

Controlling inflation not only favours the rich: rampant inflation has often hit the poor far harder by increasing consumer prices, reducing the real value of savings, and pushing up interest rates on loans (who can least afford these expenses?). While the author is right to point out that Bill Gates works less than a “junior hospital doctor”, which is to say that wealth does not necessarily come from hard work, Haseler cannot provide an alternative to pay differentials just as Lenin could not either. The final section of the book is entitled “Come back Marx: All is almost forgiven” (p. 186) in which Haseler argues in a few brief paragraphs that social democrats underestimated the power of the market and that Marx’s analysis remains powerful. Once again Haseler fails to define the implications of this statement. Is he advocating Marxist solutions? Again he does not say, and this remains the overriding frustration of this book.

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***Globalization of Japan: Japanese Sakoku Mentality and U.S. Efforts to Open Japan. By Mayumi Itoh.*** New York: St. Martin’s Press, 2000. Pp. 224.

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This book examines political and social issues in Japan using *sakoku* as a key word. *Sakoku* is a Japanese word for “self-imposed seclusion”. Japan experienced a long period of *sakoku* (1639–1868) during the Tokugawa era, when its interaction with foreign countries was restricted. The author argues that the *sakoku* mentality still lingers among the Japanese, which underlies modern Japanese thoughts and behaviour.

Emphasis on this *sakoku* mentality is a distinctive feature of this book, and it is frequently mentioned as a factor responsible for the “parochial”, “exclusive”, and “insincere” attitude of the Japanese people. Japan’s public policy-making is also influenced by this *sakoku* mentality,

especially in the area of its foreign relations. You identify an issue that Japan has *vis-à-vis* foreign countries; then simply scratch its surface and you find the *sakoku* mentality at its root. If a reader can accept this proposition, this book can present a very comfortable reading experience. In fact, the repeated reference to the *sakoku* mentality at the end of an individual issue’s analysis forms a nice rhythm, by which a reader can tell that the topic is coming to a close.

Apart from the *sakoku* argument, this is a useful guidebook for those who would like to be familiar with contemporary issues confronting Japan. Part 1 of the book is titled “The Japanese *Sakoku* Mentality” and discusses Japan’s relationship *vis-à-vis* the United States, Korea, China and ASEAN member countries. Part 2 offers “Japan’s *Sakoku* Policy: Case Studies” and covers a wide range of topics that include: Japan’s policies on immigration and guest workers; U.S. military facilities in Okinawa; rice market liberalization; the Japanese Constitution; and Japan’s bid for the United Nations (UN) Security Council Permanent Seat and the UN Peacekeeping Operations.

The stated objective of this book is, however, beyond cataloguing those issues mentioned above. Its Introduction says that this book attempts to examine correlations among perceptions, national interests, and foreign policy. Two areas of interests are specifically mentioned for this inquiry: first, how the psychological predispositions of foreign policy decision-makers (input), such as their individual beliefs, ideology, and other cultural, societal, and national characteristics, affect the decision-makers’ views of national interest and the formation of foreign policy (output); and second, how foreign policy élites’ perceptions or views of a country (such as their dislike of that country) affect foreign policy towards that country. The author presents the following hypothesis — foreign policy decision-makers do not always see a situation or the operational environment objectively because subjective factors in the psychological environment, such as their perceptions of another country, prevent them from seeing the operational environment correctly. Objective foreign policy decision-making is

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further impeded by the multiple issues that confront decision-makers in a complex, interdependent world. As a result, a nation could fail to formulate foreign policy objectively and to maximize its national interest in relation to other nations.

These issues are important and the author's hypothesis is interesting, as we are all affected by our countries' policy towards other countries (and vice versa), and we would like to know if policy-makers' decisions are governed by hard logic, or influenced by their psychological biases. Hence it is unfortunate that these issues are hardly taken up in the rest of the book. In the discussion of Japan's foreign policy *vis-à-vis* the United States, China, Korea, and ASEAN (in Chapters 3 through 5), the author cites public opinion polls conducted in Japan in order to identify Japanese perceptions towards these countries. In view of the statement in the Introduction, it is puzzling that neither "psychological predispositions of foreign policy decision-makers" nor "foreign policy élites' perceptions or views of a country" play any role in this analysis. One possible interpretation is that the author implicitly assumes that the foreign policy decision-makers' views broadly reflect those of the general public. If this assumption was held by the author, however, this book would lose its original perspective to investigate the formulation of foreign policy from a decision-makers' subjective perspective.

Only in Chapter 5 is something close to the analysis of "foreign policy élites' perceptions" presented with respect to the "young leaders" in ASEAN countries. Views of these young ASEAN leaders polled by a Japanese newspaper must be similar, if not identical, to those held by foreign policy-makers of their respective countries (although this poll has a bias as it does not cover senior leaders). The author attempts to test, based on this poll's results, the hypothesis of the link between perceptions and foreign policy, and reaches "ambivalent" conclusions. Some ASEAN countries may have achieved their national interest with respect to Japan, and some of them may not have. Decision-making by some ASEAN members was not impeded by emotional issues with Japan (such as the memory of Japan's wartime acts of

aggression), while foreign policy by some was influenced by their negative perceptions of Japan.

This total lack of hypothesis testing regarding Japanese foreign policy-making, as well as a limited and inconclusive analysis of ASEAN leaders, is especially disappointing as the hypothesis was presented in a refined theoretical discussion. This gap between the Introduction and the rest of the book may stem from the fact that this book is a collection of articles that were previously published in various journals. It is a difficult task to unite, under a coherent framework, essays that were separately produced. For this book, the uniting theme is no more than to introduce the *sakoku* mentality as a potential explanatory variable of Japanese policy and people's behaviour. The author was a little too ambitious in preparing the Introduction, and offered a thesis that proved to be more than this book could deliver.

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***Toward a New Financial Architecture: A Practical Post-Asia Agenda.* By Barry Eichengreen.** Washington, D.C.: Institute of International Economics, 1999. Pp. 189.

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*Building the World, One Piece at a Time*

Perhaps the distinguishing characteristic of Eichengreen's contribution is his greater sensitivity to political influences and conditions that are more prevalent and unique to Asia (and emerging markets in general), as compared with developed economies. There is no discomfiture in defying conventional wisdom and insisting that:

There is no double standard in arguing that emerging markets, where conditions are fundamentally different, need to follow fundamentally different policies. (p. 50)