

The quality of the papers, the different viewpoints of the paper writers regarding the conference subject (who we might simply dichotomize into culturalists and those who interpret culture as being contingent upon time and space) as well as the stimulating opening ceremony, conference setting and professional support ensured interesting, lively and fruitful discussions (despite the almost tropical temperature in the conference room) and thereby a successful conference outcome. Notwithstanding conflicting perceptions of Chinese business conduct, participants agreed that Chinese capital will continue to play a prominent role in the consolidation and further development of Asia despite the current tough business environment and that more research is necessary to do justice to the complexity of the subject. How ethnic Chinese entrepreneurs, their family businesses, conglomerates and networks – who have played a significant role in the regional economic integration of East and Southeast Asia (and increasingly in the context of global market expansion) – adjust to the crisis will be an interesting topic for further research and conference projects. Common sense suggests that the issue of Chineseness and associated ideological activities such as the construction of a Chinese variant of capitalism, the discourse on the 'Asianisation of Asia', the resurgence of the new Asian consciousness and associated notions of Asia's moral and cultural superiority which surfaced during the pre-crisis years will resurface once the crisis is over. This would make the need for more solid cross-cultural, comparative research on ethnic (Chinese) entrepreneurship and business networks even more prevalent.

The organisers are indebted to the sponsor of the conference, the Deutsche Forschungsgemeinschaft (DFG). The grant enabled scholars from various countries to exchange their research findings and to network with each other. Special thanks are also due to the official host of the conference, the University of Bonn, as well as to all speakers, participants and support staff. It is planned to publish the conference papers in 2000 as a monograph by an international publishing house.

Solvay Gerke, Hans-Dieter Evers, Thomas Menkhoff

### **The Hakone Conference 1999: "Recasting international order: The roles of Europe and Japan"**

Trier, La Monaise, May 12-14, 1999

Japan and Europe are facing severe challenges on the eve of the new millenium. Some of them are "home-made": how, for instance, could the domestic economic problems in both parts of the world be overcome? Others relate to international trends which disturb the two regions in a similar way: can they still count on the benevolence of the United States when recognizing alarming signs of domestication of US Foreign Policy in recent years? Other challenges stem from a certain uneasiness relating to the reliability and stability of the international financial system. The shock waves between Thailand and Brazil did not rock the Western shores of the "triade", but what if Shakespeare's saying that "past is prologue" becomes reality?

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\* For a more detailed report see: [http://www.uni-trier.de/fb3/politik/liba/liba\\_for.htm](http://www.uni-trier.de/fb3/politik/liba/liba_for.htm)

The '99 Hakone meeting provided a useful opportunity to address these questions in greater detail. The conference entitled "Recasting international order: The roles of Europe and Japan" took place in Trier (May 12-14) and focused on the interests, responsibilities and capabilities of Europe and Japan to respond – individually, jointly and in cooperation with others – to the above-mentioned series of new and urgent challenges to the international order.

The Japan Center for International Exchange in Tokyo had organised this 16<sup>th</sup> European-Japanese Conference ("Hakone Conferences") with the Center for Asia Pacific Studies of the University of Trier (Germany). The conference was sponsored by the Fritz-Thyssen-Stiftung and the Japan Foundation.

The programme was composed of five sessions depicting the roles of Japan and Europe in the international order:

- I. Domestic political and economic developments in Europe and Japan
- II. The crisis in Asia: regional and global implications
- III. The international and financial currency system
- IV. The future of the United States of America's role in sustaining international order
- V. Implications for European-Japanese relations

"Trust" and "confidence" might be called the key words of the conference in many respects.

Firstly, sustaining economic progress in the East Asian region will largely depend on the Japanese economic recovery. Prime Minister Obuchi has done remarkably well to date, but his financial room of manoeuvre is limited due to the huge public debt demanding some kind of fiscal consolidation in the future. Any austerity measures, however, would run the risk of deepening the current economic stagnation even further. So the Japanese economy stumbles between the poles of lacking positive economic facts and the missing confidence that such a positive trend will occur. Like the chicken and egg question it is hard to see how black figures can develop without any confidence, and without such figures confidence is also not likely to develop. Thus, for sustainable revitalisation in Japan, people, the bureaucracy, the political élite as well as investors need to believe that the Japanese politicians decisively wish to overcome the recession. Only if this happens will people all over East Asia regain confidence in long-lasting and substantial progress.

Secondly, looking at Europe, the current state of the economy in Europe could be characterized as a "macroeconomic trap". Although inflation seems to be largely banned, most European economies suffer from inefficient public spending which prevents any substantial recovery of public debts. Most evidently, the overall problem in Europe remains high unemployment – due to cyclical *and* structural reasons. The policy-mix suggested during the conference will probably not be tried and so economic recovery is not likely to come about. The governments of three big European economies (Germany, Italy and France respectively) have, to date, clung to half-hearted measures or mere rhetoric. In addition, the relative weakness of the Euro vis-à-vis the Dollar reveals that currency markets lack confidence in Europe's ability to get its act together.

Thirdly, the international currency and money markets need confidence to function properly. In search of global institutions which could provide trust, currently the IMF – despite all current criticism – remains the only player worth strengthening. In the absence of further global regulations, states are compelled to establish national institutions (independent central banks, supervising authorities, rating agents etc.) to secure credibility.

Fourthly, if trust in your neighbour's foreign policy goals remains low, balance-of-power thinking is likely to prevail. But the hurdles remain high: the Sino-Japanese relationship conveys the impression that in this bilateral relationship, competition still prevails over cooperation. China is still perceived as striving for the dominant position in the region and consequently, distrust exists among most of the non-Chinese élite. For that reason, Chinese foreign policy is crucial and should employ *Confidence Building Measures (CBMs)*. The latest threats vis-à-vis Taiwan clearly pursue a wrong direction. If distrust and uncertainty about Chinese future moves remain widespread, institutionalization – be it economic or political – is not likely to gain ground.

Fifthly, the overall impression of the state of the European-Japanese relationship was: "very good, mature but static". As late as the '80s, trade disputes were "hot" but nowadays common values and interests prevail, if on a low-profile basis. It was noted that future cooperation will largely depend on the will and capacity to act. Thus, Japan has to overcome its lack of vision and Europe should concern itself with its self-restricted capabilities in terms of a Common Foreign and Security Policy. However, the two should become less introverted. Finally, the European and Japanese, with their lack of confidence to engage in security issues, run the risk of being perceived as "free riders" counting on the US to provide the collective good "security" anyway. In the long run, this might contribute to a further domestication of US foreign policy which will have undesired effects in the form of growing instability.

Therefore, as key note speaker Raimund Jochimsen from the Deutsche Bundesbank board put it well: "It is high time to take notice of the tremendous changes confronting us and to recast our roles."

Bernhard Stahl

## Konferenzankündigungen

### Globalisierung und Eigenständigkeit (I): Asien

Eine Veranstaltung des Kompetenzzentrums Asien-Afrika-Lateinamerika in Hamburg (Universität Hamburg/ Fachbereich Orientalistik, Handelskammer Hamburg, Deutsches Übersee-Institut Hamburg/ Institut für Asienkunde) in Zusammenarbeit mit dem Ostasiatischen Verein e.V. Hamburg