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# REGIONALISM AND RIVALRY

Japan and the  
United States in Pacific Asia

Edited by

**JEFFREY A. FRANKEL  
AND MILES KAHLER**



NATIONAL BUREAU OF ECONOMIC RESEARCH

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# Regionalism and Rivalry



**A National Bureau  
of Economic Research  
Conference Report**

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in Pacific Asia

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Jeffrey A. Frankel  
and Miles Kahler



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## Preface

A redefinition of United States interests, and a debate over the shape of a desirable world order, are under way following the end of the Cold War. Interests as well as desirable order will acquire different meanings in different parts of the world. In some parts of the world, where the transitions to a market economy and stable democracy are far from assured, the goal is surely to facilitate those transitions. In East Asia, on the other hand, economic success is already an accomplished fact, beyond anything that could have been hoped forty years ago. In this region, some Americans have begun to fear success rather than to welcome it. Many see a regional bloc centered on Japan, concentrating its economic activity inward, and rivaling the power of American and European blocs.

In early 1992, the National Bureau of Economic Research held two conferences sponsored by the Pew Charitable Trusts, one on economic reform in Eastern Europe and the former Soviet Union, the other on the activities of Japan and the United States in Pacific Asia. This volume contains the papers and comments presented at the second conference, which was held in Del Mar, California, April 2–5. A preconference meeting held in Cambridge, Massachusetts, November 9, 1991, helped narrow the range of variation of author wavelengths.

Half the participants were economists (many of them NBER research associates), and half political scientists. Many skills and combinations of skills were represented: specialized knowledge of individual East Asian countries, familiarity with the Pacific Rim as a whole, and expertise with the tools of international relations, international political economy, comparative politics, technology policy, international economics, economic theory, econometrics, and history. It is safe to say that no single participant possessed all, or even most, of these skills.

To narrow the focus manageably, many issues at the nexus of economics,

politics, and security in East Asia and the Pacific were not directly addressed by the conference. The spotlight fell principally on the activities of Japan in the region, more than on those of the United States or of China and others. But any expectations that conference participants would offer evidence of a plan on the part of Japan Inc. to convert economic power into political power in Pacific Asia were disappointed. Instead, the economic nature of Japanese goals was taken for granted, and the debate centered more on whether observed economic trends differ from what could be explained by natural factors in international competition.

The editors wish to thank the participants for obeying the dictates of a rigorous timetable, designed to preserve the timeliness of the volume. They wish as well to thank the Pew Charitable Trusts for support, Martin Feldstein and Stanley Fischer for their encouragement, and the staffs of the NBER conference and publications departments, particularly Kirsten Foss Davis and Lauren Lari-  
viere, for performing with the usual flawless efficiency.

*Jeffrey A. Frankel and Miles Kahler*