GLOBALIZATION AND LOCAL PARTNERSHIPS IN JAPAN FROM A VIEWPOINT OF GLOBAL GOVERNANCE

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Abstract- "Another world is possible" is a key phrase of WSF (World Social Forum). WSF developed as a response of the growing international movement to neo-liberal globalization and the effects of neo-liberal economic policies being pursued in most countries. The other of an important term in this paper is 'global governance' which is the sum of the many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be accommodated and co-operative action may be taken. There is no single model or form of global governance, nor is there a single structure or set of structures. It is a broad, dynamic, complex process of interactive decision-making that is constantly evolving and responding to changing circumstances. It must build partnerships – networks of institutions and processes – that enable global actors to pool information, knowledge, and capacities and to develop joint policies and practices on issues of common concern (Commission on Global Governance). Actors are not only global but also national or local such as governments, MNCs, SMEs (small and medium-sized enterprise), CSOs (civil society organizations). CSOs are generally NGOs/NPOs, but include trade unions, faith-based organizations, foundations, agricultural cooperatives and many others. This paper is focus on partnership and development in the case of the OVOP (one village, one product) movement as contemporary issues in management and international business from these points of view. We should recognize the significance of partnerships between SMEs, CSOs and governments.

Keywords- Networks of Institutions and Processes, International Business of SMEs, CSOs, Government, OVOP

I. INTRODUCTION

"Another world is possible" is a key phrase of WSF (World Social Forum). WSF developed as a response of the growing international movement to neo-liberal globalization and the effects of neo-liberal economic policies being pursued in most countries (WSF, 2006). There is limit of the ability for solution to many social problems and issues form local to global for example Washington Consensus (US Government, WB, IMF, etc…), G8 and WEF (World Economic Forum). Social movements and concepts as alter-globalization or global justice movement are watched to such limit. (George, 2004)

The other of an important term in this paper is 'global governance' , but government. The international community today faces enormous challenges in dealing with economic governance – challenges related to the growing interdependence of economies and civil society, the continued impoverishment of much of the world. Currently there is no worldwide government over the entire planet. Only the United Nations is limited to a mostly advisory role. (Commission on Global Governance, 1995)

Then we need global governance. It must build partnerships – networks of institutions and processes – that enable global actors. The last part considers the case study of partnerships in Japan. One of the most famous partnerships in Japan is OVOP (One Village, One Product) that originated in a very small mountain town known as Oyama.

II. LITERATURE REVIEW

The first point that we should discuss is the definition of globalization on economy. 'Globalization' can be defined in this paper as "the decrease of communication costs, transportation cost, and artificial barriers to goods and factors of production has led to a closer integration of the economies of the world. Globalization implies mobility not only of goods and services but also of capital and knowledge – and to lesser extent of people. Globalization entails not only the integration of markets, but also the emergence of a global civil society" (Stigliz, 2003). The definition has a wide application.

Incidentally, famous literatures about globalization are 'The world is flat' (Friedman, 2006) and 'The Borderless World' (Ohmae, 1994). However, is the world flat? Is the world borderless? There are three objections which can be raised against this claim. This paper focus on concepts the new (2nd) global economy (Jones, 2004), limited nature of globalization (Gilpin, 2001) and semiglobalization (Ghemawat, 2012).

2.1 The new (2nd) global economy

According to Jones (2004), the first global economy created the nineteenth century, the period from 1880

to 1929, the new (2nd) global economy began in 1979. The author found that most economic activity in the new (2nd) global economy was concentrated in North America, Europe and East Asia, as can be seen in the following quotation: Unlike the first global economy, a substantial part of the world was left out of the globalization process.

This indication is equivalent to 'Regionalization' (Rugman, 2000), to 'Triadization' (Ruigrok and Tulder, 1995) and to 'Semiglobalizaiton' (Ghemawat, 2007). The new (2nd) global economy is expressed best when Jones (2004) says the following: "In spite of increased globalization, strong evidence remained that supported the arguments of those who stressed that the world remained far from 'borderless'." What this example makes clear is incomplete nature of cross-border integration in modern globalization.

2.2 Limited nature of globalization

According to Gilpin (2001), "While economic globalization is indeed very important, the world is not nearly as integrated as many believe, nor is globalization irreversible. The postwar international economy has simply restored globalization to approximately the same level that existed in 1913. During the twentieth century there certainly has been a great increase in the speed and absolute magnitude of economic flows across national borders ; yet the economic impact of globalization has been largely confined to the Triad." (the United States, Western Europe, and Japan) In summary, national borders continue to be important barriers to international economic flows.

2.3 Semiglobalization

How globalized we are, how globalized we aren't ? Just how global are we?

Is the following sentence true?

National borders really don't matter very much anymore, cross-border integration is close to complete, and we live in one world.

According to Ghemawat (2012), "the world may not be flat, may not even be close to flat. Pro-globalizers and anti-globalizers who see this giant globalization tsunami that's about to wreck all our lives if it hasn't already done so. People have this tendency towards overestimation, and so I thought it important to give a name to this, and that's what I refer to as 'globaloney' ".

III. GLOBALIZATION AND GLOBAL GOVERNANCE

As has been noted, the world may not be flat, may not even be close to flat. It is reasonable to suppose that modern globalization is actually semi globalization. And global governance comes from this present situation.

The other of an important term in this paper is global governance, but government. Global governance is the sum of the many ways individuals and institutions, public and private, manage their common affairs. And also global governance is a continuing process through which conflicting or diverse interests may be accommodated and co-operative action may be taken. There is no single model or form of global governance, nor is there a single structure or set of structures. It is a broad, dynamic, complex process of interactive decision-making that is constantly evolving and responding to changing circumstances. It must build partnerships, networks of institutions and processes, that enable global actors to pool information, knowledge, and capacities and to develop joint policies and practices on issues of common concern. (Commission on Global Governance, 1995)

Actors are not only global but also national or local such as governments, MNCs (multinational corporations), SMEs (small and medium-sized enterprise), CSOs (civil society organizations). CSOs are generally NGOs/NPOs, but include trade unions, faith-based organizations, foundations, agricultural cooperatives and many others. (Ruggie, 2003 ; World bank, 2013)

This paper is focus on partnership and development in the case of the OVOP (One Village, One Product) movement as contemporary issues in management and international business from these points of view.

IV. THE CASE OF PARTNERSHIPS IN JAPAN

One of the most famous partnership in Japan is OVOP. Also known as 'isson ippin undo' in Japan, the OVOP movement originated in a very small mountain town known as Oyama or Oyma-machi, OITA prefecture, Japan, in 1961. In case of OVOP, members identified with their vision to the NPC movement in order to overcome poverty. First NPC means new plum and chestnut, began in 1961, in Oyama. The president of the Oyama agricultural cooperative directed local farmers to focus on plums and chestnuts instead of rice. It is generally believed that local farmers focus on rice farming in 1960's. A key phrase is 'Ume, kuri uete, Hawaii ni ikou! (Let's plant plums and chestnuts to go to Hawaii!) ' to solve poverty. The actual trip to Hawaii was realized in advance with a loan financed from the agricultural cooperative. Began in 1965, second NPC movement means neo personality combination to sustain community. And began in 1969, third NPC

movement means new paradise community to develop community.

Partnerships on NPC movement, original OVOP, cooperated with Oyama agricultural cooperative, Oyama local government and local farmers. This scale is very small size. (Figure 1)

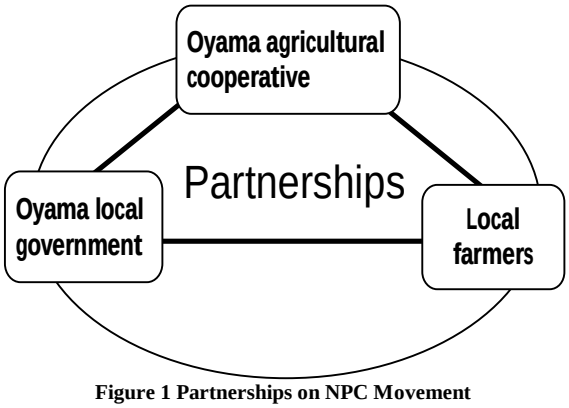

Figure 1 Partnerships on NPC Movement

In 1979, the idea was taken by the governor Morihiko Hiramatsu to be launched at a prefectural level. Towns and villages across the prefecture were to promote a product unique to their town or village, and develop that one product to be known at a national level. (Figure 2)

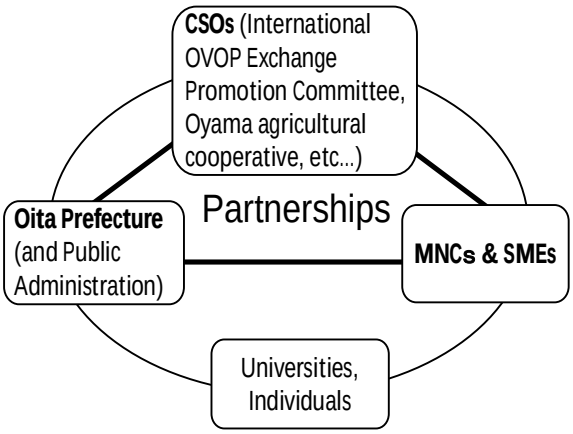

Figure 2 Partnerships on OVOP

As the OVOP movement met with success, it was adopted at a national level in 1988 under the Takeshita government. There are three crucial points to the successful development of OVOP: (1) creation of globally acceptable products/services based on local resources (Local yet Global), (2) self-reliance and creativity and (3) human resources development. At present, the OVOP movement spread throughout world. The OFOP (One Factory, One Product) is in Shanghai, China, OCOP (One Company, One Product) is in Korea, OTOP (One Tambon, One Product) is in Thailand, OPOP (One Parish, One Product) is in Louisiana, US, OVOP is in Malawi and Tunisia, Africa.

V. SUMMARY AND IMPLICATION

Let us now return to globalization. The world may not be flat, may not even be close to flat. It is reasonable to suppose that modern world is actually semiglobalization. And global governance comes from this present situation. Consequently, we should recognize the significance of partnerships between SMEs, CSOs and governments whether they are local or national such as the case of NPC and OVOP movement. 'Another world is possible if…' we will build partnerships, networks of institutions and processes, that enable local and global actors to pool information, knowledge, and capacities and to develop joint policies and practices on issues of common concern.

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