Discussion of China’s soft power influence in the global south is about China’s economic activities and adroit foreign policy. The author also concedes that even many aspects in China’s foreign policy, for instance human rights issues and foreign propaganda, serve as constraining factors for the further growth of Beijing’s soft power.

Despite this weakness in its theoretical approach, this book is commendable for its conscious attention to theoretical clarity, particularly given the fact that the term soft power has been used very loosely in many other writings. The partial success in this study is evidence that more rigorous theorization of soft power is still much needed and possible. The more notable strength of the book rests with the empirical analysis of Beijing’s practice of a soft power-based foreign policy. This book should be a useful read for people who are interested in Chinese foreign policy and China’s rising strategy in international politics. It is successful in proposing a soft power perspective in watching and studying China’s rise.

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Ulrike Schaede, in her insightful book, sets out to dispel what she regards as the myth of a “lost decade” of Japanese business. She views the period of 1998-2006 as Japan’s strategic inflection point, a point in time (or a period in this case) when industry dynamics were altered in irreversible ways, such that newly emerging competitive environments force changes in the ways of doing business.

Schaede argues that the triggers to the shifts in the Japanese business environment were a banking crisis and recession, the deepening of globalization, social crisis and emerging new political visions with regard to the role of markets in the economy. She asserts that the banking reforms of 1998 marked the tipping point for a regulatory reform process that created a new strategic context for Japanese firms as well as a new industrial architecture.

Schaede identifies the following as the core elements of the Japanese business system that characterized “Old Japan” (that is, post-war Japan to 1998): business groups, a main bank system, internal processes of corporate governance, subcontracting hierarchies, restricted distribution systems and relational pricing as well as difficult entry of foreign competitors to the Japanese economy. She shows how each of these elements has changed as
a response to the events that took place in Japan from 1998-2006. These changes reflected an increasing role for markets in shaping the way business is done and the new strategic paradigm of large Japanese corporations. For example, the banking crisis and consequent banking reform have led to the demise of the main bank system of financing and governance. Similarly cross-shareholding by business group members, which served as a glue to hold business groups together, was also reduced, changing the role and importance of business groups as sources of stability but which also isolated firms from markets.

The emergence of institutional investors, who manage their investments with an eye to performance, shifted business goals from an emphasis on sales and growth to one of profit. Globalization increased competition and led to a shift to a cost emphasis in supply chain relations, undermining the notion of long-term, protective supply relations characteristics of “Old Japan.” In the New Japan spot market pricing has become the norm and retail competition has turned to price. The lifetime employment system was also transformed to accommodate the new context of market competition, becoming more flexible, transparent and efficient. The adjustment of corporate Japan to the new business context required a critical strategic shift: a move from unbridled diversification to a paradigm of “choose and focus.”

Choose and focus led to a transformation of Japanese firms from large and inflexible entities to nimble competitors. The top priority shifted from sales to profitability. Firms have spun off non-core activities, aggressively building the areas in which they excel. Achieving profitability required innovation and differentiation in “expensive” Japan and/or an efficient global outsourcing system. Focused growth was targeted at building market power through industrial consolidation and realization of economies of scale. This shift, argues Schaede, put Japanese firms once again on a path of renewal resulting in a combined record pretax profit for six years in a row, until 2007, and an increase in the Nikkei 225 stock market index by 100 percent from January 2003 to 2007.

Schaede’s clear and convincing articulation of the transformation of the Japanese corporate system provides a new perspective on both Old and New Japan. Her discussion about business transformation has solid roots in strategic management theory and shows a deep understanding of Japanese political and economic history. The core of her argument is valid, though her assessment of the new business context in Japan is somewhat optimistic. Rigidities in the political and economic system remain; hence changes in corporate adaptations are slow to come. As well, her story is only partial since she focuses on the largest industrial corporations neglecting the crucial symbiotic role of middle-size and small firms in Japan in providing flexibility to the large firms. To have a complete picture of Japan’s business sector (that is, the medium-size and small firms) has been transformed during
the shift from the Old to the New Japan and show what role they now play in the architecture of the business system. I also wonder how the “choose and focus” strategic paradigm measures up in the post-global financial crisis world.

In conclusion, the book is informative and thought provoking. It is a must-read for serious scholars of Japanese business and economics and business people interested in Japan.

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**JAPAN’S WHALING: The Politics of Culture in Historical Perspective.**


The book, which is based on the author’s PhD thesis in historical sociology, has two main objectives: first, to question the existence of a “Japanese whaling culture,” often cited in support of whaling. His argument can easily be taken for an anti-whaling position had it not been for his second objective: to argue for a plural human–whale relationship where a modest coastal catch of whales can be tolerated.

In the prologue he makes it clear that his main concern is to dismantle the “whaling culture” myth favoured by some anthropologists, among whom this reviewer might be one. In particular he takes issue with what he perceives as a tendency to construct historical continuities where there are none. A major thrust of the book is therefore to emphasize historical discontinuities. In chapter 1 he sketches the history of Japanese whaling from the Tokugawa period (1600-1868) to 1945, focusing on changes in the composition of the labour force, with local participation giving way to ethnic stratified crews. In chapter 4 he goes on to argue that there was no national whale cuisine; whales were eaten only in certain regions until aggressive marketing and militaristic expansion promoted whale-eating throughout the country in the twentieth century.

A central thesis is that the introduction of “Norwegian-style” whaling in 1897 reduced a plural human–whale relationship to a single one. Whales became nothing but a resource to be exploited. His prime example is an old view among fishers that whales drove fish to shore, a view he claims is the origin for the belief that whales incarnate Ebisu, a deity of riches. This was challenged by the whaling industry and the authorities, leading to violent clashes between a whaling enterprise and the host village in 1911. The whaling company prevailed and whales were, as the argument goes, reduced to a resource (chapter 2). The old plurality of the relationship is further stressed in chapter 3, where he juxtaposes a fishery benefiting from the behaviour of