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May 9, 1986

Dr. Maria de Lurdes Pintasilgo
Alameda Santo Antonio dos Capuchos 4-5°
1100 Lisbon
Portugal

Dear Dr. Pintasilgo:

We hope our letter of April 14 bringing you up to date on matters related to the September international round table in Paris has already reached you. Please don't hesitate to write us if there still are some matters requiring further clarification.

We are writing this letter today to inform you of the names of the participants(sheet A) and also how they are assigned to four sessions in preparation of their papers(sheet B).

For your reference, we are enclosing copies of the guidelines for the sessions not relative to your paper. We thought they might be of some use in grasping what is expected of the September international round table.

We might add that the preparation for the international round table is progressing quite satisfactorily, thanks to the cooperation of all those concerned. In this respect, it would be very much appreciated if you will help us facilitate the preparation by sending us the filled-out personal history form at your earliest convenience.

Thanking you in advance for your cooperation,

Sincerely yours,

Takafumi Hara

Takafumi Hara
Director
Yomiuri Research Institute

TH:sf

Enclosures

List of European Participants
(in alphabetical order)

BERTHOIN, Georges Paul	European Chairman, Trilateral Commission (France)
BERTRAM, Christoph	Diplomatic Correspondent, Die Zeit (West Germany)
de JOUVENEL, Hugues	General Director, Association Internationale Futuribles (France)
de MONTBRIAL, Thierry	Director, Institut Francais des Relations Internationales (France)
DUCHENE, Louis-Francois	Former Director, Sussex European Research Center, University of Sussex (France)
EMMERIJ, Louis	President, OECD Development Center (The Netherlands)
GIERSCH, Herbert	President, Kiel Institute of World Economics (West Germany)
HERMANNSSON, Steingrimur, The Right Honorable	Prime Minister (Iceland)
MADDISON, Angus	Professor, University of Groningen (The Netherlands)
PAVITT, Keith	Professor, Science Policy Research Unit, University of Sussex (UK)
PINTASILGO, Maria de Lurdes	Former Prime Minister (Portugal).
SCHAFF, Adam	Member, Polish Academy of Science (Poland)

List of Japanese Participants
(in alphabetical order)

ISHII, Takemochi	Professor, University of Tokyo
KATO, Hidetoshi	Professor, University of the Air
MASUZOE, Yoichi	Professor, University of Tokyo
MUSHAKOJI, Kinhide	Vice Rector, UN University
NISHIBE, Susumu	Professor, University of Tokyo
NISHIO, Kanji	Professor, University of Electronic Communication
SHINONARA, Miyohei	Chairman, Institute of Developing Economies Professor, Tokyo International University

International Round Table

on

Europe and Japan --
Prospects for the Future

(Sept. 22 - Sept. 25, 1986, Paris)

Session I: Democracy, Socialism and the Welfare State -- As Socio-Political Experiments

de Montbrial, Thierry Duchene, Louis-Francois

Hermannsson, Steingrimur Mushakoji, Kinhide Nishibe, Susumu

Session II: Competition and Cooperation -- Conditions for a New Economic Prosperity

Emmerij, Louis Giersch, Herbert Maddison, Angus

Masuzoe, Yoichi Shinohara, Miyohei

Session III: Scientific/Technological Civilization and the Present Age -- In the Context of the Multipolar World

de Jouvenel, Hugues Ishii, Takemochi Pavitt, Keith

Schaff, Adam

Session IV: Towards the 21st Century -- Images of the Future

Berthoin, Georges Paul Bertram, Christoph Kato, Hidetoshi

Nishio, Kanji Pintasilgo, Maria de Lurdes

GUIDELINES FOR SESSION I

Democracy, Socialism and the Welfare State
-- As Socio-Political Experiments --

Kinhide Mushakoji

Europe has been the fertile ground from where grew out most of the key values which are now constituting the very base of modern societies.

Democracy, freedom, human rights, social welfare, participation, etc. etc. are providing basic bench marks to judge the state of play of different non-Western societies even when they are far from meeting the norms and standards established by the Europeans.

Europe has also been the world region where many of the modern institutions and systems have been experimented and developed since the 15th century.

The nation, the state, the citizenship, the civil society, the parliamentary system, the political parties, the labor unions, etc. etc.

Some of the key concepts which have been coined in 19th century Europe, such as capitalism vs. socialism, are used to define the bipolar East-West conflicts of today. Colonialism and imperialism are playing a similar role in today's North-South conflicts.

The two examples are closely related to the fact that the world today is but a macro-Europe expanded to the confine of the world and spreading all over the old conflicts of the Europe of yesterday. A contradictory aspect of this historical development is that, while seeing her impact reaching a global dimension, Europe finds herself deprived of her hegemonic influence of the pre-World War II days.

The two offsprings of Europe, the U.S. and the U.S.S.R., have polarized the world, divided Europe and taken away the economic and/or the military and political leadership from her, dividing it into East and West.

The emergence of Japan, an exemplary emulator of Europe, as a trilateral partner among the industrialized "democracies," has added to the relativization of European leadership. The mounting tide of Third World nationalisms has put an end to the European colonial empires.

Bipolarization, multipolarization and decolonization are all trends starting from Europe which put an end to the age when the world orbited around Europe.

Up to the '60s it was commonly assumed that modernization meant Westernization. Now, some bad tongues talk about the "British disease" referring to the decline of hard work ethics in a great empire where the modern capitalist society first emerged.

It is in this context that one should pose anew the question of

the global impact of the models provided by Europe.

One can identify different ways in which the Europe of today plays still, or perhaps more than ever, an active role in proposing alternative models. New trends appear in Europe to go beyond the contemporary civilizational crisis. Europe is in search of alternative ways to cope with the loss of the mobilizing power of the traditional ideologies in the East and the West, in the North and the South alike.

There are firstly, serious efforts in Europe to revivify the great ideologies of the 19th century. From Neo-Marxism to neoliberalism, from Eurocommunism to the New Right, such trends have their deep roots in the old ideological traditions of Europe.

There are also new attempts, progressive or radical, to find alternative institutions meeting better the norms and standards proposed by the great European values. Social democracies and the welfare state are but attempts to define a socialism not falling into the trap of antidemocratic centralism. They are alse experiments to go beyond a blind support of a totally free market where free competition generates inequity. While respecting freedom and democracy, the state is expected to be accountable for the satisfaction of the needs of its citizens.

A third trend is the new globalism relativizing from within the assumption that Europe is leading the whole humankind. The "alternative" movements, including the greens and the antinuclear, are especially active in the core region of Europe.

A fourth trend is constituted by the popular culture in Europe. In the present age of post-Americanism, where consumerism based on mass production/consumption of the high-growth period of the '60s cannot continue, we find often in Europe cultural trends and life styles surviving from the pre-Americanization time which are much more suitable to the low-growth period following it. The French minuteries may be seen as a symbol of energy saving invented before the age of affluence and high-growth. On the other hand, Europeans preserve a concept of leisure which is a protection against the spread of workaholism dangerous in low-growth societies.

The first session of the round table will have to look at the above trends, and perhaps many others, in order to discuss between Europeans and Japanese the global meaning and worldwide impact of these trends originating in Europe. What do they mean for Europe herself. What do they mean to regions like Asia and the Pacific. What should be the Japanese reaction toward those trends. For us Japanese, it is a serious problem since we have been so much accustomed to emulate the models of the Europe of the past, that we hardly see and comprehend even less these new trends emerging in the Europe of today.

GUIDELINES FOR SESSION II

Competition and Cooperation
-- In Search of Conditions for a New Economic Prosperity --

Miyohei Shinohara

The world economy has been conspicuously stagnant since the beginning of the 1980s, especially in Europe. During the 1980-84 period, the average annual growth rate of GNP in real terms was only 0.6 percent in Britain, 1.0 percent in West Germany and 1.1 percent in both France and Italy. Europe's economic growth was lower than the United States' 1.8 percent and Japan's 3.9 percent, both of which are by no means high.

The examination of the background of the stagnancy of the European Economy and the many-faceted seeking of the ways to revitalize the European economy are no doubt important in themselves. However, in the session on "Competition and Cooperation," I propose to approach the problem of the conditions for a new economic prosperity by limiting discussion to three aspects related to "competition and Cooperation."

The first aspect is competition and cooperation "at home." The second aspect is "intra-regional" competition and cooperation in the EC (European Community). The third is cooperation with countries outside the region, such as cooperation between the EC (or Europe) and the United States, Japan, or other regions.

The matter that comes to the fore as the point involved in competition and cooperation at home is the way of thinking attaching importance to market mechanism and experiments based on this way of thinking tied in with "small government" and deregulation. It's not just what was the result of Thatcherism that poses a problem. Didn't the Mitterrand administration laying stress on socialization, a contrasting example, rather suffer from inflation, unemployment and international payments deficits? The Mitterrand administration appears to have begun realizing eventually the importance of strenghtening the international competitiveness of industry by making investment and developing advanced technologies. However, whether France can do so under the existing system in which there are many state-owned businesses, or whether the administration has to pay greater attention to market factors, is a moot question.

The impact of labor unions on economic growth and inflation is another problem concerning the question of "organization and market." In Britain, wildcat strikes tended to occur frequently bacause of the union structure, namely the existence of many unions within individual factories while in France, where there was a pronounced tendency toward radicalism, large numbers of workers took part in labor disputes. By contrast, in West Germany, which has the "codetermination" system and where worker representatives also serve on the audit board, only small numbers of workers were involved in labor disputes. In Japan and the United States, a smaller percentage of the work force took part in labor disputes than in Britain and France. Therefore, it can be said that,

although labor unions are indispensable to democracy, they played a negative role in terms of growth and inflation when they were out of tune with the economy.

Then, why did France enjoy high economic growth in a certain period? How should we assess the aspect that France has implemented industrial policies to promote technological innovations instead of leaving everything to the market forces? These aspects are problems, so to speak, related to competition and cooperation at home, or a combination of market and organization.

The second aspect is the question of intra-regional cooperation and competition, specifically the formation of the EC. Around 1955, intra-regional trade accounted for roughly a third of the EC's total trade, and the percentage increased to half of the total around 1970. It can be said, therefore, that the EC saw horizontal division of labor and the enhancement in economies of scale during that period due to the promotion of intra-regional trade. It probably helped the EC's economic growth to some extent. However, the share of intra-regional trade remains constant at about half of the total since 1970. Moreover, EC countries import high-priced agricultural produce from France and other fellow members because of their common agricultural policies, although they could buy cheaper products from non-EC countries. To what extent this and other negative factors can be eased or improved by the entry of Spain and Portugal, which increased the EC membership from 10 to 12, is yet to be seen.

It could be an important target for the EC to grow as big as the United States in scale and come to play a powerful role in terms of economic strength, technological capabilities and qualitative competitiveness from not only the economic but also political viewpoints. In any event, whether its performance so far and intra-regional cooperation have been completely satisfactory is open to question.

The third point concerning "competition and cooperation" is the EC's relations with other countries outside the region. J.-J. Servan-Schreiber wrote in 1967 "Le defi Americain" (The American Challenge) to sound a warning against American economic domination. However, in reality, the situation apparently has turned out to dispel his apprehensions. Moreover, to the contrary, there are instances of European capital investments in the United States.

On balance, it is an important task for the expanded EC to realize economies of scale by tightening the bonds of unity and positively seek technical and industrial cooperation from countries outside the region, in order to revitalize itself. Efforts being made by the EC to promote development of semiconductor, computer and optoelectronics technologies by undertaking ESPRIT (European Strategic Program for Research and Development in Information Technology) and EUREKA (European Research Coordination Agency) projects are important in that the EC will be able to demonstrate its technological capabilities in an integrated manner. As regards exchanges of investment in 1984, the total amount of investments made between Japan and the EC was only $8.4 billion, compared with $22.6 billion between Japan and the United States and $173.7 billion between the United States and the EC. This indicates that there is much room for more investments between Japan and the EC. Direct Japanese investments in the EC have been growing at an accelerated pace since the beginning of the 1980s. Exhanges of investment between the EC and coun-

tries outside the region and the resultant strengthening of its export competitiveness are, so it would seem, essential for revitalization of the EC hereafter.

GUIDELINES FOR SESSION III

Scientific/Technological Civilization and The Present Age
-- In the Context of the Multipolar World --

Takemochi Ishii

When people speak of science and technology, they usually associate it with the system established in Western Europe after the dawn of modern ages. And it was only dozens of years ago, in this century, when the North American Continent replaced Western Europe as the center of science and technology. Therefore, most of the historical accumulation of scientific/Technological civilization is found in Western Europe. Anyway, the West still retains superiority in science and technology over other regions.

It is pointed out, however, that the West's superiority over the rest of the world has diminished relatively and that there has occurred qualitative changes in the substance of science and technology. Of course, these two points are closely related to each other.

In the middle of the 20th century, the Soviet Union emerged as a major power outside the West. Its military technology, in particular, is enormous both in quantitative and qualitative terms. So much so that no nation other than the United States can match it.

Japan is also a rising power in the field of science and technology. After World War II, it promoted development of heavy and chemical industries geared to non-military demand, and it rapidly changed its industrial structure to that of energy- and resource-saving one after experiencing the two oil shocks.

Technology transfer from the West to the developing world has not necessarily been smooth so far. In recent years, East Asian countries, especially those which are called NICs (Newly Industrializing Countries), have succeeded in rapid industrialization. They have emerged from light industries and acquired international competitiveness in steel, shipbuilding, automobiles and electronics. They are, so to speak, following a road to industrialization similar to Japan's.

In our scientific/technological civilization, it has become decisively clear that the West's superiority will diminish relatively amid multipolarization, a tendency which will undoubtedly develop further between now and the early 21st century.

Products of scientific/technological civilization, such as automobiles and steel materials, are identical in many cases throughout the world. However, their production processes considerably differ from country to country. Especially in Japan, there have been couspicuous examples of innovations in recent years in terms of production techniques and industrial management. Historically, Japan, as a technologically less developed nation, has concentrated on applications, for instance, finding new uses rather than seeking theoretical breakthroughs like

new inventions made by Western nations. The transistor radio, VTR (video tape recorder), numerical control machine tool and the robot are typical examples. Such Japanese products as household electrical appliances, automobiles and semiconductors have come to have very strong international competitiveness tahnks to low costs of production made possible by mass production and qualitative improvement. In other words, Japan has produced a technologicl system of a different nature compared with that of the West.

It may be called multipolarization or diversification, which permits two or more systems of modern industrial technology to exist side by side, in addition to the regional multipolarization mentioned earlier. As for Japanese quality control (QC) which is much talked about throughout the world today, its theoretical studies were originally made in the West. However, it was in Japan that theoretical studies developed into practical applications and have come to stay in the forms, for instance, QC circles and the suggestion system at the workshop. In other words, there are many aspects to contemporary scientific/technological civilization in which the West and Japan are closely linked together amid the tendency of multipolarization.

The human race is faced with an age of major technological innovations which can compare favorably with the three great inventions of the Renaissance (printing, the gun and the compass). In other words, rapid technological progress has been made in the fields of information, energy and outer space, as symbolized by the computer, nuclear energy and the space rocket. In addition to these technological innovations comparable to those of the Renaissance type, there are technological innovations in biotechnology which can compare with those in the field of biology in ancient civilization, which produced agriculture, stock-farming and medicine. And remarkable technological progress in the production of new industrial materials corresponds to the innovations in use of materials that produced stoneware and ceramics (such as earthenware and chinaware) and bronze ware in the prehistoric age. In short, we are beginning to witness also what may be called ancient civilization-type technological innovations, whose pace of development may not necessarily be the same.

Thus, the substance of contemporary scientific/technological civilization is undergoing a qualitative change. Generally speaking, Renaissance-type technological innovations produce a more immediate impact on industry, and this is particularly evident in information technology today. In Japan, people conceived toward the end of the 1960s that the progress of information technology, such as the computer, and its popularization would produce a decisive impact on its society before long, thereby giving rise to discussion on an information society. Today, the Japanese Government aims at the creation of an advanced information society, which is a step ahead of the previously conceived information society. The plan calls for a social system that would use information networks as part of the social infrastructure.

In the first half of the 1980s, the Japanese word processor was out to practical use, and its rapid popularization has made it possible to use all ideograms for all electronic media, a feat that may prove to be one of the greatest technological innovations in the field of information in human history. It will probably enable Kanji-using nations and others that use different languages to create unique and

independent information societies, thereby facilitating the multipolarization tendency mentioned above. The practical use of the video tape recorder, video disk and other products that record and reproduce pictures will also have a similar impact. The use of such soft copy using pictures is by far more effective in technology transfer than the conventional way based on hard copy using letters and drawings. It could cause a change in the socio-technological structure of developing countries.

On the other hand, the informationization in the developed world has reached the more advanced stage of using artificial intelligence (AI), etc. The emergence of unmanned factories, as symbolized by the use of industrial robots, may make international division of labor based on low wages difficult, thereby causing a new North-South problem. Thus, to take the trend of informationization, one aspect of technological civilization, this trend is expected to create complicated mutual relations in the world now undergoing multipolarization.
