

Transcending of Boundaries in International Economic Science - New Issues, Perspectives and Horizons in the World Economic Theory of the New Era

Minoru Sekishita

Introduction

Today, international economic science faces a testing time. The political environment began to change rapidly with the advent of the 1990s as the collapse of the Soviet Union and eastern Europe brought to an end the era of systemic conflict between capitalism and socialism that began when the Russian Revolution effectively ushered in the 20th century. On the economic front, meanwhile, the rise of new business models in the wake of the 'IT Revolution' brought about by innovation in information and telecommunication systems and the advance of globalization have fed the success of America's 'new economy' and its worldwide repercussions and driven the growth of the world economy. Additionally, the emergence of China as a manufacturing base and the 'workshop of the world' has encouraged America's shift to a service economy, becoming corollary thereto, giving further impetus to globalization, in the sense of the integration of the world economy, and strengthening interdependence within the world economy. While these developments have helped to weaken the ties of the traditional nation state, at the same time they have tended to strengthen, in the powerful nations, state force and compulsion within the nation and the use of coercion against other nations. The result has been the construction of a new world economy with America and China occupying the twin top positions over a subordinate substructure, a development which the author has named supercapitalism¹⁾. The advent of this era of great upheaval has ironically deepened political instability, allowing America to display its strength by indulging in unilateralism in the form of military intervention and increased exertion of pressure. The accompaniment however has been rampaging terrorism, which has plunged the world into an abyss of fear. The upshot has been 9/11 followed by the subsequent Afghanistan offensive and the renewed invasion and occupation of Iraq, where however there is no prospect of order being restored and the country remains mired in fear, chaos, and confusion. The world is thus poised on the brink of an unprecedented era of instability with no clear way forward.

The rise of this new situation in world politics, economy, and culture has had a great impact on international economic science. It has meant the advent of an era in which traditional norms and frameworks lose their validity or fall into a state of dysfunction, an era when new paradigms are sought. In such an era, to continue progressing on the foundations of its achievements hitherto, international

economic science must actively explore new themes, boldly open up novel perspectives, and take on board unaccustomed research methods. In other words, international economic science must redouble its efforts to achieve an academic ‘transcending of boundaries’ with other fields, disciplines, and techniques to enhance the new academic horizons. For however elaborate the outmoded frameworks and theories become, they alone will be insufficient to cope with the new era of violent change and seismic upheaval. In the present paper, the author will attempt to outline some of his day-to-day thoughts on the issues and perspectives which deserve to be explored by international economic science in the times ahead. Tracing a development signalled in advance by the three keywords globalization (transcending of the boundaries of place), virtualization (transcending of the boundaries of dimension), and cross-border development (transcending of the boundaries of domain), the author will seek to explain the basis of these new processes and will then outline a number of perspectives and methods relating to the issues and research subjects which accordingly arise, finally proposing a structure for the whole.

1. The advance of globalization

In general, the phenomenon whereby the factors of production - goods, money, people, and information - frequently transcend the bounds of the nation state to become trans-border or borderless factors is called globalization, or the advance of globalization, a process which has intensified with the advance of modernization. There are many people who take the ahistorical view that this is rather a universal feature of human society which has been in play since ancient times. Naturally, notwithstanding the advantages of state-provided protection, safety, and guarantee, there is fundamentally a strong trend for the activities of public life to reach beyond the narrow confines of the state, and it is not wrong to see state restriction itself as an artificial, controlling, and secondary phenomenon. However, the superhistorical view that globalization has been advancing along a single path since ancient societies renders it impossible to identify the unique socio-economic significance of the current globalization, the precondition to which was the unique process of capitalist development under the emergence of civil society and the formation of the nation state. Behind the birth of the modern sovereign nation state was a powerful movement to form a civil society, led especially by the group known as the liberal bourgeoisie that represented the most advanced social group in the cities. This movement was informed by a strong desire to break with the traditional rule of medieval society centered on the feudal classes and the Church and to promote freedom and democracy, the establishment of basic human rights, and allround human development. The active movement of capital which this unleashed was first of all directed at the formation of a domestic market. The bourgeoisie that led this capital movement consisted of a wide-ranging group of capital holders in industry, commerce, finance, agriculture, and other fields in association with or supported by

intellectuals and other groups. Additionally drawing into its orbit the newly emerging proletariat and the old landowning class which was regrouping and transforming, the bourgeoisie created a state under the aegis of the 'nation' - a multivalent concept which means both state and people and at the same time ethnic group - and built a single integrated economic system known as a national economy which was held together by the state. The advent of a sovereign state based on a modern civil society made up of citizens heralded the birth of the nation state.

The national economies thus created one beside the other, which in Europe were based on the nation state, confronted each other as autonomous and independent entities in the world market - a summation of all the national economies where there was no overarching body - and the relations between them here were anarchic. Thus, the formation of nation states took place against the background of an external world market, which represented a summation of all the national economies. Naturally, it implicitly included the unknown and alien worlds of Asia, Africa, North and South America, Oceania, and other regions where nation states had not been formed, but in explicit terms it was when these regions had become known to European nation states through commerce with the exterior (i.e. trade) and necessary to them for capitalist reproduction that they were successively incorporated into the world market. The development of capitalism thus had a duality based on the summation of the domestic market and the world market and was directed inward on one hand to the formation of the national economy (inward-looking nation state) and outward on the other hand to mutual confrontation on the world market (outward-looking nation state). This meant that, in the absence of organization by the state in the former case, and of an international overarching entity transcending the sovereign state - a world government - in the latter case, anarchy would rule. To put this another way, the movement of capital had a dual character that led to the coexistence of a domestic world of organization and orderly formation and an international world of anarchy and survival of the fittest. Moreover, using the full application of the law of value as its yardstick, capital movement steadily established a domestic sphere (in the sense of a national system of values peculiar to a country) and an international sphere (the international value system arrived at by revising the value system of each nation from a hierarchy perspective). This also imposed a dual regulation on human existence and human consciousness. Thus, nations exist, in one sense, as a single nationality held together by equality and equal rights, but in another sense as an 'ethnic group' (which is also a 'nation') based on the ideal of a common language, customs, and culture (nationalism), conscious of its difference and seeking differentiation from other ethnic groups. Formed amid this duality, the nation from its inception had an ambivalent character. This is why modern territorial states, as well as being sovereign nation states, are also distinctive ethnic states. In specific terms, two types emerged: a large number of countries which were readily able to form monoethnic nation states; and a small number of multiethnic states which contained within their borders minority ethnic groups. One important thing was that the 'nation' we refer to here, rather than being a naturally, racially, or characteristically determined phenomenon was an artificial,

historical, and social construct. Possessed of this duality, the capitalism system also developed the dual aspect, within capital movement, of competition and opposition between the different sources of capital but coordination and cooperation within capital as a whole. Moreover, despite the commonality of belonging to the same nation and the same ethnic group, the nation contained a relation of class conflict and opposition between capitalists (employers) and waged labour (employees). Beneath the surface accord in class and ethnic group, in other words the nation state as an 'Imagined Community'²⁾, this led to the gradual division of the two as the divergence of economic interest became insupportably wide.

Now, the movement of the factors of production beyond state borders was not the same for goods, money, people, and information. First of all, trade in the form of the exchange of goods across state borders had long since developed into a wide-ranging network. Large numbers of merchants in intermediary roles had brought about an era in which trading peoples had flourished. This phase of primitive capital accumulation, a prelude to capitalism, when merchant adventurers sallied forth and commerce flourished, is called the era of mercantilism. In time, the increase in trade activity and the overseas expeditions and interactions of merchants encouraged the foundation of overseas colonies (the original colonies) as one pattern and the formation of an economy based on enclaves as another. The former pattern progressed as Europeans expanded into the new continent of America, Asia, which had been known to them since ancient times, and the recesses of Africa, regions which would become the targets of colonial occupation as competition in the acquisition of colonies intensified as part of the spread of imperialism. The latter pattern produced groups who settled for fairly long periods in enclaves dotted around at the destinations of ancient trade routes in what is known as a diaspora. These people enjoyed a number of extraterritorial privileges in overseas territories in exchange for the payment of taxation. There were also instances in which enclave-type colonial cities were built in or near trading ports. In this sense, the movement of people was linked to the movement of goods, and peaceful coexistence, interaction, and exchange between different tribes, racial groups, and ethnic groups (ethnicities) was widely practiced. Naturally, widely dispersed enclaves cannot be formed into a territorial state and are more aptly termed as federations of city states, while in the case of nomadic peoples, the territory itself is not fixed and includes a wide-ranging amorphous area which moves with the seasons (non-fixed national boundaries). These included, there were a number of types of state in existence, but this latter example can be seen as no more than a rare exception.

The development of capitalism gradually subjugated the activity of merchant capital to that of industrial capital, restructuring it into modern commercial capital. The development of trade made necessary a system of money payments. As a result, there developed a payment system based on foreign exchange notes handled by banks or their predecessors in the form of a money-brokering trade or wealthy individual financiers (it is usual to call this early-stage high-interest loan capital and to distinguish it from the interest-bearing capital which appeared under capitalism). This allowed

payments to be effected smoothly between the currencies of different countries and reduced the need for payment involving the carrying of actual money such as gold or silver coin. Hence was established the concept of credit in transactions which in the end led to the development of the credit system. This was the beginning of the movement of long-term capital and the development of international investment. Initially, investment through public debentures and other bonds was the mainstream, but eventually, with the development of the stock company, investment in stocks began, which led to massive accumulations of fictitious capital. As the increase in corporate activity and its development on a massive scale made capital procurement and management in the form of stock capital the most convenient, the stock company, evolving from the general partnership via the joint-stock company, became by far the most advantageous form of corporate organization. In the stock company, the large number of stockholders who had only nominal ownership became non-functional capital, while the minority of stockholders who actually ran the corporate operation and their representatives (who later rose into a class of professional managers) assumed the position of the functional capitalists. The massive stock company organization would eventually develop into a hierarchical corporate organization stretching from the effective controllers in the form of the functional capitalists and the professional managers with the dedicated role of corporate management through to the factory director and below him the upper and middle ranks of supervisory positions responsible for efficient supervision within the factory and the enterprise - especially the supervision of workers. As a result, international investment became clearly divided into managerial control through possession of the controlling stocks and thereby company control (foreign direct investment) on one hand and the less advanced activity of simple investment (foreign portfolio investment). The former of these processes led in manufacturing industry to the development of overseas production activity as an extension of the corporate activity of the head office, out of which grew the corporate entities known as multinational or transnational corporations whose main purpose is worldwide production and distribution activity. When this happened, the great worldwide production activity and value-creating activity of the transnational manufacturing corporations assumed the central role in globalization and international production evolved to the more advanced stage of world production, or in a specific sense, global production. In other words, international investment begot international production, and a distinction was maintained between the two. The development of the latter, however, due to efforts to make operations more effective, more efficient, and stronger through capital control exercised via the network of overseas subsidiaries and sub-subsidiaries, led in the end to capital control becoming tied to production and distribution control.

More recently, the developments in information and telecommunication systems known as the 'IT revolution' have made it possible to transmit required information instantaneously, and have made movements and transactions involving assets and money speedier and more accurate. Consequently, modern production demands vast sums in research and development costs, while the creation of brand

strength, advertising and publicity activity, plus effective marketing activity and logistics (distribution systems), are indispensable in order for the goods produced to be placed on the market, purchased, and delivered into consumers' hands, all of which generate huge costs and profit. As a result, the number of people involved as profit stakeholders increases greatly, to cope with which inflated profits are required, which depresses operating efficiency, which means that secret strategies to raise stockholder value become important in surviving competition between corporations. Today, a switch to a service economy centered around this information industry is proceeding rapidly, led by the developed countries, so that rather than making goods, the developed countries show a definite trend to a situation where they instead extract a steady profit from these service activities. Meanwhile, the actual making of goods has become the role of developing regions, notably China, the 'workshop of the world', where low wages are the greatest weapon in value creation. As incubators straddling both these regions, transnational corporations turn value creation in the developing countries into value realization in the developed countries, returning these vast profits primarily to the functional capitalists who are the class with effective corporate control. Thus globalization advances across the board.

In this way, goods, money, people, and information, whether viewed historically or considered logically, have become internationalized gradually in a series of stages and combinations, and the elements which have been central have been different in each period. With the advance of globalization, the domains under the control of the capitalist production system and the market principle have expanded. The author once stated that if this process is viewed from the perspective of the degree of progress of globalization, or the degree of globality, it could be divided into three stages: Stage I, in which trade and related payments are the main focus; Stage II, in which overseas investment and overseas production are central; and Stage III, in which knowledge and information services are key. The author also forecast that these would be followed by a Stage IV when the full fruits of globalization would be enjoyed effortlessly³⁾. However, this rule was based on a division into stages based purely on a logical exposition of the movement of the factors of production without factoring in the deliberate action of the state, that is the restrictive conditions that the state imposes on the economic process. When the concrete impact of nation states and federal states on the world market and world economy is taken into account, the rule needs to be subjected to certain amendments and, in some cases, to alterations. To make a broad classification, there has been a successive development from the Westphalian concept consisting of a continuum of independent states, through a period of great power blocks involving perpendicular relations between colonial powers and their colonies, to the first stage in the creation of a capitalist world order under the hegemony of the greatest imperialist nation, Britain, that is the era of Pax Britannica; there followed, in the period of systemic conflict after the Second World War, the era of Pax Americana, in which developing countries which had become independent through the collapse of the colonial system were incorporated into the world order under American hegemony (second stage in the creation of a capitalist world order). The dismantling of the

socialist system, which began in 1991 with the collapse of the Soviet Union and eastern Europe, and the progressive introduction of the market economy raised America to the status of sole superpower and marked a new stage in which globalization got fully under way, in the literal sense of cementing the world into one. This can be called a third stage to follow the previous two, or can be called the second phase within the Pax Americana.

To present this development in more detail, it meant the creation of a new international framework marked by the appearance of the newly independent countries known as developing countries which emerged from the postwar collapse of the world colonial system, and by the systemic opposition between capitalism and socialism. As background to the situation, America itself had originally started out as a western colony, and, after late development as a capitalist power, had endorsed independence and self-determination for ethnic groups from a position of relative independence from the colonial empires of the western powers, which had had a great influence on colonial independence movements. Meanwhile, the world's first socialist country, the Soviet Union, similarly defended the right of ethnic groups to self-determination and independence, and rolled out international activity under the slogan 'workers of the world and oppressed peoples, unite!'. The change in historical conditions after the Second World War naturally destroyed the closed nature of the block economies and gave shape to new frameworks which advanced globalization, but, it did not manage to break through the restrictive condition of systemic opposition. In the context of an opposition between two systems centered respectively on America and the Soviet Union, the two sides competed fiercely to expand their spheres of influence and to incorporate other countries into their orbit. This systemic opposition therefore continued as the Cold War between America and the Soviet Union, subsequently loosening in an easing of relations known as detente. Behind this was the fact that cracks had appeared in the monolithic socialist system due to differences over policy known as the Sino-Soviet Polemic, while the rise of Japan and West Germany (and additionally the integration of Europe from the EEC to the EC and then the EU) had brought about a change in the distribution of economic power in the western world into a so-called tripolar system. In other words, a trend toward multipolarization had appeared across the board.

This post-war framework had the basic characteristic of a collective approach to action in the western world through a system of cooperation and coordination among the developed capitalist countries under American leadership and was marked by the use of the special bodies known as international organizations as intermediaries for advancing action. Although it was declared that state sovereignty should not be infringed, and care was taken not to offend against this principle, the international organizations came to play the role of an international regime, which resulted in the acceptance of a partial restriction of state sovereignty. Even restricting comment to the economic organs among them, the natures of these international organizations differed greatly and have also changed. For instance the GATT, which operated in the area of trade, could not dispense with the

participation of developing countries, and encouraged them to take part by conditionally accepting systems of favor, protectionist clauses, and other arrangements that infringed against the principle of freedom, multilateralism, and non-discrimination. Although it adopted in principle the same one-country-one-vote system as the United Nations, it had developed sophisticated tactics to prevent the principle of majority voting from acting unrestrained. Over a long period, the voices of the developing countries gradually became ever louder as the developed countries refused to recognize their demands, and the organization fell time and again into a state of dysfunction. Despite its reorganization into the WTO, this problem has not been overcome. The IMF, in contrast, has adopted a system of voting rights in proportion to financial contribution, the same system as a stock company, so that the actual operation is controlled by the largest funders, the G5 countries (USA, Britain, France, West Germany, and Japan), from among which the executive directors are also appointed. In this way, a character advantageous to the developed countries has been maintained. However, since as a result it cannot respond to the demands of the developing countries, it has today become unable to play an effective practical role. With the World Bank (IBRD), the Americans have more blatantly maintained the privilege of appointing successive presidents. Because of this, the show-window IBRD has, since the McNamara reforms, distinguished itself as an outstanding organization, but the second World Bank (IDA), which was supposed to fulfill the essential function of providing finance to developing countries short of capital, has become a sink of bad debt and has fallen into a dysfunctional state. In this sense, it has not fulfilled its intended official function of providing long-term loans to developing countries. Although international economic organs may thus have been unable to fulfill their original roles, and have frequently been turned into a family business by America and a minority of developed nations through clever camouflage and blatant control, their intermediary role in creating a framework for international interaction and a world order in the context of systemic opposition has, albeit with restrictive conditions, advanced the cause of globalization. In this sense, their development can be said to belong to the first phase of globalization.

This was also an era in which the leading role of the 'superpower' America was strongly manifest and in which the lifting of barriers was strongly promoted under American hegemony. Therefore, while the framework of globalization was fashioned under the new conditions created by the collapse of the colonial system and the emergence of independent states, it was also a process marked by efforts to implant within it an American-style globalization consonant with American ambitions. The chief instruments for this were foreign aid as a means of establishing a base through state injection of funds, followed by internationalization of private enterprises, that is activity by transnational corporations - central to which was international production by manufacturing industry - again followed closely by overseas activity by American commercial banks expanding overseas, in other words transnational banks. By establishing these three bases, American-style globalization was continuously progressed, but whether the whole project would run smoothly depended in the final analysis on America's

political power. Here, backed up by massive military strength, America's diplomatic maneuvering in international organizations and bilateral relations had clout, on the foundation of which the freedom of activity of private enterprises was guaranteed. Measures such as the bilateral investment treaties (BIT) which were agreed in return for foreign aid, the double tax treaties (DTT) which the oil majors devised in response to the demands of the oil-producing nations for an increase in concession fees, and the special resource treaties granted in exchange for PL480, came to guarantee this freedom of operation for American enterprises and the securing of their interests, as well as legal tax avoidance (i.e. effectively tax evasion). These are common activities of transnational corporations today also. However, the manifestation of American hegemony in this process was balanced from the viewpoint of the developing countries by the provision of things which they needed. Nevertheless, the developing countries eventually started to notice that they were in a partnership at crossed purposes and began to press ahead with nationalization, assert their independence, and take collective action, for instance through the non-aligned movement, which gradually exposed the conflict between the two sides. Unlike in the initial post-war period, when America was able to assert its hegemony with no difficulty, America now responded with coercion and displays of force, which drove a growing wedge between the two sides in a conflict of interest that prepared hotbeds for the new anti-American movement.

At the foundation of today's globalization, however, are the developments and innovation in telecommunication and information tools represented by the Internet, that is the wave of technological innovation represented by the development of IT. This advance more or less coincided with the dissolution of the Cold War system. The advance of IT made it possible to transmit information to the furthest reaches of the globe instantaneously and to swiftly process the movement of the factors of production, which have been adapted to information technology, through computer networks. This widened the scope of business activity, brought previously unknown customers into view, encouraged greater speed, and promoted the replacement of labor with automation. This new situation in which the countries and people of the world were linked by networks played a great role in undermining the framework of the traditional nation states. As a result, the autonomy of the nation state has been gradually eroded, an interdependent world has emerged, while the immobility of the elements of production and the fixed limitations of time and place have gradually disappeared. In particular, the situation whereby the movement of money and information comes ahead of the movement of goods and people gave investment (in some cases speculation) precedence over trade, or caused it to take on inflated proportions, blurred the boundary between short-term capital and long-term capital, produced a division between international capital movement and international production, and also promoted the international production of transnational corporations on two fronts: international intrafirm division of labour within enterprises and international partnership between enterprises. Thus, the corporate activity of today needs on one hand to pursue efficiency through worldwide standardization and imposition of uniformity, but at the same time it needs to combine this with a pursuit of specificity,

diversity, and localization in response to the individuality and diverse requirements of consumers. This means emphasizing name recognition through brand strength and using this to secure customer loyalty. This need has altered the development of transnational corporations and made it necessary for them to convert from transnational manufacturing corporations to transnational service corporations centered around the creation of intellectual property. Whichever the case, the significance of global production under transnational manufacturing corporations (worldwide manufacturing entities) has been to promote the temporal and spatial division between value creation and value realization. On this foundation have emerged a large number of transnational service corporations (worldwide knowledge entities) targeting the acquisition of vast amounts of goodwill from intellectual property services⁴⁾. This situation now in progress can therefore be seen as globalization at a level one grade more advanced, the second phase of globalization.

Meanwhile, the advance of globalization has introduced the divorce of areas of space from the nation state, symbolized by the absorption of industrial clusters into international production⁵⁾ and the diaspora-like globalization of megacities. The former development saw the formation of enclave-like production bases of transnational manufacturing corporations, notably export-processing zones (EPZ), which in China subsequently developed into special economic zones and spread worldwide. This provoked competition among potential host countries to offer the best incentives. If a country offering more advantageous conditions emerged, the transnational corporation would readily move on. Since the operation nowadays often takes the form not of an overseas subsidiary but of outsourced production through a partnership between enterprises, moving on has become even easier. As a result, a temporary boom can be instantaneously followed by dereliction, ripping national economies apart. In the latter development, massive global cities have grown up within nation states, which attract waves of illegal immigrants, causing a new world of multi-layered distinctions to appear in which divisions between the sexes, races, and ethnic groups are superimposed on the foundation of traditional class distinctions. This has made the supposed integrity of the nation state into a fiction⁶⁾. In the natural order, it is the movement of people which should be most free, and it should be impossible to halt this movement across the artificial limitations imposed by the state. In reality, however, the movement of people has been subjected to great limitations. Nation states in particular are relatively relaxed about outward migration, but are strict on inward migration, as a result of which political refugees stay trapped in refugee camps in border areas. Meanwhile a policy of restriction on legal immigrants has been adopted by global cities due to fiscal difficulties and other factors. Large numbers of illegal immigrants have nevertheless gathered who are employed under very poor labor conditions which take advantage of their uncertain status. Many of these global cities are home to the head offices of transnational corporations and international financial centers and are also the center of government administration, so that information services, hotelry, offices, catering establishments, the entertainment industry, fashion, and other service activities flourish. This pool of labor is used to

reduce general administrative costs by offsetting the high price of land and high wages costs. Since the system for hiring and firing is outsourced to agencies employing contract workers, enterprises have the additional benefit of freedom from labor problems. For these reasons, illegal immigrants, especially female labor, are welcomed. However, this leads to a deterioration in law and order and high crime rates, which in the end raises security costs.

2. The illusion of virtualization

As explained above, globalization transcends the artificial divisions of space created by the nation state to achieve a kind of ‘spatial transcending of boundaries’. When this is compounded by the innovation wrought by IT technology in information, telecommunications, transportation, and so on, it creates a phenomenon which might be called ‘spatial compression’. This is because the development in telecommunications technology and transportation systems makes increased speed and large-volume transportation possible and therefore results in time-saving. Between regions where these advanced transportation systems and telecommunication systems are in place, it therefore produces the effect of transcending physical distance and the general or average intercommunication time to effect a kind of spatial compression. This emergence of differentials in the mobility of the elements of production depending on location, object, characteristics, and systems presents the need to measure using a unit which is the product of time-saving effect and spatial compression effect and might be called ‘specific space-time’. This specific space-time cannot be measured in terms of regular distance, nor of the standard time taken by transportation systems, but is measured in terms of the fastest actual time taken to reach a specific place accessible to these transportation systems. The relative length of this specific space-time has come to constitute a benefit of globalization and, when harnessed by the cross-border development of corporate activity, becomes a concrete reality. For instance, areas adjoining international hub airports accessible by large supersonic airplanes, specific clusters equipped with advanced Internet facilities and a concentration of IT-related industries, international centers where the financial industry is concentrated, tax-free zones adjacent to quays where large ships can dock, and other specific locations fulfilling certain conditions possess a semi-monopolistic special benefit. In a different sense, an attempt to commodify the unique value and rarity inherent in specific locations is sometimes observed in the attempt to turn them into objects for the tourist industry. As specific locations have an inherent attraction in terms of the natural environment and cultural heritage, they should normally be viewed as the common heritage of mankind, but when the general tourist industry intervenes, the degree of minimization of specific space-time in regard to these tourist sites constitutes an important competitive element. There are even frequent attempts to turn them into private monopolies (privatization). In all cases, these places become strongholds of global business. Whatever the natural features, there is a strong tendency for state and regional governments to

create such locations by arrangement of the right conditions. This gives an important illustration of the changing function of the state today as state and regional governments take action to promote globalization.

Meanwhile, to goods, money, people, information and the other elements of production, there apply separate units of specific space-time. If we divide these into 'goods time' 'people time' 'money time' and 'information time', we find that information time via the Internet is the fastest; the time taken for money to travel over the ether is similarly fast, whereas the goods time and people time associated with the actual movement of physical objects and human bodies is slow in comparison. When this is combined with specific space-time, a further accelerating effect emerges. The first two forms of time are therefore decidedly more convenient, create a flourishing environment for business, and increase the work rate. The particular feature that transactions can be initiated and completed on computer screens over the Internet with no actual movement of people or goods is the origin of the rapid switchover to virtualization. The door opens to an invisible world, in the depths of which many of the true aspects remain hidden, while the parts which are visible may become exaggerated or miniaturised in a kind of distorting effect. In any case, what we see from day to day is a virtual world. It is not necessarily the case however that ever shorter specific space-times mean ever greater advantages for the development of today's global business. For there are cases of 'time-lag business' where a specific time lag offers an advantage in production processing, as illustrated by the example of Bangalore in India with IT software processing. The night-time, when processing activity cannot be carried on by workers in America, is the middle of the working day in India. Enterprises have noticed this time lag and integrated it into the international production system, creating conditions in which full 24-hour processing is possible. In respect of America, this is a favourable position which only India enjoys, but since China, the Philippines, and other locations have participated in the recent phenomenon of offshoring, whereby administrative services are moved to distant locations, it is not necessarily a market cornered by India alone⁷⁾. In the financial world, meanwhile, the globe has been divided according to the 24-hour clock and trisected into 8-hour time zones of the length of the working day. With centers in London, New York, and Hong Kong, money can now chase around the world for the full 24 hours, never needing to rest for a second, which allows the unproductive costs and risks associated with money to be reduced. This again has become an element driving the separation and separate development of production and finance, and especially the inflated development of the latter.

What these things mean as a whole is that the entire globe is divided according to the 24 hour clock and is all integrated in real time. The modern enterprise divides this space which covers the whole world into 24-hour time units and, when undertaking a step in its business development, makes a precise calculation of the space-time of a specific place from the perspective of the head office location (i.e. head office standard time). In doing so it becomes a global enterprise in the essential sense of the word, and enables itself to maintain maximum business efficiency. In this sense, global enterprises

undertake their routine business activity in a world-watching mode in which they apply world time to the conduct of the production, processing, distribution, and sale of their products, administrative services, movement of funds, and so on. Transnational corporations are therefore constantly on the lookout for new bases (global scanning) and modern enterprises are obliged to aspire to become controllers of time and space. Increased speed and elimination of losses now become the vital lines of corporate activity. This shows that, in the modern age, the control of time and space is largely carried by knowledge. The head office is the place where this complex information-based knowledge is accumulated, and takes on the role of what might be called a vast knowledge cluster (information center and also command center). Now, if this knowledge is based on internationally integrated regulations and standards, is applied with a common measure that removes all differences between countries, becomes the object of private property protected by intellectual property rights, and thus establishes absolute inviolability worldwide, it achieves the status of a central element of production in the business world. Together, the economic advantages of the establishment of standards and the networks which they link create strength. Hence the development of knowledge and information and technology is the controller of specific space-time, the regulator, leader, and the great power driving globalization. Toffler in his latest work stipulates knowledge, time, and space as the three elements of wealth, with the most significant aspect being that knowledge controls time and space⁸⁾, and this seems to presume the situation described above.

However, this is not the end of the issue. The development of computers and the Internet not only bring a shortening of time and space within the same dimension, but also produce a phenomenon which might be called a kind of 'time warp' that transcends dimension (the same concept is featured in the American science-fiction drama *Star Trek*). Being able to move freely between different dimensions presumes the ability to smooth out the differences between telecommunication systems, telecommunication signals, and telecommunication languages by applying a common standard to allow mutual interaction and interconvertibility, in other words free conversion. Digitalization made this possible, and as a result made possible much dramatic improvement and innovation in production, circulation, finance, distribution and other business activity. For instance so-called concurrent systems, which allow different production lines and production processes to be synchronized, or allow things produced separately in separate places to be brought together in one final location for assembly according to a preset plan. In this context, integrated control systems based on standardized regulations and centralized parts centers are essential, as is interchangeability of individual modules. If for this purpose classification numbering and recording to allow standardization with IC tags is introduced based on integrated regulations, effectiveness and efficiency are increased dramatically. The system known as supply chain management is also spreading, in which the inventory of each department is kept to a minimum and the whole process is accelerated. These things signify virtualization under the central control of head office, that is the coming into being of a virtual world (of

business organization and business activity) that exists only in the mind of the headquarter command center. In other words, from a visible world to a virtualized space, there is a kind of transcending of space-time. Today's transnational corporation is thus a global enterprise inasmuch as it seeks spatial expansion and transcending of boundaries, but insofar as it transcends space-time to reconstruct the real world within a virtualized world, it is a virtual company. When this latter point combines most closely with the original essence of capital, it produces the Moloch-like chimera of an absolute godhead, an almighty incarnation that acts as the original essence of pure capital with no production base. This represents the culmination of the worship of capital, in which something which may at any instant fade into illusion is treated delusionally as having real existence and worshipped. From it proceed all commands and pronouncements. Under these conditions, where certainties are no longer clear, it is maybe simply a case of abandoning the present to the responsibility of the future. Capital consists of past product converted into present value, multiplied and managed, and whatever attempts might be made to guarantee it by retracing the past, this is not possible in reality. This is because the march of time is a one-way process and this past product has already ceased to exist. If the continuation of capital requires the progress of time, and moreover its semi-permanent continuation is a condition, then when we observe that business harnesses time, combines it with space, and then behaves as if it can transcend this too, and that this time creates the preconditions required for virtualization, we have the feeling of being swallowed up in its evanescence and elusivity.

Money-handling finance is the typical example of business that uses time-lag, but it is also used in other forms of software processing. The combination of spatial compression and time-saving leads to the formation of a new economic unit which controls virtual reality (the world of multidimensional space movement and transcendence of space-time) and which might be called 'specific space-time squared'. Here, control of time and space through knowledge have been established as domains for the production of new wealth and private property, in what could be called the culmination of knowledge capital and intellectual property. There has arrived an era in which the intangibles of idea and image and symbol and model take precedence over tangible material goods and assets; an era in which the unequal exchange of the two is spoken of plausibly, an era which is marked by their arrangement and division, country by country, as typified in the example of America, the kingdom of intellectual property, and China, the base for manufacture of goods and the workshop of the world, contrasting and complimenting each other; an era in which mass-oriented low-priced and reproduced articles abound over unique and original item of high value; in other words an era where usership rather than ownership is the way to great wealth. Thus, the prime slogan of capital today is 'no ownership just utilization'. In this world, a form of enterprise known as the virtual company has become the origin of new possibilities and new recipes for competitive success. This juncture, the culmination of knowledge capital, marks not only the advent of an era that places software above hardware, but one that gives still higher rank to the intellect that wields it, or what might be called wetware⁹⁾. The world

of virtual reality is also an era in which supersymbolic phenomena exercise control by appealing to human imagery and imagination. These are also applied to fashion and entertainment, and a so-called experience economy comes into vogue with its brand control and simulated experiences in massive theme parks¹⁰⁾.

Nevertheless the privatization and commodification of knowledge has pitfalls. Knowledge is by nature a common asset of mankind, a public good and public utility and a strong argument exists for throwing it open to be used by everyone without charge. The tug of war between the phenomenon called the public domain and the private monopoly of privatized intellectual property has up till now been settled with the compromise of setting a limited period of private monopoly, after which knowledge passes into public ownership. This has been in an era where most creation of intellectual property was concerned with patents relating to manufacturing methods for goods and in which a strategy known as pro-patent policy became the intellectual property strategy. Today however, it is not patents pertaining to the production of goods which are central but copyright to assets which are essentially intangible. Here, the tug of war in the kingdom of private property, America, is tending toward a prolongation of the period of private property rights¹¹⁾. We also observe the advent of an era when anything can be made the object of copyright once it is recognized as a profit source¹²⁾. Since original items are too high-priced for purchase, this stage produces a business approach which seeks profit by acquiring the rights and producing copied goods at low price. In reality, this means the advent of an era abounding in fakes and copied goods and demonstrates how easy copying is. Indeed, mankind progresses through copying, which has a leveling effect, and it is no exaggeration to say that without it there could be no progress in the world. When we understand this, we need to ask seriously what originality is, and a question mark comes to hang over the technological idea that imagination is the mother of progress. It is perhaps rather the case that mankind as a group has achieved progress through rapid emulation. For the manufacturing and service activity that makes use of today's creative intellectual activity and its benefits has become increasingly collective and cooperative, so that it is not clear who the creator is. This collectivization requires a joint awareness and collective agreement regarding the results achieved so far, for which the benefits of academic study are essential (copying and speedy diffusion). The spread of education and increasing academic sophistication and specialization reinforce this condition, and it is certain that the whole of mankind is moving in this direction.

3. Cross-border development and interactive regulation

Here, I would like to consider bidirectionality, interactive regulation, and interconvertibility. The Internet era is also an era that emphasizes bidirectionality. The fact that consumers can at the same time become producers has led to the coining of the word prosumer. When applied to the computer,

this means not only that people can build home-made computers by assembling a range of ready-made parts according to their own designs and plans, but that they can also use these to create their own programs and reorder software content into more user-friendly forms. As a result there has been much talk of mastery through practice and associated calls for basic software to be opened up. But developments have not been limited to this. For a long time there has been a widespread phenomenon whereby do-it-yourself enthusiasts rebuild their homes, design gardens, or create sound systems using existing components, and in the artistic fields of music and drama, novels and painting, creating one's own works and re-arranging works in one's own style has been a common activity. As a logical continuation of this, systems which commodify consumer requirements have often come into being as solution-type businesses or similar operations. Originally, this was the typical mode in automobile production and other products, but the superiority of supply side-driven systems for mass production of uniform single products was proved by the success of the Ford T-Type. On the other hand, the multi-item small-lot production systems that responded to the gradual change in consumer preference and the resulting diversity are famous in the example of the General Motors management strategy. All companies have struggled to accommodate these two aspects. Nowadays, in the interests of efficient production by the producer, customization to respond to the individual requirements of consumers adopts a system of mass-production of uniform models whose features have been envisaged in advance. If producers rely on the former system, inventories decrease, but the production period is prolonged, causing unproductive costs; reliance on the latter system makes mass production possible, but if an inaccurate projection of the market is made, an unsold surplus will remain. The issue is how to reconcile these two, which means actual mass production of items that match consumers' individual requirements, a mass customization system. The secret is above all the use of brand strength, and here a variety of arrangements are employed to integrate the two opposing factors.

In addition to value in use and value in exchange, the view can be taken that a new value has been created nowadays that might be called 'brand-specific value' and which overlaps with both. This is a synthesis created by the combination of the differentiation strategy of enterprises and the consumer's differentiated degree of satisfaction. The bidirectionality seen here is a combination of the differentiation strategy of the enterprises and the differentiated awareness of consumers, and this crossover value regulation, or interactive regulation, is a new situation born of the fusion of modern-day production and consumption. Brand value, therefore, at the same time as having a special advantage in the form of the value in use of goods in terms of high-function and high-design, also has a high value in exchange because it can be sold at a high price for its high fashion status. While it combines these two aspects, it cannot be reduced to either one of them and thus has a composite character, which it therefore seems appropriate to call 'specific value' or 'brand (specific) value'¹³⁾. These brands are exposed to inter-brand competition, and, because of their novelty, are constantly exposed to the danger of deteriorating into the category of general goods (commodification). The brand therefore needs to

constantly strive to outgrow itself by aspiring to the development of still higher-class brand goods. To avoid this fierce competition and as far as possible maintain a stable market share, brands adopt a strategy of releasing a serialized succession of articles onto the market in stages so as to attract repeat customers from the individual product brands and secure continued purchase. In this process, they progress gradually to total brand value, in other words the establishment of a corporate brand. When this happens, the company's reputation becomes crucial and name recognition and corporate image come to occupy an important part of the consumer's motivation to purchase. The brand employs celebrities, sports personalities, and other famous people in its commercials and engages constantly in advertising and publicity activity to enhance product image and corporate image. It nevertheless has to accept the simultaneous danger of suffering a great blow if the company's reputation is tarnished.

Now, since transnational corporations are playing to a global market, at the same time as advancing with worldwide standardization and uniformity on one front for reasons of economic efficiency, they are obliged to proceed with individualization and diversification on the other front to meet the requirements of local markets. Due to the difficulty of combining the two aspects of this composite strategy, they end up following a two-fronted strategy. In order to succeed on the former front, the general practice is worldwide sale of worldwide standard goods, which means setting up a system with a divisional organization for each single product. To operate on the latter front, a system is frequently adopted of regional divisional organizations that deal with multiple products adapted to the special character of each region. In both cases, however, combining the two purposes turns the enterprise as a whole into a conglomerate, in the original sense of a multi-faceted business. Within this structure, the transnational corporation has to integrate multi-product, multi-regional, multi-divisional, and multi-functional aspects, between which interactive regulation and mutual permeation takes place and which are adjusted according to strategy. The internationalization of production based on a system of international intrafirm division of labour within the enterprise was also accompanied by the creation of a multi-plant, multi-stage, multi-domain or multi-specification process. When this is recalled, it becomes clear that the spatial separation of value creation and value realization took place in a multi-layered arrangement. As a result, there came into being an overall sequential and continuous value-creation structure known as the value chain straddling many countries, which is characterized by value transfer across many countries, thus creating the transnationalization of value transfer, which made it difficult to measure accurately where added value is created or how it is distributed and making assessments thereof impractical. The reality that the use of tax havens and transfer pricing has become a routine operating system for transnational corporations is a reflection of this. Meanwhile, in relation to the business development of transnational corporations, the combination of international intrafirm division of labour within enterprises and international partnerships between enterprises has become the norm today. The method of combination of the two used by transnational corporations follows the strategy of the moment of the individual enterprise, and there is no fixed pattern. In the case of partnership

between enterprises, this can consist of partnership, commissioning, long-term business relationships (subcontracting, subsidiary enterprise groupings, in other words pseudo-externalization) and other complex forms. Among these, the external commissioning known as OEM also takes two forms: conventional commissioning of production; and a shipment-based model, typified by floppy disks and similar products, in which, as a way of coping with rapid technological innovation and obsolescence, an attempt is made to capture the market through family creation, whereby products made in-house are licensed for sale under the brand name of the partner. Technology partnerships usually do not involve a licensing strategy consisting of one-way technology provision but are accompanied by acquisition of technology from the partner enterprise in the form of cross-licensing, and are thus controlled by bidirectionality. The use of franchising is also widespread, beginning with franchising of individual products and extending to the situation today where the franchising of a complete business format is usual, from expertise and layout right through to uniforms. The creation of subsidiary groupings of subcontractors is very common in Japan; here, elements which might normally be effectively contained within the enterprise are officially externalized (pseudo-externalization)¹⁴⁾. In this way the overall business development and corporate organization of the modern transnational corporation are not simple or unilinear. It is no longer a case of choosing between options but of combining them. In other words, the baseline is formed by complex strategies. Therefore, the general trend today is for these elements to interfere with each other, influence each other, and interact with each other in a complex whole.

In a related development, there has been wide application in the world of international investment of international direct investment, where outward investment mixes with inward investment, and of cross-investment, where direct investment and portfolio investment combine. Diversified investment leads to the creation of families and is important to their maintenance. Under these circumstances, participatory diversified investment is more effective and more reliable than taking over management control of an enterprise. Capital movement is thus bidirectional in its development, tending toward concentration and accumulation and toward division and diversification. In this respect, the wave of cross-border mergers and acquisitions did not necessarily consist only of concentration and absorption. There was also movement in the opposite direction with the division of enterprises for the purpose of sloughing off loss-making operations and setting up spin-offs. Absorptions, mergers, and spin-offs, that is separation and diversification, are thus carried out bidirectionally. Moreover acquisitions and mergers serve different objectives. In the former, the main aspect is the pure movement of capital, for which the buying and selling of enterprises has become an end in itself, while in the latter, the basic aspect is growth strategy aimed at expansion of business activity. Regarding the specific content of mergers and acquisitions, in addition to vertical and horizontal types, the conglomerate type has recently become widespread. While this also contains a tactic to avoid infringing against government measures to restrict the monopolies with legal and administrative measures, there is also

the underlying reason that, along with their globalization, the development of multifaceted enterprises represents the fundamental bidirectionality of enterprise growth. Today, participatory diversified investment, which refers to the fusion of two relatively individual industries, is in vigorous progress in the IT industry and other fields where, as we saw above, the creation of families is being targeted through the application of identical regulations and identical standards. Moreover, shipment-based OEM is used in combination. This situation makes it difficult to draw a clear distinction between international partnership between enterprises and international intrafirm division of labor within enterprises and also blurs the boundary between international investment and international production. Meanwhile, technology licensing alone is not the only means of introducing advanced technology. There is also widespread use of acquisition and development, which links it with acquisition, and of merger activities.

In addition, work and leisure have become interlinked. Especially the latter has rapidly become the object of business activity in line with the privatization of place and the commodification of time. The popular package tours organized by the tourist industry are a form of enforced leisure, what might be called the compulsory 'consumption of places' under the pressure of a tight schedule¹⁵⁾, and have become a booming activity in line with the privatization of place. At the back of this is an irony: rest and recreation and promotion of health are important in order to better the quality and content of labor and achieve overall progress, and workers have acquired these rights over many years; yet the time that should by rights be theirs to enjoy freely is spent in this enforced leisure. In this way, bidirectionality and interactive regulation are also aspects of the era of interconvertibility, and can easily convert into their opposites.

4. Progress in the transcending of boundaries between academic disciplines - a switch to interlinking

As a result of the above, the time has come to undertake a major review of the tasks which international economic science needs to pursue in the world of the 21st century, its fundamental perspectives, academic methods, and so on. Until now, international economic science has respected the delimitation of its subject matter, the stringency of its analytical units, the autonomy of its systems, and its compartmentalization as proof of its character as an academic science and its exactness, and has enjoyed great progress. Whatever about carrying on this success, from now on there is a need for interconnection of its analytical units, interconvertibility, and overall connection so as to effect an evolution into an academic system that emphasizes more strongly interdisciplinary aspects, composite character, pluralism and integrality. In other words, there is a strong need for 'academic transcending of boundaries' in international economic science. For this purpose, we need to work toward a bold change in research subjects and new discoveries. The reason why this is necessary lies in two

mutually contradictory parallel trends, which thus can be said to reflect the particular character of the modern era. An era in which the immediate future is opaque, an era lacking transparency, when new trends break through to the surface, but when we cannot recognize them as the right trends which will allow us to cast aside those which have accompanied us from the past. This is the maelstrom of confusion in which we find ourselves now.

For instance, capitalism advances the commodification of all things, but today the commodification of the human body itself, on a global scale, is proceeding. However, the idea that the human body is an object to be used as an anonymous object of business, and that the purchase and sale thereof is in the private sphere and therefore a question of personal decision, personal responsibility, and free disposal, naturally provokes an opposite opinion. This is the idea which makes an overall assertion of philanthropy, adding to respect for human beings, freedom, and equality the new concept of solidarity, and which, seeing the human body, human personality, and human rights as a single unit, might be called a declaration of the human rights of the human body¹⁶⁾. Thus, America, which promotes the former idea, accuses Europe, which proclaims the latter, of erecting non-tariff barriers to international transactions. In trade, the supplementation of the principles of freedom, multilaterality, and non-discrimination with the new idea of reciprocity, which emphasize whether mutual consent obtains, links in with the present discussion. At issue is the conflict between the view that sees the business in human bodies represented by the international buying and selling of human organs and international transplant tourism in search of cheap human organs in absolute terms as matters for private decision and free disposal and therefore to be freely allowed; and the view that wishes to prevent it from the perspective of human dignity, or in certain cases makes a declaration of non-negotiability. The latter view takes the position that, in these matters, public authority may interfere in the private sphere. This is also the cause of a conflict of opinion between America and Europe and America and the developing countries concerning biological patents and generic goods. The same kind of thing is apparent in the case of the debate at the WHO over the causative link between sugar and obesity. Here again rises the conflict between the view of America and major enterprises that the causative link is not clear and therefore not proven and that there should therefore be freedom of action, and the view on the consumer side that the role of science is not to make clearcut pronouncements and that, where a possible link exists, due consideration and precaution should be exercised.

In a world controlled by intellectual property, there is a break line drawn between 'above the line', where profit is guaranteed, and 'below the line', where the actual work is done and costs cut deep. This is a business model that is widespread in the film and consultant industry and military contracting companies. This is an area of the modern world with a clear and difficult to surmount difference between wealth and poverty, the worldwide mechanism of which has produced a situation known as access capitalism and an accompanying worldwide network. This is different to the classic class-based difference. In a world where collective operation is important, collaboration is an important activity,

and here the role of the person known as the producer is of the utmost importance. He is not the one engaged in the actual creative activity, but the one whose role is to control, coordinate, and direct the whole. Apart from him, in this business field, there are intermediaries with titles such as agent and consultant and advisor and manager, who play important roles in services handling human resources. What position to assign to these will be a great issue in the future.

Meanwhile, in the era of globalization, the sovereignty of the nation state is not absolute. With the advent of an era in which human rights take precedence over it, and in which people welcome this attitude, the idea that the right to interfere in the internal affairs of other countries should be granted for the sake of securing and protecting human rights is gradually taking hold. This is the idea that underlies the thinking of the United Nations Peacekeeping Operations, and does not coincide with the simplistic American conception of America as the protector of freedom and democracy. What is important however is who bears this role, which is sometimes played by federations of medium-sized United Nations participants. For instance, the idea of the responsibility to protect,¹⁷⁾ developed notably by the Canadian Romeo Dallaire who led the United Nations Peacekeeping Operation in Rwanda, suggests that it is acceptable to infringe against the principle honored hitherto of non-interference in the internal affairs of nation states for the humanitarian reason of stopping a massacre, and thereby asserts a strong respect for human rights.

Lastly, when we look at the society of the future, what kind of organization will be required? Collaboration requires joint policy formulation on a global scale, i.e. development of policy formulation. That is the final destination of labor division and joint projects and participation, and signifies the advent of an era that does not belong to anyone but to 'all participants'; an era that promises appropriate division of roles and reward in line with participation; an era when giant enterprise systems are not the only organizations able to survive the competition; an era in which corporate organizations too will move from hierarchical structures to flattened networks, open and voluntary, whose operators will be scaled down to the essential supervisory labor, who will take on a producer-type status; an era in which knowledge-creating activity will be respected, and there will be a guarantee of knowledge in the service of the full flowering of human abilities and for all peoples, that is knowledge to be exploited in the public domain; in such an era, the key words will be co-creation, collaboration, and coexistence. But is it merely wishful thinking to dream of such a world? It is surely in the future theory of the 'ubiquitous society', an era in which computer networks will rapidly develop to become our daily bread in all four corners of the globe (we must hope that this ubiquity will not be corollary to a concentration in the hands of a minority) that we can expect to see an intense struggle over the creation of the future and the formation of a new 'multitude'. It is likely that the domination of capital will be reaching its end. In the framework of a global commons, can we not imagine that an era is drawing steadily nearer in which a spirit of solidarity and philanthropy will flourish alongside human equality, dignity, and freedom, a future society of associations in which peace will be celebrated? This is not American-style

freedom and democracy based on the unilateralism and politics of power which America advocates, but its reverse, a mirror image to be created by us. With this mirror image as a model of the turnaround to be achieved, constant effort must be invested in dialog and dispute with the American government to steadily win solid concessions.

International economic science needs to work on clarifying these new issues to establish academic authority and win trust. To do this, cooperation and collaborative effort with neighboring disciplines is indispensable. It is important surely to depart from the narrow confines of the specialist and to actively integrate the essence of the latest findings of academic science. To that end, we must broaden the range of our concerns not only to the various other fields of economic science and political science, sociology, law, history and other social sciences, but also to the natural sciences, and further to scientific theory, futurology, cultural theory, and beyond. In doing so we must constantly review the academic basis of international economic science, extending it and where appropriate remodeling it. My own honest feeling is that this above all is what is required.

Notes

- 1) *Transnational Corporations: Overseas Subsidiaries and Partnerships between Enterprises*, Minoru Sekishita (in Japanese), Bunshindo, 2006.
- 2) Many historians and nationalism researchers have commented on this process. In connection, the following reference works are cited: *Nations and Nationalism since 1780*, E. J. Hobsbawm, translated by Masao Hamabayashi, Koya Shimada, and Nobu Shoji, Otsuki Shoten, 2001; and *Imagined Communities: Reflections on the Origin and Spread of Nationalism*, Benedict Anderson, translated by Takashi Shiraishi and Saya Shiraishi, NTT Publishing, 1987.
- 3) *Globalization Today*, Minoru Sekishita (in Japanese), in *Integration and Separation in International Political Economy* (Introduction), Minoru Sekishita and Makoto Kobayashi eds., Nakanishiya Shuppan, 2004.
- 4) The author has commented in many places on this process. For most recent treatments see: *Transnational Corporations: Overseas Subsidiaries and Partnerships between Enterprises*, Minoru Sekishita (in Japanese), op. cit., and *The Growth of Leisure and the Rise of Multinational Leisure Service Enterprises* (in Japanese), in *Multinational Service Enterprises and the Asian Economy* (Chapter 12), Minoru Sekishita, Masahiko Itaki, Ryoji Nakagawa eds., Nakanishiya Shuppan, 2006.
- 5) The economic science of place, or geo-economics, is an academic discipline with a long tradition beginning with von Thunen's *The Isolated State*, 1826. Interesting for an application of the science to the era of globalization is *Global Shift - Mapping the Changing Contours* (2 vols.), Peter Dicken, translation supervised by Yoshihiro Miyamachi, Kokon Shoin, 2001.
- 6) Saskia Sassen is one of the chief figures in integrated research into global cities. Her main works include *The Politics and Economics of Global Space - Cities, Immigrants, and Information Science* translated by Taiichi Tabuchi, Tatsuo Harada, and Yun Chunji, Iwanami Shoten, 2004.
- 7) Regarding India's software processing industry, see *The Rise of the Software Processing Industry in India*, Kaname

- Yamamoto (in Japanese), in *IT in International Political Economy - the Complex Relationship between Developed Countries and Developing Countries* (Chapter 9), Minoru Sekishita, Ryoji Nakagawa eds, Koyo Shobo, 2004, and subsequent series of research papers; regarding back-office offshoring activity, see *Asia and Service Offshoring*, Fuminori Ide (in Japanese), in *Multinational Service Enterprises and the Asian Economy* (Chapter 6), Minoru Sekishita, Masahiko Itaki, Ryoji Nakagawa eds., Nakanishiya Shuppan, 2006.
- 8) *Revolutionary Wealth* (2 vols.), Alvin Toffler and Heidi Toffler, translated by Yoichi Yamaoka, Kodansha, 2006.
 - 9) *The Age of Access*, Jeremy Rifkin, translated by Yasuo Watanabe, Shueisha, 2001.
 - 10) *The Experience Economy - the Decommodification Marketing Strategy*, B. J. Pine II, J. H. Gilmore, (new translation), translated by Keiichi Okamoto and Naoko Kobashi, Diamond, 2005.
 - 11) In the debate over copyright, the discussion over the extension of the image rights to Mickey Mouse is a classic case. For interesting comment see the series of three works by Professor Lawrence Lessig: *Code*, translated by Hiroo Yamagata and Ryoji Kashiwagi, Shoeisha, 2001; *Future of Ideas*, translated by Hiroo Yamagata and Ryoji Kashiwagi, Shoeisha, 2002; and *Free Culture*, translated by Hiroo Yamagata and Sakura Morioka, Shoeisha, 2004.
 - 12) Interesting for an ironically tinged description of the alarming extension of copyright is *Freedom of Expression, Resistance and Repression in the Age of Intellectual Property*, Kembrew McLeod, translated by Akeo Akita, Seidosha, 2005.
 - 13) For a detailed discussion see *The Growth of Leisure and the Rise of Multinational Leisure Service Enterprises*, Minoru Sekishita (in Japanese), op. cit.
 - 14) Regarding the form of the overall enterprise strategy of multinational enterprises, see *Transnational Corporations: Overseas Subsidiaries and Partnerships between Enterprises*, Minoru Sekishita, op. cit.
 - 15) *The Tourist Gaze*, John Urry, translated by Hirokuni Kabuto, Hosei University Press, 1995, and *Consuming Places*, ibid., translated supervised by Naoki Yoshihara and Yoshinobu Osawa, Hosei University Press, 2003.
 - 16) Of great relevance here is *Biopolitics - What It Means to Manage the Human Body*, Shohei Yonemoto (in Japanese), Chuko Shinsho, 2006.
 - 17) The ideas of Dallaire, who was the model for the film *Hotel Rwanda*, are presented in part in *Shake Hands with the Devil* (Romeo Dallaire, 2003).