though, when policy priorities reversed and the goal became one of reducing the burden of agricultural support on the budget, the division of US farmers’ organisations along product lines and their consequent inability to deliver significant electoral support to politicians combined with the institutional features of the US system to enable urban and non-agricultural interests to exert greater pressure towards retrenchment than was possible in either Japan or (by now EU-member) France. Sheingate therefore concludes that state capacity to intervene in agriculture is significantly influenced by the structure of political institutions in ways which shift with the changing nature of policy goals.

This is essentially a book about US agricultural politics, with the case-studies used simply to test a hypothesis about the nature of interest-group power in the US institutional context, and it is easy for the area specialist to find fault with the limitations of the discussion on Japan. For example, Sheingate takes little account of the economic and technological underpinnings of agricultural interest-group power outside the US context – in Japan (though not, it has to be said, in France) the fact that agricultural policy has been able to operate predominantly through interventions in the market for one crop, which almost all farmers grow, surely enhances the capacities of both the state and those who represent farmers. The small-scale and part-time nature of farming in Japan, relative to France, let alone the US, strengthen both the need for protection and the reliance on the agricultural co-operatives to ensure it. The theory of the ‘developmental state’, which argues that the whole approach to the role and mechanisms of bureaucratic state intervention in the economy is different in East Asia from that in the Anglo-American world (with France perhaps intermediate between the two), is not considered.

However, although no-one with even a passing acquaintance with Japan’s political system would start from the assumption that its centralised nature means interest group power is restricted, Sheingate’s comparative framework and use of political-theory concepts do generate ideas that Japan specialists will find interesting and might take further. For example, they suggest that the rather streamlined institutional structure of politics in Japan, which insulates policy areas and those who have power over them, limits the scope for the shifts in ‘policy venue’, which, Sheingate argues, provided opportunities for other interests to influence agricultural policy in the context of the much more diffuse US system. Equally, Japan’s political institutions appear to have operated against the emergence of the ‘entrepreneurial politicians’ who took up consumer interests and environmental concerns in the USA. Hence, although Sheingate’s potted history of Japan’s agricultural policy-making will not tell Japan specialists anything they did not already know, his comparative description is valuable in identifying and providing tools for analysing
phenomena that are often taken for granted. At the same time, his historical and institutional analysis provides an explanation for the persistence of high levels of agricultural support in both Japan and the EU, which continues to pose a puzzle for other approaches. Unfortunately, though, it does not provide grounds for optimism that the ‘agency capture and policy sclerosis’ that have bedevilled attempts to devise a future for Japanese agriculture can easily be overcome.

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