Hoshino: When I read your articles on the region with Malacca as the center in Chuo Koron, one of Japan’s better magazines, I was absolutely delighted. The modern nation-state is defined by its borders, but the “mandala” state that existed in Southeast Asia spread its power from the center, where the king was seated. After colonization, maritime Southeast Asia was incorporated into the modern world system. I’ve never read such a theory of development before.

I have an African friend who is convinced that the histories of each African nation, including those whose histories have been passed down orally, should be elucidated. I think that the same can be said about Asia. The keyword is “sovereignty.” The 1st Asia-Europe Summit Meeting (ASEM), held in March 1996 in Bangkok, emphasized the equal partnership between Europe and Asia. It was a time of notable growth in East Asia, but in the past, most Southeast Asian countries had been colonized by European countries.

In my opinion, the term “equality” has three connotations: 1) “virtual equal”—the idea that no matter how big or small a nation is, all are equal; 2) “diversity”—the observation that all nations really are different; and 3) “interdependence”—that all are connected, especially in terms of economics.

I would first like to ask you about your ideas on the concept of hegemony. Could you talk briefly about it?

Shiraishi: A long-term perspective, perhaps 20 to 30 years, is needed to understand a hegemonic system, but what needs to be kept always in mind is that hegemony works on several terrains. For example, the Clinton Administration is quite short-termist in its foreign policies and it alienates other countries, but the American leadership in world politics remains firmly in place. Why? Because the system was created long ago, in the 1940s and early 1950s, and it remains, though it underwent significant transformations in the past 50 years. The US created a system in such a way that it would serve not only itself but...
also Japan and other Asian countries, such as South Korea, Thailand, and Singapore. I have been doing a series of articles in Chuo Koron to explain the historical development of hegemonic systems in Asia.

Hoshino: We held a conference of think tanks in December 1999 in Bonn, cosponsored by the World Bank and other institutions. Two years ago, I was invited to Cairo for its pre-meeting, and I reported on the state of think tanks in Japan. Some participants were from think tanks in the Middle East and North Africa that were mostly founded in the 1990s. The World Bank, and especially its president, James Wolfensohn, believes that cooperation with the regional think tanks supports national developments. They know the limit of delivering money to those nations with conditions attached. Taking this trend and your articles together, we could say that interactive knowledge is becoming more and more necessary. As the seeds the United States planted in the 1940s and 1950s grow, relations between nations seem to become more and more interactive.

Shiraishi: I believe two types of people won’t agree with my view. One is those who advocate simplistic nationalism in Japan. I call them Nippon-Shugi Sha (Japan-centrists). They don’t like what the United States is doing; they insist that Japan should be an independent, sovereign nation and seek its autonomy. I understand their emotion. But I cannot agree with the argument; becoming such a course would be too costly politically, and it doesn’t serve the world.

Looking back over the past 50 years, especially from the 1950s to 1970s, the US was enormously powerful. For example, in the field of intellectual hegemony, the university system in America was, and I must say still is, far superior. As a result, today, in the field of economics, for instance, we see many think tank, government and university economists who were trained in American universities and share the same language with their colleagues in the US. The structure is no longer as vertical as it used be. I mean there are leading economists not only in the US but also in Europe, Asia and Latin America. In my field, Southeast Asian studies, this also was the case, but it has been changing for some time, because Southeast Asian studies are weakening in the US while Japanese and Southeast Asian area specialists, who were trained in the US and share the same language, are doing more creative and interesting work. And this is changing the structure of the field.

The structure used to be vertical, with the US centers on top. Now, it is becoming more horizontal. In Southeast Asia and Japan, US centers are becoming a part of this evolving network. This makes the question of how to cooperate far more important that in the past.

In this sense, it is extremely important to build a network. The situation should be different in different fields, as well as in the types of institutions, think tanks, universities, research institutes and so on. But the system is now becoming more horizontal, and this long-term trend will make networking more important in the future.

The Way to Look at History—Nations and Mandalas

Hoshino: In watching the recent behavior of many companies, “core competence” and outsourcing are two key concepts. Everyone gains a competitive edge by focusing on wherever core competencies exist. Using distinguished people from outside tends to help achieve improvements in quality and cost effectiveness. For example, for environmental issues, NGOs, such as Greenpeace, act worldwide. Connected by a global network, the world is looking more and more like a spider’s web.

Shiraishi: Indeed. However, those who focus on core competence will probably fare better than those who don’t. So, in a sense, the structure of hegemony still exists.

Hoshino: No doubt about it. It’s like what’s happening in the world as described by former US Secretary of Labor and Harvard professor Robert Reich, in which individuals become
“symbolic analysts” and become attached to the global network. Those people are, in fact, the people who make practical goods. But there’s no mechanism of adjustment. The market alone is not good enough; a framework like a nation is necessary.

**Shiraishi:** In order not to draw the wrong lessons from history, I think we must look at history in several time spans: in the frame of 500 years, 200-250 years, and 50 years. If we look at Asia from a 50-year perspective, we are in fact looking at Asia under American hegemony. If we look at Asia from a 200-year perspective, we see Asia being incorporated into the modern world system, the system of modern states and capitalism. And if we look at Asia from a 500-year perspective, I believe we are looking at the rise and fall of Chinese power. Now when we see it in the frame of 200-250 years, the relation of state and market behaved like a swinging pendulum, a phenomenon described beautifully by Karl Polanyi regarding the 19th century.

In a nutshell, in a market economy, when the logic of capitalism gets stronger, many social problems occur. The social problems mean problems of external “diseconomies.” They are big issues for a state. In the end, the state gets stronger and intervenes in the working of the market. But when a state becomes too strong, the market doesn’t work well. This is what I mean by the swinging of the pendulum.

I cannot imagine that the modern state—which I call Leviathan—will ever cease to exist. Modern nation-states will remain for at least the next few hundred years as a necessity to organize human life. Now, whether the nation-states of today will remain as they are over the next 100 or 200 years is another question. But in whatever shape, the mechanism of adjustment—the mechanism for working out common interests—is needed, along with the market mechanism.

**Hoshino:** Interesting. How about this idea that the whole world will become a federation of states? Will it be a conceptually extended and vigorous state like the US? Or will it be like the EU, whose member states each had long histories as sovereign countries, sharing the sovereignty? Or like Asia? Even in East Asia, including China, it is hard to imagine that the “great king’s mandala” and a society like Japan’s, which passed through a feudal age, will get together. But it seems to me that new formations will occur.

**Shiraishi:** It’s possible. The most obvious example, however, if we look back 200 years is the Anglo-American hegemony. Throughout this period, English has been the dominant language. Language is not simply a means of communication; it carries historical memories, ideas, ideologies, paradigms, all kinds of cultural know-how. The concept of the separation of the three branches of government is French in origin, but it was John Locke, Adam Smith, Woodrow Wilson, and others that set the world standard, which is liberal in its basic instinct.

What has America really accomplished in the past 50 years? I think that the United States has created a system of semi sovereign states in an international system of formally sovereign states. It was an outcome of two major hegemonic projects: the project of turning a sovereign state into a semi sovereign state, and a
For example, in 1948, George Kennan, the head of policy-planning staff at the Department of State, visited Japan during the American Occupation. He concluded that the United States should reconstruct Japan’s economy after its independence, and develop it into the most important American ally as the workshop in Asia and the logistical base in Asia. But he argued that Japan should not be allowed to be a threat to the US again. So, he suggested that to achieve these two objectives, the United States should put its finger lightly on Japan’s neck artery; if Japan shows any sign of becoming a threat to the US, it will press the finger a bit harder, and then Japan will faint. What should be the finger, then?

First, the United States incorporated Japan’s military power into a system of American making. Second, the US controlled Japan’s energy supplies. The US would be dominant over the oil fields in the Middle East, and American capital controlled—and still controls—Japan’s oil industry. Even now, the finger is still on Japan’s neck artery.

America did the same to Germany: The German government does not control the German military. Its command lies in NATO. The German economy recovered, and is firmly embedded in the EU common market. Japan and Germany have gained a lot under American hegemony. But at the same time, there is a kind of mechanism that makes both countries No. 2 in East Asia and Western Europe, respectively.

In this sense, American hegemonic projects in Asia and Europe after World War II worked. The big question is whether its new project in post-Cold War Russia is working. If they are successful, American hegemony will be extended further. And in China after Russia.

In any hegemonic system, whether Anglo or American, those closer to the center get more benefits. In Asia, America gets the most, with Japan next, followed by South Korea, Taiwan, and Singapore, and then countries such as Thailand, Malaysia, the Philippines, Indonesia, and then finally those on the margin, such as Myanmar, Laos, and Cambodia.

Hoshino: Such a flying geese pattern of industrialization applies? (laughs)

Shiraishi: Yes. Due to the recent economic crisis, for example, Indonesia might drop out. America created and has maintained a regional structure in Asia. Then, Japan played a crucial role in its development, which I believe can be partly explained by the flying geese model. If Indonesia remains in the current mess, Indonesians would eventually wonder what is the point of remaining in a system dominated by the US and Japan. They will become nationalistic, or perhaps peoples in different regions may decide to go their own way, and Indonesia will go further down hill toward disintegration. What is now at issue is not the viability of the Asian regional structure created under American hegemony. The center is firmly in place. The US remains No. 1, while Japan is No. 2, but there are signs that those countries on the margin may drop out of the system. Then we won’t see the horizon of Asian economic dynamism expanding further and further, like in the 1980s and early 1990s. In this sense what is now in question is the integrative capability of the system, that is, whether we can help those on the margin achieve political stability, get back to economic growth, and hope for a better future.

Hoshino: The United States really does have its
neck finger on Japan’s neck artery. The United Nations, in the second half of the 20th century, has talked about the Security Council or regional security to maintain peace. But it is something like wrapping paper.

Shiraishi: I don’t pay much attention to the UN, though I don’t say it is useless.

Maritime Asia and Continental Asia

Hoshino: When I read your argument on maritime empires, I recalled Professor Tadao Umesao’s view of history. He said that Europe and Japan passed through feudal societies. In passing through such societies, a concept of territory arose, on which the three necessary elements for modern nations—nation, state, and territory—were built. But as I hear your ideas, I’m beginning to wonder if the “great king’s mandalas” have existed longer than nations have.

Shiraishi: Yes, the world of “mandala” used to be dominant. The sovereign state is an invention of Europe. It evolved conceptually and institutionally from the 16th century on, and in the 19th century it was transplanted in Asia. It flourished in Japan as a sovereign nation-state. In Southeast Asia, however, it was transplanted in the form of colonial states.

I am an Asianist—and the question I am concerned about most is how to understand Asia. In my opinion, there are two types of Asia: continental Asia and maritime Asia. Maritime Asia is the world that was incorporated into the modern world system during the last 200 years. It is here that capitalism has become mainstream and modern states have been established. But continental Asia is not a world of capitalism. It is a world of lords and peasants, a world in which agriculture is the mainstay of life. China is still in this world, and has yet to be included into the modern world system.

Japan committed a serious strategic mistake in the 1930s and 1940s: It ventured into empire-making in continental Asia in Manchuria. Because the capitalist game is not a zero-sum game, anyone can join the competition. As I said earlier, I don’t believe anyone really benefits if Japan tries to be No. 1. We are doing fine now, and we should be doing fine as No. 2 in maritime Asia under American hegemony. Japan should look for ways to cooperate with China for our common interests, but at the same time it is totally out of question to see China as an ally even in the future.

I should add one more thing. Looking back at the history of the past 500 years of continental Asia and maritime Asia, when maritime Asia became active, trade flourished. It was then that China became unstable. In the 14th -16th centuries, trade flourished in maritime Asia, and it led to the outward-looking Japan under Oda and Toyotomi (1573-1598). In the same period, however, China was repeatedly attacked by wako (“Japanese” traders who behaved like pirates). In other words, in the first age of commerce, pirates/traders—Japanese, Chinese, Ryukyuans, Koreans, etc.—played an important role in the collapse of the Ming. The second age of commerce started when the British came to Asia, like people represented by Stanford Raffles. Then there was the Opium War, and the time of decline, which eventually led to the collapse of the Quing. And finally now, the third age of commerce has started since the 1980s. Some people say China might become a superpower in the 21st century. I doubt it. History tells us that China becomes unstable in an age of commerce.

Hoshino: I wonder if it isn’t a little too early for China to join the WTO. How do you look at India?

Shiraishi: India has dealt with the British for 200 years. Indians understand how to deal with Anglo-Saxons while maintaining their own identity. The Anglo-Indian army is a good example of how Indians survived under Anglo-Saxon hegemony. They did very well as noncommissioned officers.

Hoshino: In short, because they have studied in such a way for 200 years, Indians are cross-grained.
Shiraishi: Right. There are many Indian professors of English literature and comparative literature. Also, among those who teach colonialism or postmodernism, there are many Indian scholars. They are good at saying something a bit different from mainstream British and American thinking, but their arguments are convincing to those people.

Hoshino: They can distinguish niches or behind. Japanese don’t have such a talent.

Shiraishi: No, I don’t think so.

Hoshino: Originally, in Indonesia and Malaya, Indians migrated first and Arabs settled later. Later, when the Dutch and other Western countries came, they were driven out of the region.

Shiraishi: Right, though their numbers are very small and it is wrong to say that it was the Indians who created Indianized states in Southeast Asia. But it is important to note that the Chinese came to the region in greater numbers, and while whites left after Southeast Asian countries gained their independence, they remained, and still dominate Southeast Asian economies. And if we look at the origin of Chinese penetration into local economies, it started in the 19th century—for instance, in Singapore and Malaysia, the penetration of
Chinese commercial networks into local economies proceeded hand in hand with the development of a modern colonial state in British Malaya. To put it very simply, the British and Chinese did quite well together.

Hoshino: How about Singapore? When I meet people from Singapore, I always admire their worldwide view. I learned from your articles that they have been doing it that way for a long time.

Shiraishi: Yes. Though the Asian regional system—in which the United States has been No. 1, and Japan No. 2—is not changing in its basic structure, there’s something that has become clear in the recent Asian economic crisis. In Southeast Asia, especially after the Plaza Accord in 1985, Japanese and US interests in the region have started to diverge. Japanese interests are basically industrial: with direct investment and competitive industries like electronics or automobiles transplanting their production facilities there for the world market. And it is those industries that underpin Japanese welfare. In this sense, the stability and prosperity of Southeast Asia is in Japanese interests.

But seen from an American perspective, Southeast Asia is just one of those emerging markets in the world. It does not really matter whether the region develops industrially. To put it a bit simplistically, Americans will be happy as long as they can make money from, say hedge funds, mutual funds, and other financial instruments. In this sense, American interests are more narrowly financial.

So, Japan and the United States have different interests in Southeast Asia, and Southeast Asian countries have to negotiate with those diverse interests. The question is how. It is clear, I think that Thai interests lie in going with Japan. South Korea, too. The South Korean government came to the conclusion that it would be in their interests to explore a free-trade agreement with Japan. If discussions between Japan and South Korea turn out well, I believe Singapore and Thailand will follow. And from a Japanese perspective, it make sense to create a free-trade zone in this region, because internationally competitive Japanese industries, on whose performance Japanese welfare largely rests, operate on this larger terrain.

But you can ask what would be an American strategy? Creating a free-trade zone with Thailand? I don’t think so. Singapore is attractive, because it is becoming a financial center, while making Malaysia and Indonesia its hinterland. Many funds are managed in Singapore.

Hoshino: Do you consider Malaysia to be essentially the same as Thailand?

Shiraishi: I’d say Malaysia is in the same group as Thailand is. Malaysian economic development is unimaginable without Japan’s direct investment, and I would add that the Japanese government basically bailed out the Mahathir government last year in 1998, when it went into crisis in the wake of Anwar Ibrahim’s arrest.

A PERSPECTIVE FOR INDONESIA—ASEAN AND THE SOUTH PACIFIC

Hoshino: Is there any possibility that Japan will create a free-trade zone with South Korea, Thailand, Malaysia, and maybe Myanmar? This possibility is deduced from the reality that Japan finds its own way by making manufacturing bases in Asia, which is different
from the US approach. But what about Indonesia?

Shiraishi: Indonesia is now in deep crisis and its future should not be judged hastily. We need at least five years to make sure Indonesia will get back on the path of economic growth and political stability, or it will disintegrate gradually. Frankly, I’m not very optimistic about its future. I published three books on Suharto’s Indonesia while he was in power. But in retrospect, I hugely underestimated the scope and degree of atrocities committed under his rule. For instance, I knew back in 1990-1991, something horrible was taking place in Aceh, and I thought, perhaps a few hundred people might be killed. Then after Suharto stepped down, many skeletons began to appear in Aceh as well as other places. It makes me wonder what kind of state it is. The nation-state is the state, whose very existence is informed by national solidarity. But here the state killed hundreds of thousands of people in the past 30 years. A state whose military and police kills its own people, not hundreds, but hundreds of thousands, won’t be trusted by the people, of course.

The mess that Indonesia is in might last another 10 years, but the first thing that has to be done is that past human rights abuses should be rectified and those who are responsible should be punished. This restoration of the moral foundation of the state, coupled with decent economic growth, say 6 percent, will overcome the current crisis, but it is not easy to meet either of these conditions.

Hoshino: Delicate it is. Xanana Gusmao says East Timor would join both. But the situation seems confused; a government is not yet even in place.

Shiraishi: Right. Jose Ramos-Horta, the Nobel Peace Prize winner of 1996, doesn’t court ASEAN. He says East Timor will be a South Pacific state. If East Timor decides to rely on Australia and becomes a South Pacific state, Japan’s assistance should be similar to other South Pacific assistance, or a few hundred million dollars.

Hoshino: The Australian political scene seems very sensitive, too, between the current Prime Minister John Howard, and the former administration led by the Australian Labour Party...

Shiraishi: I have the impression that Australia is coming to a historical crossroads, a moment that comes up every few decades. Prime Minister Howard openly said that Australia has inherited a Western civilization, implying, I believe, that he has some doubts about Australia as part of Asia and as a multicultural country. I have only been to Australia once, and I don’t think I understand Australian society and politics as I would like to, but if Howard espoused a kind of civilizing mission when he sent his troops to East Timor, I believe that kind of mission is at least a century out of date.

Hoshino: Former Prime Minster Paul Keating put a lot of energy into “Asianizing” Australia, but the country seems to have done an about-
face under his successors.

**Shiraishi**: From a military standpoint, it is unlikely that Australia will become the "policeman" of Asia in America’s stead. The Australian forces are smaller than Singapore’s. In the recent peace-keeping operations in East Timor alone, the Australian forces had to mobilize 60 to 70 percent of their capabilities.

**Hoshino**: You met President Wahid when he visited Japan in November 1999, immediately after his inauguration, right?

**Shiraishi**: He has been a friend of mine for more than 10 years. He cracks great jokes. I heard that he got along well with Prime Minister Keizo Obuchi.

The legacy of Suharto is still with Indonesia. Power was extremely concentrated under Suharto, and Indonesians believe this was the source of every evil. So, there has emerged a new consensus that power should be dispersed. The dispersion of power naturally leads to democratization of the political system, as well as decentralization of power, … The problem is that the dispersion of power has also led to separatism in Aceh, religious conflicts in Ambon, and other problem.

I think that President Wahid has, so far, dealt with this issue “democratically,” to restore popular confidence in the government. The biggest challenge for him is to restore public confidence in the state.

I have no idea how he’s doing, but I have to have faith in him; currently, there is no better person for the job.

**Hoshino**: According to your past writings, the military was the “backbone” of the Indonesian state, General Wiranto, was appointed coordinating minister for politics and security. There were many considerations on the part of the president. But once something happens, the military easily gets upset.

**Shiraishi**: Exactly. How to control the military and to transform it from an internal security army to a conventional, professional defense force is one of the biggest challenges for the government. For the moment, no one can resist democratization, and it is difficult to imagine an outright military takeover. But there is no doubt that the military still is the most powerful force in Indonesian politics. For now, they have just stepped off to the side. But the military leadership is determined to be a part of any government, and I don’t believe there is any real inclination on the part of the military officers to go back to their barracks. This is very important to keep in mind. Admittedly, the current defense minister is a civilian while a navy admiral is commander-in-chief of the armed forces. But if you draw the conclusion from these appointments that the Indonesian military is now in the process of a transformation from an internal security army to a professional defense force, it is most likely wrong. These appointments are largely cosmetic.

I was in Jakarta shortly before the presidential election. Wiranto expected to become vice president, with Habibie as president, and Wiranto wanted, I was told, Widodo, a navy admiral, as his commander-in-chief and Joewono Soedarsono, Professor at the University of Indonesia, as his defense minister. So these were Wiranto’s appoint-
ments, though he could not make it to the vice presidency. He remains in control of the military and he is not an easy man to deal with, as Habibie learned to his dismay in the East Timor fiasco.

_Hoshino_: Did Wahid publicly pledge his support for Megawati in the presidential election?

_Shiraishi_: Yes. But I never really believed it. I met Abdurrachman five times in the past 18 months, after Suharto stepped down and before the presidential election. Every time I met him, he made it clear that he did not think of Megawati highly. Another thing that I should mention is the importance of pious Muslims in Indonesian politics. Habibie was the first president who was strongly supported by pious Muslims. Megawati could not make it to the presidency in part because she alienated pious Muslims. Indonesia has a population of 210 million, 90 percent of whom are Muslims, of which perhaps 45 percent are pious Muslims, and the other 45 percent nominal Muslims.

There was a time when the government could be run while alienating pious Muslims, as in the 1970s and 1980s, when strategic positions in the government and the military were controlled by non-Muslims and nominal Muslims, and the president was openly hostile to pious Muslims. But those days are gone. Yet there is a fear on the part of non-Muslims and nominal Muslims, and about pious Muslims who supported Amien Rais. But Abdurrachman Wahid is known for his tolerance. He is acceptable.

_Hoshino_: I see. It’s getting more and more secure politically.

_Shiraishi_: Exactly. The pious Muslims who support Amien Rais can accept President Wahid. The people who support Megawati are nominal Muslims and non-Muslims, such as Christians, who can trust President Wahid. In this way, he seems to be ideal for this time of uncertainty.

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