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Mark Beeson

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ASIA'S DISPARATE POLITICAL ECONOMIES AND PROSPECTS FOR TRANSNATIONAL "CONVERGENCE"

MARK BEESON

Orthodox accounts of regional institutional development often stress the importance of establishing a transnational regulatory framework within which capitalist development can occur. Such accounts generally fail, however, to consider either the different forms of corporate organisation found across nations or the specifics of national political systems. There is generally an implicit assumption that national differences are either of minimal significance, or that a process of "convergence" is occurring toward a western-style, liberal-democratic end-point. This paper challenges these assumptions and suggests that attempts to establish legalistic, rule-based trade regimes like APEC will be difficult, especially where they threaten existent political structures or distributional coalitions. Moreover, it is suggested that if "convergence" does occur, it is not inevitable that it will be in the direction of greater democratic reform and political freedom.

Introduction

Francis Fukuyama's influential and much-cited work *The End of History and the Last Man* gave sophisticated expression to what is, especially from an Anglo-American perspective, an intuitively appealing idea: human history is teleological and its end-point is the liberal democratic state. More specifically, Fukuyama argued that "Asia's postwar economic miracle" confirmed not only the general efficacy of capitalist development when "play[ed] by the rules of economic liberalism," but also that such development ultimately led

to increasingly democratic forms of political representation.¹ These are suppositions that have informed the policy initiatives of powerful international actors like the World Bank, and which have been embodied in increasingly important institutions like the Asia Pacific Economic Cooperation (APEC) forum. In such bodies it is assumed that economic development is a technical process revolving around questions of "governance," which will ultimately bring political emancipation in its wake; institutions like APEC can provide a framework within which the specifics of economic reform may be promulgated and mutually beneficial international cooperation fostered. In short, there are optimal and universal solutions to the problems of economic development and political management towards which all nations inevitably converge.

Beguiling as such an idea may be, there are formidable obstacles to its realisation. Despite the discursive dominance of neoliberal ideas in international fora, the sorts of market-oriented economic reforms that have swept countries like the United States, Britain, and Australia are unlikely to be enthusiastically taken up by the nations of "Asia." A closer examination of individual Asian economies and their associated political formations reveals that there are significant sources of potential resistance to the sorts of policy initiatives proposed by institutions like APEC. Although there is no intention of considering the specifics of APEC here,² a useful frame of reference can nonetheless be provided for a wider exercise in comparative political economy, as APEC encompasses what I shall suggest are disparate and possibly incompatible forms of economic and political organisation. A consideration of the political and economic diversity evident amongst APEC's Asian members calls into question the implicit notion that, when it comes to international economic reform and regime formation, all that is required is the provision of an institutional framework in which appropriate norms and rules may be inculcated.

In what follows I shall outline some of the distinctively different patterns of economic and social relationships that underpin capitalist structures in Asia. I shall suggest that the manner in which economic life is organised within nations constrains and delimits possible outcomes, making any transition to alternative models problematic. Indeed, where existent economic and political relations are perceived

to confer a competitive advantage on firms or nations in an increasingly internationalised economy, then this may entrench *divergence* rather than *convergence*. This contention is illustrated in the first section of the paper which details the distinctive pattern of Japanese corporate activity, and the way in which Japanese investment in Southeast Asia in particular is entrenching a very different form of capitalism to that which finds idealised expression in Western economic discourse. Following on from this I consider the varied forms of political organisation found in the region. Particular attention is paid to the role of organised labour, as it provides an important measure of both economic development and political emancipation. The approach in the second section is, of necessity, broad brush and somewhat impressionistic. The examples cited, however, are in themselves generally uncontroversial. The intention here is to marshal them in support of a wider claim: there is little convergence upon an idealised market-based, Anglo-American model of capitalism and liberal democracy; if anything, there is the potential for increasing divergence.

Divergent Forms of Economic Organisation

As economic activity has become increasingly internationalised it has become commonplace to observe that this has led to a concomitant diminution of state sovereignty, especially with regard to the construction of autonomous economic policy. This idea has been reinforced by, and achieved its fullest expression as part of, a generalised “globalisation” thesis. There is no intention here of attempting to review or critique this voluminous literature. For my purposes it is significant because it has added weight and theoretical credence to the notion that national difference - be it at the level of national policy-making, or at the level of individual firms - is increasingly irrelevant.³

Before considering the specifics of capitalist organisation within key Asian economies it is worth briefly noting a couple of relevant and important caveats to the general globalisation theme. First, even in the financial sector, which is generally taken to be resistant to national regulation and systematically undermining the possibility of national difference, there is nothing inevitable or “natural” about this process

if, indeed, it is occurring. On the contrary, the emergence of an internationally integrated financial system stemmed from political decisions taken by authorities in key states, particularly the United States of America.⁴ Moreover, banks and other financial institutions are crucially dependent on *national* regulatory environments and “must identify [with a] piece of territory they call home.”⁵ Second, as Hirst and Thompson point out, globalisation may provide the discursive legitimation for an attack on established labour rights and social welfare provisions in the West as the inevitable concomitant of increased Asian competition.⁶ The implications of this observation will be taken up later.

Of more immediate significance is that despite the internationalisation of economic activity, striking differences remain in the organisation of capitalist production across the globe. This is nowhere more apparent than amongst APEC’s disparate membership, which encompasses not only vast differences in levels of economic development, but which also contains distinctive modes of economic organisation. The ideational dominance of policy advisers and officials oriented toward Anglo-American economic ideas has, however, generally caused such differences to be neglected, especially by non-Asian members.⁷ That such differences matter and have the potential to obstruct progress toward the sorts of harmonious, mutually beneficial future envisaged by advocates of APEC is evidenced by the continuing trade disputes between the United States of America and Japan - the grouping’s most important economic actors and the embodiment of different economic paradigms. Japan is the pre-eminent exemplar of a different style of Asian capitalism, an examination of which reveals that convergence towards the sort of model preferred by advocates of Anglo-American-style capitalism is unlikely to occur. Indeed, the competitive success and structural dominance of Japanese capital throughout Asia may mean that the potential for divergence is, in fact, becoming greater.

Japanese Capitalism

The idea that capitalist development involves a degree of evolution towards an increasingly more efficient and, by implication, narrowly

conceived end-point is a seductive one. Certainly, Lazonick persuasively argues that firms - currently the principal agents of capitalist spatial expansion and development - have gone through distinctive stages of evolution; the shift from American-inspired managerial capitalism to Japanese "collective capitalism" being of greatest contemporary salience.⁸ The teleological implications of this schema notwithstanding, it is clear that there is no inexorable path towards more "efficient" modes of organisation based on the assumptions of Western neoclassical economics.⁹ Indeed, it has been suggested Japan's economic success makes the adoption of "lean production" techniques by American companies an inescapable reality if they are to maintain competitiveness.¹⁰ Whatever convergence is occurring, therefore, is not necessarily in the direction of suggested by orthodox Western economics.

The idea that the techniques which underpin the commercial success of firms from a particular nation may be unproblematically adopted by rivals from another - a notion implicit in the convergence thesis - is an unconvincing one. It neglects the importance and specificity of the distinctive social relations and institutions within which firms are embedded, and which are a significant determinant of their corporate strategies. It is easier to grasp the importance of this wider socio-economic framework if it is considered as, to borrow Ruigrok and Tulder's term, an "industrial complex."¹¹ An industrial complex includes an array of actors that impinge on the organisation of economic activity within nations, including core firms, their distributors and suppliers, workers, financiers, and governments, be they "home" or host. It is this complex, historically contingent array of interacting factors that determines the dominant form of production within nations. In the United States this has crystallised in a form of "micro-Fordism," while in Japan it has developed into "Toyotism" or "glocalisation."¹²

Awkward as some of these neologisms may be, they serve to remind us of the importance of national difference, particularly in the case of Japan's distinctive economic structures and institutions. Many of these qualities are by now well-known, but merit brief recapitulation for several reasons. First, they demonstrate quite how different some variants of capitalism in Asia actually are. Second, Japanese

corporate capital is exerting an increasingly significant influence throughout Asia, effectively circumscribing possible forms of development in many of its neighbours. Finally, and somewhat surprisingly, despite a good deal of academic interest in Japanese capitalism and its regional expansion, little attention appears to be given to such differences in institutional fora like APEC.

Two aspects of Japan's political economy are especially noteworthy here: the structure of Japanese corporations and the relationship between business and "government." The government of Japan is, of course, (in)famous for the comparatively ineffectual role of its political elites, with effective decision-making residing in the hands of bureaucrats.¹³ It has become fashionable to suggest that the role of the bureaucracy in Japan has become less important in light of the partial deregulation of the Japanese economy and a general public disenchantment with incompetent and unaccountable public officials. Certainly, financial liberalisation has allowed Japanese companies to raise capital on international financial markets and consequently diminished the leverage of institutions like the Ministry of Finance (MoF). But it is important to recognise that the MoF remains in control of Japan's budget - a position that confers considerable influence,¹⁴ and that the liberalisation that has occurred has generally been at the behest of key domestic economic actors, and not the result of some inevitable process of convergence.¹⁵ The point to emphasise here is that the distinctive patterns of relationships within the Japanese political economy which have underpinned its remarkable development in general and its industry policies in particular are unlikely to be quickly transformed,¹⁶ especially where they continue to deliver benefits for Japanese corporations.

The Japanese corporations which have played such a crucial role in Japan's economic transformation have expanded their operations across the globe and are exerting an especially powerful influence over their regional neighbours. At the heart of Japan's industrial organisations is the *keiretsu* network of intercorporate alliances. Reinforced by cross-shareholdings, coordinated by cooperative company presidents, and spreading across all sections of the economy, they represent "coherent clusters of preferential exchange among traders often linked together over the course of decades."¹⁷ Clearly

these vertically and horizontally integrated industrial groupings are distinctively different from their “stand-alone” Anglo-American equivalents.¹⁸ The significance of the *keiretsu* here is threefold: first, these mutually beneficial cooperative relations, which continue to generate important advantages for their members and which are deeply embedded in Japan’s political and social system are unlikely to disappear quickly. Second, Japanese corporations are systematically locking other regional economies into complex transnational production networks. Third, Japan’s economic success has provided an important and influential exemplar for the region. Moreover, it is noteworthy that Japan is not only conscious of the distinctiveness of its own form of economic development and organisation, but it is also actively attempting to promote such ideas. Japanese officials are encouraging countries to follow its model, rather than the Anglo-American, neoliberal variant.¹⁹ At the same time Japan is actively challenging the hegemony of the sort of neoliberalism championed by the World Bank, APEC, and the United States.²⁰ All of which serves to remind us that there is nothing “natural” about the current global dominance of such ideas: they are discursive constructs and subject to political contestation by a rising financial power like Japan.²¹ All of these factors tend to undermine the convergence thesis.

A Japanese Sphere of Influence?

If the Japanese and Anglo-American economies represent two distinctive forms of capitalist organisation, there is little doubt which is exerting the greater influence over APEC’s Asian membership. Even the most cursory acquaintance with East Asian history suggests that this is not an entirely surprising outcome: there are powerful historical contingencies that make Japan an important influence on regional development. Japanese imperialism had a profound effect on the social and economic development of Taiwan and to an even greater extent Korea.²² Importantly, Korea’s economic development emulated many of the institutional structures and social relations that had proved so successful in Japan. In particular, the interventionist role played by the state, and the active encouragement of large-scale domestic industrial groups (*chaebols*) clearly demonstrate the influ-

ence of the Japanese model.²³ Taiwan showed a similar preference for the Japanese-style visible hand of the state rather than the invisible hand of the market that - in theory at least - is the principal determinant of economic outcomes in the Anglo-American economies.

The significance of these East Asian forms of economic development, of which Japan is the principal exemplar, is twofold: first, its success owes little to the sorts of economic structures that have characterised economic expansion in the Anglo-American economies, either at the level of theory or practice. There is, therefore, little evidence to support the idea that there is a unilinear mode of development which all must nations follow. Second, the particular forms these development models took owed a great deal to the wider industrial complexes in which they were embedded. As Wade observes, constellations of political forces in East Asia, whether corporatist or authoritarian, allowed state officials to "guide" market processes; risk was "socialised," allowing comparatively scarce resources to be invested long-term according to a combination of government and entrepreneurial preferences.²⁴

In Southeast Asia, however, while Japanese influence is also apparent, it has a different dynamic. Rather than colonial occupation, Japanese corporate expansion is proving to be the most significant determinant of regional development trajectories. Partly as a response to increasing costs of production in Japan, particularly the Yen's rise, and partly to take advantage of an emergent regional division of labour, Japan has become the most important investor in a region which encompasses both the original newly industrialising economies (NIEs) of South Korea, Taiwan, Singapore, and Hong Kong, and an increasingly important second tier of members of the Association of Southeast Asian Nations (ASEAN).²⁵ However, what distinguishes Japanese investment is the way it is reproducing within the region the same sorts of *keiretsu*-based production networks that are found in Japan.²⁶ Rather than the idealised "flying-geese" pattern of industrial development in which Japan pulls along the other regional economies in its wake as they go through a similar process of economic development, Japanese companies are predominantly exporting only the least technologically sophisticated and economically valuable aspects of production to the region.²⁷ In other words, there is little chance that the

Japanese developmental pattern will be replicated, making the possibility of convergence - even along Japanese lines - more remote.

Plainly, this sort of economic restructuring is not simply occurring as a result of the universal operation of market forces. On the contrary, Japanese companies are attempting to impose economic structures on the region which allow them to take advantage of existent national comparative advantages. However, whereas the Japanese were able to systematically create a comparative advantage in manufacturing, this is unlikely to be repeated to the same degree as many of the regional economies remain dependent on Japan for supplies of capital and technology. Indeed, Hatch and Yamamura argue that the smaller ASEAN nations play a role akin to that of subsidiary supplier companies in Japan, their subordinate position allowing Japanese companies to "squeeze" extra profitability from them.²⁸ The manner in which this dominance is maintained is of particular significance: Japanese business and government officials work closely together, utilising a panoply of forms of direct investment, aid packages, and trade relations to establish a network of influence that parallels the production networks, ensuring the continuing dependence of the smaller regional economies.²⁹

Car production in Southeast Asia provides an important example of the way in which Japanese investment has produced a complex system of connected and mutually dependent production processes and supplier networks. Toyota, for example, uses Thailand to supply diesel engines and electronics, the Philippines for transmissions, Malaysia for steering gears, and Indonesia for petrol engines.³⁰ Toyota not only gains from emergent local economies of scope and scale but is increasingly encouraged to cement this position by host government policies. Thailand, Malaysia, the Philippines, and Indonesia have signed a brand-to-brand "complementation pact" which halves the tariffs on imports from member countries.³¹ While there may be important gains from increased Japanese investment for host nations, it is important to recognise that initiatives like the ASEAN Free Trade Area (AFTA), which are taken by supporters of liberalisation as indicators of universal trends, are limited in scope and specifically designed to attract investment within a politically delimited area.³² It is precisely these specific political considerations in potential host

countries that the glocalisation strategy favoured by Japanese corporations was designed to take advantage of.³³

It is not the intention to pass judgement on the desirability of Japanese trade and investment practices here, although they clearly do not augur well for autonomous development throughout the ASEAN nations in particular. Rather, the intention is to stress the social, or more specifically, the *political* complexity of regional economic development. Clearly, there is little incentive for those benefiting from existent patterns of distribution to actively seek their transformation. Yet, it is precisely these contingent political complexities, which influence and explain the course of economic development, that are omitted from highly abstract depictions of convergence.

While having a less overtly political dimension, it is also important to acknowledge the significance and resilience of the Chinese variant of capitalism practised throughout much of Southeast Asia. Some observers contend that flexible, small-scale, family-owned companies have been the key to the development of the "Chinese NICs" (Hong Kong, Singapore, and Taiwan).³⁴ Although this is an overstatement that neglects the role played by the state in all of these countries,³⁵ it reminds us of the distinctly different patterns of social and institutional organisation that characterise economic activity in the region. As Whitley observes, different forms of economic activity within nations reflect, in part, the social practices and contingent historical circumstances within which they are embedded - an explanation with particular salience as far as the persistence of the elaborate and personally mediated production networks that characterise Chinese capitalism are concerned.³⁶ Even where Chinese businesses have expanded into large Western-style conglomerates, this has generally not diluted family control or necessitated moving towards the sorts of corporate structures associated with Anglo-American companies, especially the perceived need for ownership-management separation.³⁷ Finally, it should be noted that Chinese and Japanese varieties of capitalism may work cooperatively, joint ventures with the Overseas Chinese network in Asia having provided a convenient investment vehicle for Japanese interests.³⁸

This brief survey of APEC's Asian membership suggests that not only is there more than one form of economic organisation that may

be dubbed capitalist, but also that there is no indication that these non-Western varieties are about to disappear. On the contrary, where these versions of capitalism continue to reward the system's most powerful actors and systematically entrench distributional and organisational patterns, there is little prospect for radical change in the short term.

Political Structures and Labour Relations

The predominantly Western ideas which have come to dominate international economic discourse, and which have culminated in the emergence of institutions like APEC, are often characterised by dubious assumptions and/or noteworthy absences. Where politics is explicitly considered within much economic discourse, a connection may be made between national "institutional frameworks" and concomitant growth rates. Scully, for example, suggests that economic growth is positively correlated with "freedom"; nations which restrict the latter suffer from slower rates of economic growth.³⁹ The implicit assumption, therefore, is that where economic growth is occurring, this must necessarily be related to a simultaneous expansion of political liberty. Such claims, however, do not appear to be borne out within Asia's divergent political economies. Research suggests that there is no clear link between political freedom and economic growth.⁴⁰ Indeed, some of the countries with the most impressive contemporary growth rates - China, Indonesia, Singapore, and Malaysia, for example - have some of the most restrictive political systems.

Yet some of the most powerful voices in international economic discourses present economic development as if it were simply a "technical" question, amenable to universally applicable forms of economic management. The World Bank, for example, suggests that economic development and growth are dependent on "good governance," which in essence means providing the legal, rule-based framework to "make markets work efficiently."⁴¹ Following the same implicit logic, influential supporters of APEC stress its potential to reduce transaction costs and address the "technical" aspects of efficient economic management.⁴² While there is clearly a contemporary global ascendancy of such neoliberal, market-oriented ideas, two caveats are in order. First, as Biersteker observes, the "triumph" of

neoliberal economic ideas owed a good deal to a fortuitous historic circumstances - especially the economic shocks of the 1980s and the perceived failure of alternative economic models - which may prove an unsustainable basis for their continuing dominance.⁴³ Second, although the pre-eminence of neoliberal ideas may, as Gill suggests, have an ideological dimension that reflects the interests of the internationally mobile forms of capital,⁴⁴ such ideas may be instrumental in the construction of misleading Western depictions of "Asian development." Despite the discursive hegemony of Western economic ideas, they are contributing to a fundamental misreading of both the organisation and development of Asian capitalism, and to the construction of potentially misguided policies by political elites in the Anglo-American economies.

What the dominant neoliberal discourse implies is that capitalist development is dependent upon, or - more specifically - optimised by the adoption of universally applicable techniques of management. Plainly, were such an analysis accurate, there would be a clear imperative to move toward a single model of development in the interests of economic efficiency. Yet this kind of analysis and prescription reflects what Leftwich calls a "technicist illusion": economic development and adjustment are not dependent on apolitical institutional reform, but on a "strong, determined and relatively autonomous state, *whether democratic or not*"⁴⁵ There is simply no inevitable relationship between economic development and an expansion of political liberty, nor is there any single model of economic management or strategy underpinning such developments. More importantly, the social relations that characterise specific industrial complexes in many Asian countries are likely to prove impervious to change of the sort envisaged by organisations like the World Bank and APEC. Indeed, were such changes adopted systematically, they could undermine existing distributional coalitions and threaten political stability, with no guarantee that the outcome would be resolved in favour of increased democracy or further economic liberalisation. A consideration of the specifics of some of Asia's more important political economies helps illustrate this contention.

Political Diversity

Rather than an emerging uniformity of political structure, what distinguishes the Asian members of APEC is their diversity. At one level this is manifest in the gap between the first tier of NIEs and the ASEAN states, the latter being characterised by a lesser capacity for development via a relatively autonomous state.⁴⁶ Yet even this broad brush distinction, while important, conceals a variety of state economic strategies, political structures, and highly disparate forms of state-mediated ethnic politics.⁴⁷ The potential for economic change and the necessity of making “structural adjustments” to affect existing political alignments is clearly demonstrated in the case of Indonesia. The clash within the ruling elite between free market-oriented, World Bank-influenced technocrats on the one hand, and “organic-statists and nationalists” on the other, illustrates an ideational contestation that is itself the result of wider international economic change.⁴⁸ What is more fundamental and likely to exert a more immediate influence on the course of economic adjustment, however, is the threat to existent patterns of distribution posed by wholesale economic reform or deregulation. The direct challenge reform poses to the control of concessions, monopolies, and licensees, which currently underwrite the income and influence of key government officials, is unlikely to go unopposed. Indeed, the Suharto family itself and its extensive business interests present a substantial obstacle to any reforms that may undermine their privileged position.

The Philippines presents an even more palpable example of the distance between the idealised abstractions of neoliberal discourse and the reality of contingent political practice. In the Philippines, what Hutchcroft calls “booty capitalism” describes the manner in which an oligarchic group outside the state can use it as a vehicle for plundering national resources.⁴⁹ The example of the Philippines provides an important example of the “technicist illusion”: as Hutchcroft points out, the state in the Philippines is insufficiently developed to support even a *laissez-faire* state, let alone the sort of politically insulated bureaucratic autonomy that characterised the NIEs.⁵⁰ The point to emphasise here is that capitalism - of whatever stripe - requires a state-regulated societal framework within which to operate. If this basic

legal and institutional infrastructure is absent, the chances of imposing or encouraging the sort of optimal technical requirements for economic development envisaged by the World Bank and APEC's numerous working parties are minimal.⁵¹

It might be objected that the Philippines and Indonesia represent extreme cases in a pattern of regional development that is otherwise increasingly supportive of market-oriented economic development engendering concomitant political change. Yet even if the palpable differences in Asian corporate organisation described above are set aside, there are still grounds for doubting the inevitability of convergence, especially at the level of political emancipation. Singapore, for example, is often cited by advocates of free markets and neoliberal economic ideas as the epitome of a "strong and wise" state, which has moved to provide the necessary rules and institutions for a successful market-based economy.⁵² But while Singapore's leadership may have moved to establish an attractive environment within which international capital accumulation may occur, it has been at the cost of inhibiting a concomitant growth in political freedom. Indeed, the Singapore government has been at the forefront of promoting a form of "Asian values" which have not only provided a veneer of legitimacy for authoritarian rule, but which have resonated sympathetically amongst conservative figures in the West.⁵³ If there is political convergence occurring, it is not inevitably in the direction of increased political freedom.

It is not possible here to adequately explore the debate surrounding the idea of a distinctively Asian approach to questions of political representation. A few simple points may however be made. First, if the idea of democracy is to remain meaningful and provide a benchmark against which the liberalising efforts of states may be measured, it must display qualities that are universally recognisable and transcend national contingency. The "principle of autonomy" posited by Held is indicative of the basic requirements for both individual citizens and the nation-states within which they reside: individuals should be free and equal in the determination of their own lives; democratic government must be limited to upholding a "legally circumscribed structure of power."⁵⁴ In other words, the principal political task of the state is to provide a framework within which individuals can freely pursue

their own desires (as long as they do not violate the rights of others) and choose among alternative political programmes. Without some such agreed notion of what democracy entails, it may be distorted by relativist arguments that attempt to use cultural specificity to justify repression and authoritarianism.⁵⁵

Apologists for the limited scope of political freedom and human rights in some Asian nations argue that this is the price that must be paid for more tangible gains, in the form of economic development and rising living standards.⁵⁶ Whether there is a correlation between state strength and the capacity to promote economic development is not the central issue here.⁵⁷ Rather, the point to stress is that authoritarianism may be justified by political elites on the basis that there is such a correlation, and that limited political freedom is the cost of such development. This not only militates against the rapid transition to Western-style liberal democracies, but it also reminds us that existing strategies of economic development and the distributional patterns they engender are politically determined and predicated upon specific industrial complexes. The way such complexes evolve at the national level will be determined to a significant extent by the position of labour. Consequently, labour merits specific consideration as it is not only integral to the economic competitiveness of a particular location and the manner in which production is organised there, but it is also intimately involved in the expansion (or contraction) of concomitant political space. As Rueschmeyer et al exhaustively demonstrated, "the organized working class [has] appeared as a key actor in the development of full democracy almost everywhere."⁵⁸

The Role of Labour

Industrial relations literature contains its own celebrated version of the convergence thesis. The evolution of increasingly rational forms of labour relations was, according to Kerr et al, a "natural" outgrowth of class development and more complex forms of industrial organisation, and one which would eventually transcend "ideological struggle" and class conflict.⁵⁹ Certainly, organised labour as an independent and oppositional force in the East Asian region is generally conspicuous by its absence. However, the lack of a trade union

presence as an effective form of political opposition to Asia's paternalistic and authoritarian regimes owes less to the evolution of an optimal, conflict-free form of labour relations, and more to the historic defeat of trade unions as an effective political force.⁶⁰ Indeed, even in the nation that is often taken to enjoy the most harmonious labour relations in the region (if not the world), Japanese labour's participation in more "cooperative" forms of industrial relations was not the inevitable product of increasing industrial rationality, nor - as some conservative commentators have contended - the product of a cultural essence manifest as a high degree of "trust,"⁶¹ but the result of often violent political contestation and the systematic repression of organised labour.⁶²

The Japanese case is important for several reasons. Once again, Japan is influencing the conduct of style of labour relations in other countries as an exemplar, and more directly through direct investment in the region. More specifically, the accommodation between labour and capital that characterises large-scale industrial organisations in Japan is an important source of commercial advantage which exerts extreme competitive pressures on rivals. Where Japan has been able to generate higher productivity through innovative forms of workplace organisation while simultaneously holding down wages, this has generated a significant advantage over firms from Anglo-American countries.⁶³ Thus, Japan's neighbours, and even rivals in competing Anglo-American countries, are increasingly forced to either try and reproduce Japanese-style labour relations, or drive down the price of domestic costs by deregulating domestic labour markets. Either way, national political contingency and the organisational strength of labour ensure a high degree of variety in adjusting to such competitive pressures.

In the context of the Asia-Pacific, it needs to be remembered that the Japanese system of industrial relations occupies a position at the apex of a regional division of labour, in which the more complex and valuable forms of production are retained in Japan, while less valuable, more labour-intensive tasks are exported to neighbouring countries. Moreover, Japan's labour relations system is part of a wider industrial complex which involves specific relationships between government, industrial and financial capital, as well as the population

at large, of which organised labour is the most conspicuous element. Clearly, the practices that characterise production processes in Japan, in which a highly skilled, flexible and “self-monitoring” workforce plays a central role,⁶⁴ are potentially less critical, or may take distinctly different forms in Japanese subsidiaries than in other regional economies.⁶⁵ In reality, such highly contingent practices have not been easily transplanted.⁶⁶ Indeed, the most striking quality of labour relations in the region is - as with national political-economies more generally - their highly parochial quality and the absence of any obvious signs of convergence.

This is not to say that there have not been broadly similar responses to the problem of managing labour amongst Asia's developmental states. As Deyo points out, the export-oriented economic strategies of Asia's NIEs were initially highly dependent on capturing the competitive advantage conferred by a cheap, disciplined, and politically excluded labour force.⁶⁷ While the international economy may have provided ubiquitous constraints and opportunities in an emergent regional division of labour, the way this adjustment process has been mediated by individual states has displayed a good deal of heterogeneity. The range of accommodations reached between capital and labour across the Asian members of APEC ranges from the corporatism of Singapore,⁶⁸ the “balkanisation” of labour in Malaysia,⁶⁹ to the more overtly coercive “security approach” overseen by the military in Indonesia.⁷⁰ It should be emphasised that the management of labour is critical for countries like Indonesia because the perception of unrest is a potentially significant disincentive to increasingly mobile international capital.⁷¹

Without wanting to extend this depiction of capital-labour relations in the region *ad nauseam*, it is clear that a diversity predicated upon specific historical factors is the rule, rather than a convergence upon a universal model. The social transformation that capitalist development engenders does, however, present a common set of problems for regional political elites. It is not necessary to be a Marxist to recognise that labour is not simply another factor of production that may be unproblematically optimised in the course of capitalist expansion. Indeed, the experience of China reminds us that there is a fundamental tension, not to say contradiction, when economic dyna-

mism is accompanied by political ossification.⁷² Economic liberalisation and decentralisation have undermined existent forms of industrial relations, swelled the ranks of the unemployed, and produced an acute tension between "economic efficiency" and social equity for China's ruling elite.⁷³ In a such a context, the idea that institutional reforms of the kind envisaged by APEC and the World Bank are capable either of being easily implemented or of facilitating a transition to an Anglo-American form of capitalism seems fanciful at best. The events of Tiananmen Square in 1989 suggest that whatever the outcome of the vast changes underway in China, the process will be neither easy nor necessarily peaceful.

The actions of workers throughout the region will, therefore, be an important determinant of the course of economic development, the type of capitalism, and the political system that predominate within individual countries. This is not only the case for APEC's Asian members, it applies equally in the Anglo-American economies. Indeed, it is not impossible that the Anglo-American economies, where neoliberal reforms have been more rigorously embraced, may be equally vulnerable to the destabilising effects of labour unrest. As Thurow observes, one of the most important consequences of greater deregulation, liberalisation, privatisation, and the diminution of the public sector has been a concomitant growth in economic inequality, to the point where capitalism as a system may lose the political allegiance of the majority of the population.⁷⁴ The political stability associated with the emergence of the welfare state and Keynesian economic policies in the Anglo-American economies is being undermined by an economic orthodoxy that repudiates a role for the state in defence of those most exposed to global economic forces, threatening the legitimacy of the entire system.⁷⁵

The corrosive social and political effects of economic inequality have implications beyond the level of the individual nation-state. There is plausible evidence to suggest that the sorts of free trade initiatives which institutions like APEC seek to promote, while generating some economic gains, are directly implicated in a transfer of jobs from the developed to the developing economies. Wood estimates that some 9 million manufacturing jobs (or 12 per cent of total manufacturing employment) in the developed economies were lost in this way up until 1990.⁷⁶ Moreover, a perception exists that the

increasing mobility of capital is causing a "race to the bottom" in labour standards and wages as the struggle to attract inward investment exacerbates a global "downward levelling" of labour conditions.⁷⁷ In the short term such an apparent equalisation of global labour prices may be welcomed by Asian nations, but there are several reasons for doubting whether it will be an unqualified boon. First, increased economic liberalisation is already starting to produce the same kinds of economic inequality in Asia as it has in the West,⁷⁸ with potentially even more devastating implications for the legitimacy of Asian elites and their supposed ability to deliver greater economic equality.⁷⁹ Second, the perception that international trade and liberalisation are in some way responsible for the deteriorating position of labour in the West may encourage protectionism and introspection in the United States in particular, fuelling the interminable disputes that have characterised trade relations across the Pacific.

Thus, despite the direct pressure of the United States and the adjurations of institutions like the World Bank and APEC, it is highly unlikely that there will be wholesale neoliberal reform in Asia. The changes implicit in neoliberal reform are not simply technical requirements to facilitate greater economic efficiency; they are a direct threat to existent distributional coalitions and social relations, of which labour is a key variable. At a more fundamental level, the focus on individualism that is the logical outgrowth of neoliberalism's theoretical predicates is not only explicitly rejected by influential Asian leaders, but it is also associated with Western decline and social dislocation.⁸⁰ If neoliberal reforms which have become so pervasive in the West have the potential to threaten political stability in the Anglo-American economies, they could become even more dangerous in the comparatively fragile political structures of Asia. The likelihood that such policies will be adopted in the foreseeable future must, therefore, be considered remote.

Concluding Remarks

A consideration of the specifics of Asia's diverse political economies has important implications at a theoretical level and for policy-makers attempting to come to grips with an increasingly important and rapidly changing region.

From a theoretical perspective the highly distinctive developmental experiences of East and Southeast Asia provide an important corrective to some of the more totalising and undifferentiated depictions of capitalist development, especially the manner in which individual states are integrated into the wider international economic order. Certainly, "neo-Gramscian" scholars are right to point to the transnational interests that benefit from and actively promote the liberalisation of international trade and financial regimes,⁸¹ but this does not inevitably reduce the state to a mere cipher or a "transmission belt" between the global and the national economy.⁸² On the contrary, the way states mediate internal and external economic relations reflects both a complex balance of domestic political forces and a specific pattern of industrial organisation within national borders. It cannot be assumed, therefore, that the industrial complexes that emerge within nations will necessarily conform to the idealisations of neoliberalism, even when championed by powerful nation-states or transnational class interests. Indeed, what an examination of individual Asian political economies reveals is the diversity of social relations and the distinctively different forms of capitalist organisation that are possible within nations.

There are however limits to this heterogeneity. Crucial in this regard in East and Southeast Asia has been the role of multinational capital emanating from Japan. Japan's economic history has been both an important exemplar for other Asian economies and, more tangibly, its maturation and expansion have bound neighbouring economies into tightly integrated webs of production and influence, which have effectively circumscribed possible patterns of economic development in the region. Not only does the structure of production within the region make the adoption - or even the penetration⁸³ - of Anglo-American capitalism less likely, but the latter's dominance is also being actively contested at an ideational level by existent Asian political elites concerned about the destabilising potential of unadulterated neoliberal reform. Such reforms if implemented have the potential to undermine both existing distributional coalitions and established patterns of labour incorporation in national production processes. An economic model which simultaneously threatens not only prevailing and highly effective modes of capital accumulation,

but also the distribution of whatever surplus it generates is unlikely to be enthusiastically embraced.

There are, then, significant variations on the general themes of capitalist development and organisation. To judge by the much-discussed rapid economic development of East and Southeast Asia,⁸⁴ the industrial complexes that have underpinned this expansion appear to confer important competitive advantages over their Anglo-American rivals. This is significant enough in itself, but where such differences are a source of trade friction it poses serious problems for emergent organisations which seek to accommodate such disparate forms. Where Japanese corporations' glocalisation strategy is in part predicated upon exploiting existent "distortions" or impediments to free trade this problem will be especially acute.⁸⁵ Moreover, these difficulties are likely to be compounded where little cognisance is taken of the distinctively different patterns of economic, political, and social organisation that characterise Asia's disparate political economies. It is hard to be optimistic about the chances of organisations like APEC easily reconciling such a range of - often competing - interests. That such political and social complexity is not reflected in the discourse and practice of influential institutional supporters of neoliberalism reflects the ideational dominance of particular ideas in Western nations, especially the United States.⁸⁶ It is vital that a more differentiated and specific picture of "Asia's" social, political, and economic complexity is developed and integrated into the policy-making frameworks and institutions of Western nations. Without such a capacity policy-makers from the West in particular will continue to talk blithely about the imminence of convergence and the possibility of institutionalising technically optimal solutions to the problem of economic development. Such a hope is not merely in vain, but may represent an enduring obstacle to more substantial forms of cooperation and understanding.

NOTES

1. F. Fukuyama, *The End of History and the Last Man* (New York: Avon Books, 1992), p. 103.

2. For a more detailed consideration of APEC's emergence and prospects, see M. Beeson, "Australia, APEC, and the Politics of Regional Economic Integration," *Asia Pacific Business Review* 2 (1, 1995): 1-19.
3. For a couple of influential examples, see R. Reich, *The Work of Nations: Preparing Ourselves for 21st-Century Capitalism* (New York: Vintage Books, 1991); K. Ohmae, *The Borderless World: Power and Strategy in the Interlinked Economy* (New York: Harper Business, 1990).
4. E. Helleiner, *States and the Reemergence of Global Finance: From Bretton Woods to the 1990s* (Ithaca: Cornell University Press, 1990), pp. 201-2. It is important to recognise that support for financial deregulation was intended to preserve United States policy *autonomy* in the face of mounting external and internal imbalances - deficits that could be sustained more easily by facilitating the movement of international capital. Moreover, the essentially *political* and international nature of United States policy is evident when the important role played by an alliance of financial and industrial interests in support of deregulation is acknowledged. The point to emphasise is that there was nothing inevitable or pre-determined about the course of United States policy.
5. E.B. Kapstein, *Governing the World Economy: International Finance and the State* (Cambridge, Mass: Harvard University Press, 1994), p. 178.
6. P. Hirst and G. Thompson, *Globalization in Question: The International Economy and the Possibilities of Governance* (Cambridge: Polity Press, 1996), p. 176.
7. For a more detailed discussion of these issues, see M. Beeson, "APEC: Nice Theory, Shame about the Practice," *Australian Quarterly* 68 (2, 1996): 35-48.
8. W. Lazonick, *Business Organization and the Myth of the Market Economy* (Cambridge: Cambridge University Press, 1993), chap. 1. Lazonick contends that Japanese capitalism will continue to outperform its United States counterpart as its organisational integration is more complete, including both labour force and financial control.
9. For a discussion of the neoclassically derived convergence thesis, see R. Boyer, "The Convergence Hypothesis Revisited: Globalization but Still the Century of Nations?" in S. Berger, and R. Dore, eds., *National Diversity and Global Capitalism* (Ithaca: Cornell University Press, 1996), p. 29-59.
10. J. Womack et al, *The Machine That Changed the World* (New York: Rawson Associates, 1990).
11. W. Ruigrok and R. van Tulder, *The Logic of International Restructuring* (London: Routledge, 1995), pp. 6-8.
12. As Ruigrok and Tulder define it, glocalisation is primarily a *political* rather than a business location strategy. Company activities are not spread across the world to take advantage of specific comparative advantages (the globalisation strategy), rather activities are localised only if a company otherwise risks being treated as an "outsider" or if it has greater influence over the host government than vice versa. Ruigrok and van Tulder, *The Logic of International Restructuring*, pp. 178-82.
13. The seminal examination of the distinctive role and history of Japan's bureauc-

- racy and its influence of Japanese economic development remains. C. Johnson, *MITI and the Japanese Miracle: The Growth of Industry Policy 1925-1975* (Stanford: Stanford University Press, 1987).
14. E. Fingleton, "Japan's Invisible Leviathan," *Foreign Affairs* 74 (2, 1995): 69-85.
 15. E. Helleiner, "States and the Future of Global Finance," *Review of International Studies* 18 (1992): 47.
 16. For a useful discussion of Japanese industry policy and its associated social and political coalitions, see: D. Okimoto, *Between MITI and the Market: Japanese Industrial Policy for High Technology* (Stanford: Stanford University Press, 1989).
 17. M. Gerlach, *Alliance Capitalism: The Social Organization of Japanese Business* (Berkeley: University of California Press, 1992), p. 4.
 18. For a discussion of the important differences between vertically and horizontally organised keiretsu, see R. Lawrence, "Japan's Different Trade Regime: An Analysis with Particular Reference to Keiretsu," *Journal of Economic Perspectives* 7 (3, 1993): 331-84.
 19. An interesting example of this is Japan's attempt to impose its style of capitalist development on Vietnam's emergent economy - in direct opposition to institutions like the World Bank and the IMF. See "The Struggle for Vietnam's Soul," *The Economist*, June 24, 1995.
 20. Wade's examination of the evolution of the World Bank's influential report on East Asian industrialisation draws attention to both the contested nature of economic analysis and discourse, and the ability of powerful countries to shape such ideas according to their own norms and values. It also demonstrates, moreover, that the Japanese version of capitalism is likely to become more influential, rather than disappearing as some western observers predict (or hope). See: R. Wade, "Japan, the World Bank, and the Art of Paradigm Maintenance: The East Asian Miracle in Political Perspective," *New Left Review* 217 (May/June, 1996): 3-36.
 21. For a discussion of the influence conferred by Japan's increasing financial power, see E. Helleiner, *States and the Reemergence of Global Finance: From Bretton Woods to the 1990s* (Ithaca: Cornell University Press, 1994).
 22. Bruce Cumings, "The Origins and Development of the Northeast Asian Political Economy: Industrial Sectors, Product Cycles, and Political Consequences," *International Organization* 38 (1, 1984): 1-40.
 23. A. Amsden, *Asia's Next Giant: South Korea and Late Industrialization* (Oxford: Oxford University Press, 1989).
 24. R. Wade, *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization* (Princeton: Princeton University Press, 1990), pp. 26-27.
 25. R. Doner, "Japanese Foreign Investment and the Creation of a Pacific Asian Region," in J. Frankel, and M. Kahler, eds., *Regionalism and Rivalry: Japan and the United States in Pacific Asia* (Chicago: University of Chicago Press, 1993), pp. 159-216.
 26. W. Dobson, *Japan in East Asia: Trading and Investment Strategies* (Singapore: Institute of Southeast Asian Studies, 1993), p. 37.

27. M. Bernard and J. Ravenhill, "Beyond Product Cycles and Flying Geese: Regionalization, Hierarchy, and the Industrialization of East Asia," *World Politics* 47 (1995): 171-209.
28. W. Hatch and K. Yamamura, *Asia in Japan's Embrace: Building a Regional Production Alliance* (Cambridge: Cambridge University Press, 1996), p. 31.
29. *Ibid.*, p. 131.
30. I. Kubo, "Symbiotic Growth: Japanese Firms in Asia," *Tokyo Business Today* 60 (6, 1992): 32.
31. "Automakers Call for Back-up," *The Nikkei Weekly*, January 1, 1995.
32. Hatch and Yamamura, *Asia in Japan's Embrace*, p. 35.
33. Ruigrok and van Tulder, *The Logic of International Restructuring*, p. 192.
34. D. Lam and I. Lee, "Guerilla Capitalism and the Limits of Statist Theory: Comparing the Chinese NICs," in C. Clark and S. Chan, eds., *The Evolving Pacific Basis in the Global Political Economy* (Boulder: Lynne Rienner, 1992), pp. 107-24.
35. For useful discussions of these and other cases, see R. Applebaum and J. Henderson, *States and Development in the Asian Pacific Rim* (London: Sage, 1992).
36. R. Whitley, "Eastern Asian Enterprise Structures and the Comparative Analysis of Forms of Business Organization," *Organization Studies* 11 (1, 1990): 47-74.
37. J. Mackie, "Changing Patterns of Chinese Big Business in Southeast Asia," in R. McVey, ed., *Southeast Asian Capitalists* (Ithaca: Cornell University Press, 1992), p. 183.
38. J. Abegglen, *Sea Change: Pacific Asia as the New World Industrial Centre* (New York: The Free Press, 1994), p. 201.
39. G. Scully, "The Institutional Framework and Economic Development," *Journal of Political Economy* 96 (3, 1988): 652-62.
40. "Why Voting Is Good For You," *The Economist*, August 27, 1994, pp. 15-17. Somewhat ironically, while Australia was the regional leader in terms of political freedoms, it has achieved notably lower growth rates than its neighbours and has already been overtaken by some of the NIEs in terms of per capita incomes.
41. The World Bank, *Managing Development: The Governance Dimension* (Washington: The World Bank, 1991), p.ii.
42. See, for example, A. Elek, "APEC Beyond Bogor: An Open Economic Association in the Asian-Pacific Region," *Asian-Pacific Economic Literature* 9 (1, 1995): 5; S. Harris, "Policy Networks and Economic Cooperation: Policy Coordination in the Asia-Pacific Region," *The Pacific Review* 7 (4, 1995): 392.
43. T. Biersteker, "The 'Triumph' of Neoclassical Economics in the Developing World: Policy Convergence and Bases of Governance in the International Economic Order" in J. Rosenau and E. Czempiel, eds., *Governance Without Government: Order and Change in World Politics* (Cambridge: Cambridge University Press, 1992), p. 124.
44. S. Gill, "Globalisation, Market Civilisation, and Disciplinary Neoliberalism," *Millennium* 24 (3, 1995): 405.
45. A. Leftwich, "Governance, the State and the Politics of Development," *Development and Change* 25 (1994): 367. Emphasis added.

46. J. Mackie, "Economic Growth in the ASEAN Region: The Political Underpinnings," in H. Hughes, ed., *Achieving Industrialization in East Asia* (Cambridge: Cambridge University Press, 1988), pp. 283-326.
47. D. Brown, *The State and Ethnic Politics in Southeast Asia* (London: Routledge, 1994).
48. R. Robison and V. Hadiz, "Privatization or the Reorganization of Dirigism? Indonesian Economic Policy in the 1990s," *Canadian Journal of Development Studies* Special Issue 16 (1993).
49. P. Hutchcroft, "Booty Capitalism: Business-Government Relations in the Philippines," in A. MacIntyre, ed., *Business and Government in Industrialising Asia* (St. Leonards: Allen & Unwin, 1994), p. 220.
50. On the important role played by a comparatively independent bureaucracy in regional development, see C. Johnson, "Political Institutions and Economic Performance: The Government Business Relationship in Japan, South Korea, and Taiwan" in F. Deyo, ed., *The Political Economy of the New Asian Industrialism* (Ithaca: Cornell University Press, 1987), pp. 136-64.
51. See, for example, APEC, "Guide to the Action Agenda," *APEC Australia Brief* (Canberra: Department of Foreign Affairs and Trade, 1995).
52. R. Garnaut, "The Market and the State in Economic Development: Applications to the International Trading System," *The Singapore Economic Review* 36(2, 1991): 17.
53. G. Rodan and K. Hewison, "A 'Clash of Cultures' or the Convergence of Political Ideology?," in R. Robison, ed., *Pathways to Asia: The Politics of Engagement* (St Leonards: Allen & Unwin, 1996), pp. 29-55.
54. D. Held, *Democracy and the Global Order: From the Modern State to Cosmopolitan Governance* (Cambridge: Polity Press, 1995), p. 147.
55. R. Kiely, "Third World Relativism: A New Form of Imperialism," *Journal of Contemporary Asia* 25 (2, 1995): 175.
56. See, for example, B. Kausikan, "Asia's Different Standard," *Foreign Policy* 92 (Fall/1993): 24-41.
57. On the idea of state strength, see M. Atkinson and W. Coleman, "Strong States and Weak States: Sectoral Policy Networks in Advanced Capitalist Countries," *British Journal of Sociology* 19 (1993): 47-67; on the way such capacities may be manifest and the importance of state autonomy in promoting economic development, see P. Evans, *Embedded Autonomy: States and Industrial Transformation* (Princeton: Princeton University Press, 1995).
58. D. Rueschmeyer, E. Stephens, and J. Stephens, *Capitalist Development and Democracy* (Cambridge: Polity Press, 1992), p. 270.
59. C. Kerr, J. Dunlop, F. Harbison, and C. Myers, *Industrialism and Industrial Man* (London: Heinemann, 1962).
60. K. Hewison and G. Rodan, "The Decline of the Left in Southeast Asia," *The Socialist Register* (1994): 235-62.
61. F. Fukuyama, *Trust: The Social Virtues and the Creation of Prosperity* (London: Hamish Hamilton, 1995), chap. 16. Even if culture is taken to be a primary

determinant of political structures, it should also be observed that there is still a noticeable difference between countries like Japan and the United States, further undermining the possibility of convergence. See S.M. Lipset, "Pacific Divide: American Exceptionalism - Japanese Uniqueness," *International Journal of Public Opinion Research* 5 (2, 1993): 121-66.

62. A. Gordon, "Contests for the Workplace," in A. Gordon, ed., *Postwar Japan as History* (Berkeley: University of California Press, 1993), pp. 373-94.

63. J. Hart, *Rival Capitalists: International Competitiveness in the United States, Japan, and Western Europe* (Ithaca: Cornell University Press, 1992), p. 10.

64. S. Lash and J. Urry, *Economies of Signs and Space* (London: Sage Publications, 1994), pp. 67-71.

65. Indeed, where subsidiaries in other regional economies are involved in more routine, low-skill, labour-intensive forms of production, there is less necessity for employers (or governments) to encourage the development of the sophisticated forms of labour relations associated with advanced industrialisation. Where labour is not such a critical source of value or innovative output, the more repressive or antagonistic forms of industrial relations associated with Fordist production may still be the rule rather than the exception.

66. S. Levine and M. Ohtsu, "Transplanting Japanese Labour Relations," *ANNALS, AAPSS* 513 (1991): 102-16.

67. F. Deyo, "State and Labour: Modes of Political Exclusion in East Asian Development," in Deyo, *The Political Economy of the New Asian Industrialism*, pp. 182-202.

68. J. Begin, "Singapore's Industrial Relations System: Is It Congruent with its Second Phase of Industrialization?" in S. Frenkel and J. Harrod, eds., *Industrialization & Labor Relations* (Ithaca: ILR Press, 1995), pp. 64-87.

69. P. Arudsothy and C. Littler, "State Regulation and Union Fragmentation in Malaysia," in S. Frenkel, ed., *Organized Labour in the Asia-Pacific Region* (Ithaca: ILR Press, 1993), p. 125.

70. V. Hadiz, "Challenging State Corporatism on the Labour Front: Working Class Politics in the 1990s" in D. Burchier and J. Legge, eds., *Democracy in Indonesia: 1950s and 1990s* (Clayton: Centre of Southeast Asian Studies, Monash University, 1994), pp. 190-203.

71. C. Manning, "Structural Change and Industrial Relations during the Suharto Period: An Approaching Crisis?" *Bulletin of Indonesian Economic Studies* 29 (2, 1993): 88. In this regard the arrest of leading labour activists in the recent military crackdown in Indonesia is significant; not only is the regime anything but democratic, but it is also actively resisting any move in that direction. P. Walters, "Indonesia's Brute Force," *The Weekend Australian*, August 3-4, 1993, p. 21.

72. For a useful discussion of the political implications of economic reform in China, see G. White, *Riding the Tiger: The Politics of Economic Reform in Post-Mao China* (Stanford: Stanford University Press, 1993).

73. M. Korezec, *Labour and the Failure of Reform in China* (London: St. Martin's Press).

74. L. Thurow, *The Future of Capitalism: How Today's Economic Forces Shape Tomorrow's World* (London: Nicholas Brealey, 1996), p. 268.
75. E. Kapstein, "Workers and the World Economy," *Foreign Affairs* 75 (3, 1994): 16-37.
76. A. Wood, *North-South Trade, Employment and Inequality: Changing Fortunes in a Skill-Driven World* (Oxford: Clarendon press, 1994), p. 167.
77. J. Brecher and T. Costello, *Global Village or Global Pillage: Economic Restructuring From the Bottom Up* (Boston: Southend Press, 1994), chap. 1.
78. "South-East Asia's Wealth Gap," *The Economist*, April 13, 1996, pp. 27-28.
79. One of the achievements of the NIEs that is often cited by their admirers is their equitable wealth distribution. See, for example, The World Bank, *The East Asian Miracle: Economic Growth and Public Policy* (Oxford: Oxford University Press, 1993), pp. 29-32.
80. See the interview with F. Lee Kuan Yew in Zakaria, "Culture is Destiny," *Foreign Affairs* 73 (2, 1994): 109-26.
81. S. Gill, "Neo-liberalism and the Shift Towards a United States-Centred Transnational Hegemony," in H. Overbeek, ed., *Restructuring Hegemony in the Global Political Economy* (London: Routledge, 1993), pp. 246-82.
82. R. Cox, "Global Perestroika," *The Socialist Register* (1992), pp. 26-43.
83. J. Abegglen, *Sea Change*, p. 239.
84. It should be noted that some observers have drawn attention to the possible limits placed on economic development in Asia by both productivity constraints, as well as social and environmental factors - something which further undermines simplistic depictions of inexorable economic growth generating political change. See P. Krugman, "The Myth of Asia's Miracle," *Foreign Affairs* 73 (6, 1994): 62-78; W. Bello, "Trouble in Paradise: The Tension of Economic Integration in the Asia-Pacific," *World Policy Journal* 10 (2, 1993): 33-39.
85. For a specific case study on Japanese corporate organisation and its impact on a Western, market-oriented economy, see M. Beeson, "Bilateral Economic Relations in a Global Political Economy: Australia and Japan," *Competition & Change* (forthcoming).
86. C. Hohnson and E. Keehn, "A Disaster in the Making," *The National Interest* 36 (Summer, 1994): 14-22.

Mark Beeson is Research Fellow at the Asia Research Centre, Murdoch University. This paper was originally prepared for the Annual Conference of the Australasian Political Studies Association held at the University of Western Australia, October 2-4, 1996.