

## BOOK REVIEWS

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***Asia Pacific: A View on its Role in the New World Order.* By Michael Dobbs-Higginson. Hong Kong: Longman Asia Limited, 1993. Pp. xxvii, 413.**

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The author of *Asia Pacific: A View on its Role in the New World Order* was born in Southern Rhodesia (now Zimbabwe), the son of British settlers. After an adventurous youth he turned to business venturing. He spent thirty years working in "Asia-Pacific", usually based in Japan. Now he spends less of his time in business and more on other, broader interests, including a conference centre that he supports and runs in France. This book is a fruit of his broader interests, a message from him about what is happening to Asia now that he considers important and why he thinks so. One is therefore first struck by the phenomenon itself, of the non-Asian who is not a writer by trade (a journalist, an academic), taking on the task of describing and explaining a vast region of the world to a wider audience than he reaches with his conferences.

The book has a clear thesis. Dobbs-Higginson writes of a region of high economic growth in which "each individual country has much to gain by participating in some form of union with the rest of Asia Pacific" (p. 350). This is his main proposition and it seems sensible enough. But he defines Asia-Pacific to exclude North America and therefore is left to examine "forms of union" that do likewise. This means that the most vital security considerations in the region, which involve balancing the larger regional powers, Japan, China, and India, against one another, must be dealt with only after the United States is

excluded from consideration. For this reason, and because the author is patently on unfamiliar territory, his discussion of regional forums (regional international organizations) is vague and inconclusive. In the end, oddly, the argument comes down to a claim of moral necessity based on economic necessity: Asia-Pacific (as he defines it) must organize itself as an economic grouping so that it can play a "constructive role" in the emerging "new world order of tri-polar regional leadership", (p. 416), which is his term for a world trading bloc structure composed of North America and the European Community.

Nearly 80 per cent of this book is devoted to country descriptions dealing with seventeen countries in greater Asia plus the "Chinese Diaspora". The seventeen come within a region marked by India, China, Japan, and the sweep from there to New Zealand and Australia, including tiny Brunei and Myanmar, and even Papua New Guinea but not Sri Lanka or Bangladesh because they lack promise as trading partners and Asian development tigers. For the rest, the argument is that their prospects for growth are bright and joined together.

These descriptions make an interesting, readable book written for the general reader. They employ an impressively broad range of information about culture, society and business. These sections blend historical and cultural material with recent contemporary information that reflects the author's judgement on the country's future economic prospects and more specifically on how to do business in and with it. Japan and Korea are in a class by themselves in this respect. The country sections usually make two common points, that

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the country in question has immediate economic promise and that its future lies with trading primarily with other Asia-Pacific states. The case for a common future rests on their growing trade with one another but also on a less well established point, that trading blocs are forming in Europe and North American which will make it necessary for the Asia-Pacific region to form its own trading bloc.

The author deals with the Chinese in four sections: China, Taiwan, Hong Kong and (the one section that deals with a non-country subject), the "Chinese Diaspora". The author explains the talent of ethnic Chinese networking with an interesting proposition, that Chinese businessmen do best in information-poor environments. Their ethnic contact networks work at greatest advantages in these circumstances. They lose their edge as information and access, including access to legal systems, become more available. He often employs broad historical and cultural references of a similar nature — plausible, intriguing, potentially valuable — as explanations of current business-related behaviour when a more sceptical turn of mind — an Occam's razor — might have found a more immediate explanation.

The Western businessman in Asia, one might conjecture on the basis of this book, needs to cast the net of his business knowledge widely if he is to be effective in Asian business environments. The breadth required may be so great as to defy rigorous, consistent practice. It may have to be opportunistic, just as entrepreneurial drive requires recognizing opportunities and seizing the moment, not the systematic coverage of all options in the market segment in question. Perhaps the most interesting aspect of this book is the answer to the question, what has the author, a self-styled European businessman with thirty years successful experience in Asia, chosen to tell us about Asia? Presumably the answer shows us something about what one needs to know about Asia to do business there.

The general thesis of these country sections (which constitute Part Two, entitled "The Principal Players of Asia Pacific") is economic growth and interdependence. It is not difficult to make

such a case for interdependence for states with growing foreign trade volumes, if one follows the common practice of equating growth with interdependence. But the thesis here is that convergence is occurring among a distinct geographic grouping, one that excludes North America and, within the geographic region as the author delineates it, Bangladesh and Sri Lanka, but not Australia and New Zealand. Yet the author does not attempt to test the fundamental point against alternative groupings although he states why particular countries are included and excluded.

Part Two justifies the book for the general reader. Had it stopped there it would have stood as an adequately supported argument about the broad importance of Asia-Pacific's economic future. To be sure, Dobbs-Higginson would still have left himself some loose ends: North America is excluded, as noted. APEC is rejected as unpromising. His ominous description of Japan leads to the author's conclusion that Japan must be only a co-leader of the region, but he does not specify how this can happen. He assesses the risks associated with China's course of development and acknowledges two negative scenarios: that within the foreseeable future China might implode like the Soviet Union did or that it might grow into an immense economic and military power that would threaten the region. Neither point is elaborated.

In "Part Three: The Arguments and a General Blueprint for a Regional Forum in Asia Pacific" (50 pages, 12 per cent), Dobbs-Higginson deals with this topic and more. He also deals with several other broad themes and the loose ends left by Part Two. This portion of the book proceeds on a much more general level than Part Two. It is more theoretical, more normative, more abstract and not very thorough.

The loose ends take us over the horizon of business interests into international politics. "Asia Pacific needs a system of collective security in order to counteract the military adventures that will no doubt occur in the future, and Japan must be involved in order to balance China and India", (p. 359) he argues. On the same page he observes that "it would be prudent ... to take steps towards

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creating a regional forum”, which he sees evolving into a tightly-knit “form of community, say a confederation”, that would serve as protection against trading bloc protectionism and take on security functions.

Collective security systems rarely work, and when they do, usually they are led by a hegemonic power and are therefore not themselves systems for balancing power. They are weights in the balance, not part of the balancing system. The North Atlantic Treaty Organization (NATO) and the Warsaw Pact are examples of collective security systems that worked, or seemed to; the League of Nations, which failed, was supposed to be a collective security system that balanced power and did not rely on a hegemon. With respect to a Japanese-Chinese-Indian balance of power, it is fair to say that only China might be comfortable with that arrangement and very likely because it would expect, tacitly, that the United States would check Japan.

Given the author’s strong view that the United States will cease to be a factor in Asia-Pacific (or Asia), one might hope that he would examine the probability of this claim, but it remains unsubstantiated. Given how much the strategic picture in Asia will change if the U.S. strategic presence evaporates, one might hope that Dobbs-Higginson would examine the likely consequences of this important contingency. He does not. I think Dobbs-Higginson has exaggerated the forces that are pulling the United States in upon itself and away from Asia. Since he often employs in Part Three the device of arguing by necessity (it *will* happen because it *must* happen), if he takes seriously his own problems with China and Japan, then why not an argument of necessity regarding the United States, to wit: the United States is needed to co-lead with Japan and to check China; and therefore, it must be persuaded to stay. One could then discuss what it would take to keep the United States involved, and what policies the governments in Asia-Pacific should pursue in the interest of a balance of power system that requires the United States as a major player.

Dobbs-Higginson is perfectly entitled to make the case for an Asia-Pacific future without the

United States. But making the case requires addressing the power balance implications of a withdrawal of American power. His vision of this region simply does not include the balance of power issues, even those evident in his own country descriptions. In the end, this is a businessman’s book about Asia, not a statesman’s. In this it fails to achieve its considerable promise.

Contemporary Europe is the laboratory where most of the issues that Dobbs-Higginson is compelled by his own arguments to deal with have been addressed one way or another. Recognizing this, he discusses the European Community as a possible model for an Asia-Pacific community institution. It is instructive that he misses two important elements of the European experience. One is the dispute between Atlanticists and advocates of a European Pillar, which turns on what to expect of the United States. The other is the fact that in recent years the disputes in Europe over rival institutions — for example the EC and the Western European Union (WEU) as a rival European security pillar to NATO — has been transformed into a concept of a European architecture that includes parallel and duplicate rather than rival institutions, a network that is resilient because it is flexible and redundant. Needless to say, these two elements are closely related to one another. The Atlanticist versus European quarrel has been largely bypassed or transformed by the development of this concept of a redundant network architecture for Europe’s security.

One might have hoped that Dobbs-Higginson, with his own experience with markets, might have brought some of the insights he would have gathered from that experience into his consideration of how to construct Asia-Pacific institutions, indeed, into his handling of uncertainties regarding Asia-Pacific’s future. Was it necessary to rule out APEC and the trans-Pacific dimension of Asia-Pacific? Why not treat both in parallel with his own favourite view of Asia-Pacific? Why not employ a hedge, as in prudent portfolio management? In effect, that is what has happened with respect to the European architecture. I have already observed Dobbs-Higginson’s propensity, when dealing with political matters, to adopt an

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argument-of-necessity (for example the *must* in the previous paragraph). I strongly suspect that for Dobbs-Higginson politics is the subordinate clause, the dependent variable, the handmaiden to business. One of its main purposes is to reduce uncertainties in the business environment. This is surely a legitimate expectation, or at least hope, for businessmen to have regarding government. But the political domain must cope with its own interests and constraints. The function of political analysis is to deal with them for what they are, not to hope or demand that they go away. It is regrettable that in the end this promising and interesting book fails to weigh political factors in the same scales as it does business factors. It is also surprising, since the author has the breadth of knowledge and astuteness to do this, and do it well.

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***Defending Values, Promoting Change — Social Justice in a Global Economy: An ILO Agenda. Report of the Director-General, International Labour Conference, 81st Session. 75th Anniversary of the ILO 1919–1994. Geneva: ILO, 1994.***

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The oldest UN specialized agency, the International Labour Organization (ILO), established in 1919 to promote social justice in the workplace, is celebrating its 75th anniversary. The 1994 Report of its Director-General to the 81st Session of the International Labour Conference, here under review, is, therefore, occasion for special celebration.

Timing apart, this Report is significant for yet another reason: human rights in general, and worker rights in particular are “in”. *Social clauses*, setting the minimum code of conduct in employment and labour practices, are becoming integral parts of international trade relations and agreements. The Marrakesh Communiqué of the Uruguay Round of multilateral trade liberalization

referred to *social clauses*, while bilateral trade is, rightly or wrongly, being linked to worker rights as, for example, in the case of threatened withdrawal of GSP concessions by the United States for Indonesian exports in retaliation for lack of free collective bargaining in Indonesia.

Accordingly, as an organization ILO should be celebrating more than its birthday: it should feel right at home and reassured in its mission of greater social justice in the global workplace.

But, the Report under review is far from a confident, optimistic statement. On the contrary, it is a sober reflection about an organization in a state of crisis searching for (in the words of its Director-General) “a new overall assessment of [its] aims and means of action” (p. 3). A recent critic has gone so far as to liken the ILO to a dog which has “a soft bark and not much of a bite” (*Financial Times*, 2 June 1993). ILO’s Director-General, Mr Michel Hansenne, who was re-elected to a second five-year term just last year, is keen on restoring ILO’s pre-eminent role in adopting labour codes and conventions; but, as the critics are asking: what is the point of these conventions if they have no effect on working conditions, especially if ILO itself is unable to monitor them for enforcement?

Against this challenge, how is the ILO going about charting its future role? The Report, organized in five chapters, provides some interesting answers, often in bold terms.

Chapter 1 is an excellent introduction. It is concise and to the point, capturing the essence of challenges of a rapidly changing world: the disappearance of the communist bloc, the triumph of the market economy, the globalization of the economy and the decline of the Nation-State in an age of unprecedented technological innovation. The chapter identifies two major “new inequalities”, viz. (1) the re-emergence of poverty segments such as “social exclusion” in Europe and “the growth of an underclass” in the United States, in otherwise rich, technologically advanced economies growing but unable to generate enough jobs; and (2) a widening gap between rich and poor countries which is aptly described as “cruelly disappoint(ing)” (p. 18) to those who, in