

ON THE RISE OF THE FOURTH WORLD

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I think it is very important to have in mind that whatever happens in the world happens increasingly in an international context. We are not living in a world where one could send military expeditions and investments and missionaries to the remotest corners, to parts of the world that somehow did not belong. It was on the margin, and beyond. Today we live in a world where everything somehow hangs together, and this world, to my mind, looks something like this, in an effort to try to divide it into parts that can be used for analysis:

FIGURE 1 : FOUR WORLDS OF (MAL)DEVELOPMENT

	WEST	EAST
NORTH	<u>FIRST WORLD</u> : PRIVATE/CORPORATE CAPITALISM  OECD COUNTRIES	<u>SECOND WORLD</u> : STATE/BUREAUCRATIC SOCIALISM  CMEA COUNTRIES
SOUTH	<u>THIRD WORLD</u> : NEW INTERNATIONAL ECONOMIC ORDER  SOUTH AMERICA, CARIBBEAN AFRICA, ARAB WORLD, WEST ASIA, SOUTH ASIA	<u>FOURTH WORLD</u> : <u>ICHI-BAN</u> : N°1  JAPAN, MINI-JAPANS ASEAN SOCIALIST COUNTRIES AUSTRALIA, N. ZEALAND, OCEANIA

In this diagram there is a division of the world in four parts. There is a North/South divide and an East/West divide. But I am immediately going to say that I do not believe there is such a thing as a North/South conflict because the North is divided in two parts although they are both industrialized: one is private-corporate capitalist and the other is state- bureaucratic socialist. And the South is divided as suggested here: one part is what is ordinary called the Third World, very poor, with the exception of the OPEC countries; and the other part is the Fourth World, according to this scheme, East and Southeast Asia, with some provinces coming, where population is concerned, from other parts of the world.

What kind of game is going on between these four parts of the world? Let us start by trying to remember what the world looked like in 1945. In 1945, if you take these four worlds as a part of departure, the by far predominant power in the world was the United States. It came out of the Second World War unscathed, with a tremendous economic uplift due to the War. The depression, everything that had happened in the between-wars period had been erased, everything was buoyant. It had one great advantage relative to the emerging Second World--the atomic bomb--exploded for the first time in July 1945; and then twice in a genocidal manner, totally unnecessary, over Japan--I assume predominantly in revenge for Pearl Harbor.

The Second World followed up in 1949, but that was four years later. The rest of the world was poor. Europe itself was in shambles. In other words, it was a world so definitely tilted in favor of the United States.

And then there was, of course, colonizlism: the tight grip of the first world over the third. And the U.S. occupation of Japan. And that was all. Let us jump in time, and let us jump-- to be precise--forty years to today and ask what is the situation. I think it is fair to say that the United States is today involved in four absolutely crucial conflicts: one with the first world, one with the second, one with the third and one with the fourth. And that the four together are of such a kind that if you are a president of that country and you still keep smiling it must be out of one of two reasons: either because you are an actor, or because you are simply badly informed.

Obviously, these two reasons do not exclude each other so I will try to do something with the information part--with the actor part it is too late anyhow.

I start with the conflict with the second world, a potentially genocidal conflict, with a megatonnage of nuclear destruction being well known to all of us. It is very clear from the record that they--the super powers-- do not have the faintest idea of how to stop the arms race; at most they stop one weapon system and develop a worse one instead. Nothing of what they do, as long as they continue constructing offensive, highly destructive arms is likely ever to bring the arms race to a stop. There is no defense against those arms. In other words, the prospect of the Northwest and the Northeast, the first and the second worlds, of destroying each other is far from remote.

Obviously, this would be to the tremendous advantage of the South. It could one day lead the Indonesians, once colonized by the Dutch, a Western European Trading Corporation, sending boats

and planes equipped with Geiger counters to the smoldering ruins, exploring whether there are still some trading opportunities that could be made use of.

So far for the first conflict: instead of the superiority of 1945, a kind of deadly parity.

The second conflict is with the Third World. And the Third World conflict is essentially based on the trade relations that the first world in general and the U.S. in particular has set up. A very well known one, dividing the world into an external and internal sector, a third world and a first world. (See Figure 2, next page.)

The internal sector is treated relatively, as equals, while in the external sector the first world has a free hand. In practice this means extracting raw materials, dumping waste products to a part of the third world where, against some dollars, they are willing to accept the waste. It means getting deposits and profits and investing tied capital according to the priorities of the internal sector. It means body drain when there is under-employment in the internal sector and it means the export of excess labor, including consultants and experts, from our part of the world as was done from all of Western Europe to the colonies in the between-war period. It means brain drain, and it means using third world populations for experiments. It means buying sem-processed goods and services and selling processed goods and services, pocketing the difference in value-added. And it means, in terms of decisions,

FIGURE 1: First World-Third World: Asymmetric Exchange

	From Third World (external) to First World (internal)	From First World to Third World
Nature	raw material/commodities; simple, semi-advanced extraction; tourism	waste products toxic; depletion
Labor	body drain, prostitutes; cheap labor <u>in situ</u>	excess labor; "advisers," "experts"
Capital	deposits, profits; untied capital	investments; tied, "earmarked" capital
Research	brain drain; cheap research <u>in situ</u>	sale of technology; packaged and outmoded
Administration	implementing SOPs - standard operating procedures	devising SOPs - standard operating procedures
Products goods/services	raw & semi-processed goods/services	processed goods/services
SUM	THE RAW low on challenge low on value added	THE REFINED high on challenge high on value added

standard operating procedures that are decided on by the centre of transnational corporations, and implementation at the periphery end. Above all, it means doing all of this together. By and large this is the way the system was run. The United States is not alone in running such a system, it is also run by, for instance, Japan that way. But the system will of course, sooner or later, provoke antagonistic sentiments on the part of the periphery.

Today that antagonism shows up particularly in the United States entanglement in Central America. The second world makes use of that in order to assure some strategic positioning. And the First world then tries to see it as a question of the Second World; and of course, in that way fails to see what's happening. The conflict goes on--there is no solution in sight. The United States is deeply embedded in a quagmire which may lead to a transition from intervention to invasion sooner or later. A U.S. invasion of Central America will then, probably, lead to tremendous uprisings all over South America, which in turn may lead to a unified Latin American military command which, equipped with Brazilian and Argentinian nuclear arms, might create an interesting situation in the western hemisphere.

That was the second conflict. The third conflict is with the fourth world. The conflict with the fourth world can be formulated in very many ways. Thus, in the period 1955-1977, the U.S. part of the industrial export in the world, the export of manufactures, decreased by 50%. In the same period, the Japanese part increased by 300%. Anybody who in the period 1955-1977 failed to notice

that something was going on was, I think, relatively blind. It was a slow movement, but it was unmistakable and it has continued ever since. What was and is going on I would formulate in the following way: a shift of the point of economic gravity to the fourth world.

Economic gravity implies the ability to take initiative--dynamism--it does not necessarily imply having the highest volume of accumulation of turnover. But it means dynamism.

What has happened? I come back to that immediately, but let me just first say something about the fourth conflict for the United States. The fourth conflict is the relationship the U.S. has with the other OECD countries within the first world. The decline in prestige, the way in which the U.S. is no longer "teacher number one." The way in which the U.S. increasingly has to resort to bullying tactics in order to keep the allies in tow. A kind of gap which is likely to increase further.

To understand this it is useful to go back in time. You have to remember the United States coming out of the First World War like a shining white knight in shining armor; strong, rich and morally impeccable. The liberator of Western Europe. Today, it is strong, but somebody else is about equally strong. Today, it is rich but somebody else is equally rich and getting richer at a more rapid pace. And as to the moral qualities: the record in the third world is not so good.

But if the contrast is between somebody who is strong and rich and morally pure, and somebody who is not that strong, on the way down economically and morally far from pure, there are inescapable difficulties, problems, all kinds of rifts and tensions. That is the world in which we live: the loyalties of the first world to the U.S. are tested every day. It may not be morally praise worthy to turn the back to a leader in distress, but thus it is.

Let us now try to look at this more in depth to see what kind of dynamism there is that could explain the kind of movements we have had. In order to do that I think we have to start with the economy, and more precisely with the various ways in which an economy can be organized.

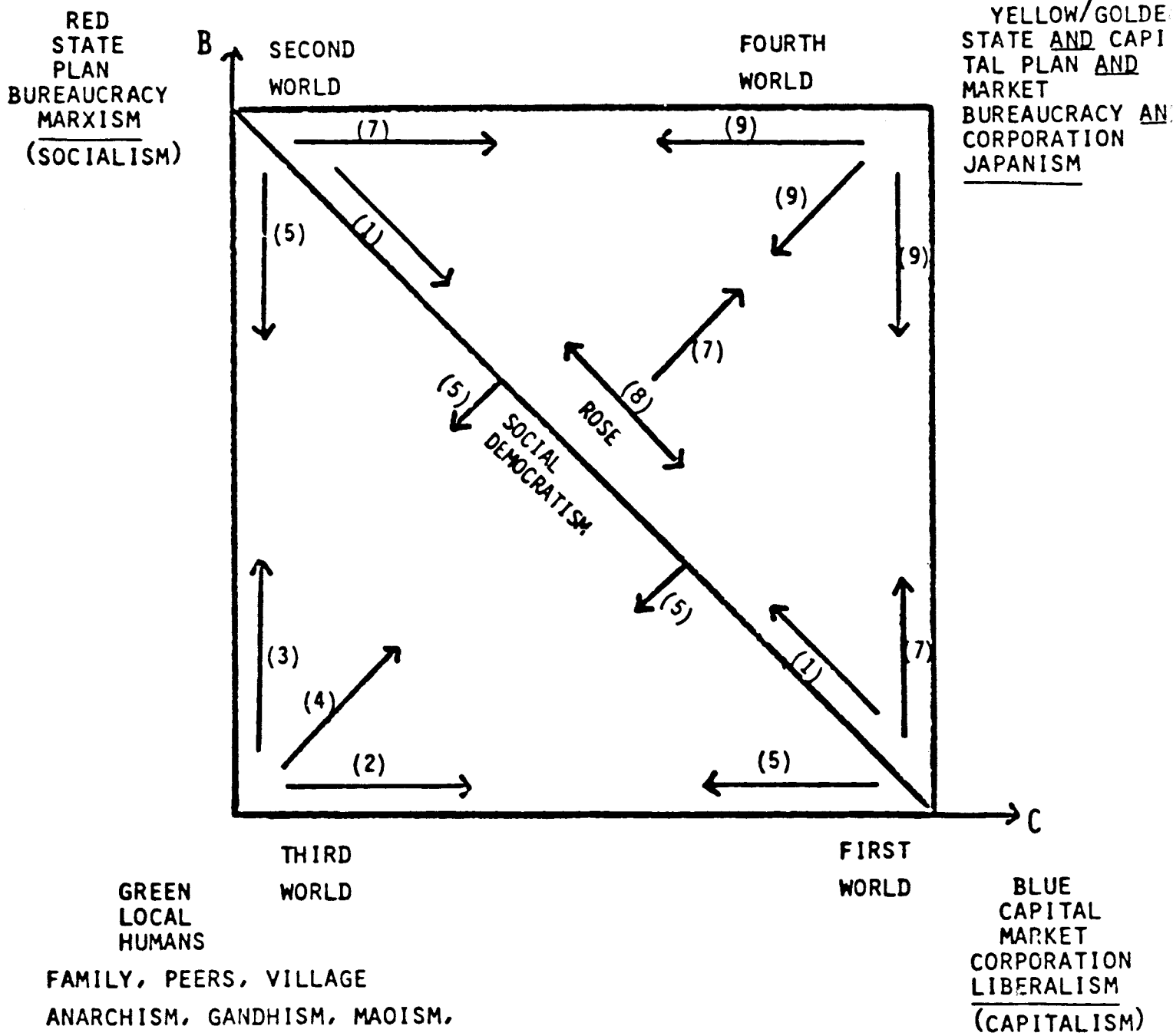
About this there will be very many different opinions, so let me start with a chart of five different models of development, five different ways of running an economy. (See Figure 3 on next page.)

I have made use of two axes to describe the five models: the level of articulation of a national and transnational market economy, and the level of articulation of a national and international planned economy. New in this scheme is the refusal to see those as antithetical; here they are seen as combinable.

Down in the bottom right hand corner there is the blue pole of development: market oriented, with capital accumulation and



FIGURE 2 : SOCIAL DEVELOPMENT AS NATIONAL PLAN AND MARKET  
ARTICULATION



turnover being its measurement, talking the concrete form of enrichment of corporations. In the classical, early colonial phase of western colonialism the corporation was also given state prerogatives: governmental tasks such as suppression of indigenous revolts if there were any, gunboat diplomacy, and things of that kind. As a blueprint it offers a fairly clear way of organizing the world: the first world has been organized that way, and has tried to make the rest of the world its external sector. This was the condition in order to operate: a vast external sector for the processes described in Figure 2. When that external sector goes away, or contracts, there will, of course, be problems: disparities, misery.

What happened of course, was that an alternative came up on the scene--the planned economy, the red pole of development. It came as a response to the problems of the blue model. The basic point was the idea of substituting planning for the market as allocation mechanism, both in the sense of allocating factors to production, and in the sense of allocating goods and services to consumers. Instead of corporation aggrandizement, state aggrandizement--instead of accumulation of capital, accumulation of power--instead of focus on growth, focus on control.

That accumulation of power then became a basic and disastrous consequence of the system: a tremendous power concentration. The three virtues characteristic of early capitalism, pioneering spirit, ability to take up challenge and risk taking almost died in the process. So where the blue system became profoundly exploitative and even in a global context, the red system became repressive

of its own population and in addition to that shifted the type of initiative which made for growth in the blue system.

From this, many people draw the conclusion--and I am one of them--that both systems are bad. So let us look at the other three models. The green, the rose, and the yellow.

The rose, or pink system, is the social democratic option. Of course, it came out of people with a relatively moderate and modest horizon and view on things--in general, in Northern Europe. The basic premise of the system was, "Let us not go too far with the market forces and not too far with the planning forces: let us try to have a mix, a compromise between them, and then negotiate between the public and private sectors."

One can now argue historically whether a mixed economy came about because the population had a say or whether the population had a chance to be heard because the two giants, state and capital, were quarreling all the time.

It seems very clear that a system dominated totally by corporations will give very little chance to the population to have an effective say: they may have freedom of expression, but that's a different thing. And a system totally dominated by ministries, with accumulation of power in the state sector, won't even give them freedom of expression.

So in the blue system there will be so many people talking that nobody is listening. And in the red system so many people are listening that nobody dares to talk. In the pink system

there is some listening and talking. It is certainly not the worst system. But it is not the one that explains, in any way, Japan.

So let us move on to the yellow, or golden system and come up immediately with the first explanation as to why Japan made it: the total and complete cooperation between state and capital, combined with total and complete articulation of both planning and market forces.

It has to be seen to be believed. To put it all in terms of management techniques in the blue sector is very, very wrong. It is equally much a question of how the state sector has been growing, and a question of so-called cooperation between the two. But I do not like the word "cooperation" so much in this connection because in Japan it is very difficult to know where the public sector stops and the private sector begins. The intermeshing is the crucial point, with two basic conditions behind that intermeshing.

The first one is religious and has to do with the Japanese national religion, shintoism, a profound faith in Japan as chosen people, a chosen nation, a chosen empire; with all others if not subordinate at least unchosen. So there is an overarching faith. This overarching faith is collective: it applies to the Japanese, it is not like Protestantism or Christianity in general which applies to the single individual. There is nothing corresponding to this in the Western World. Any effort to imitate Japan would probably have to start with a faith equally commanding, mobilizing.

When I said "nothing," I would say there is nothing in the western world as a whole but there are two countries in the west that, to my mind, have as their basic national credo some of the same sense of being special as the Japanese. One of them is very well known, and very obvious: it is the nation which regards itself as the nation with the most cultured language in the world "la langue la plus culturelle qui existe"--in other words, it is France, "la nation choisie," simply better than all the others. Other people, who do not talk French with the accent of the sixieme or seizieme arrondissement, may look like human beings, because they have two legs and everything, but they have this unfortunate characteristic of not being born in Paris and the right parts of Paris in addition! It is out of that kind of faith that the linkage between state and capital comes as something taken for granted because it is subordinate to a higher cause: the mission of that particular nation.

The other nation is Switzerland where it is also a part of the national faith to claim that "die Schweiz ist ein sonderfall;" Switzerland is a special case. But the moment a country starts regarding itself as a "sonderfall" neighbors should watch out and look at what happens to the military budget. And the second thing they should do would be to start making predictions about the economy for the future. To be special gives to the people not only the right to be economically aggressive.

A second key factor in the Japanese case is more structural: Japanese university graduates hang together their whole life.

Those who graduated the same year constitute an unbreakable bond for the whole period of their life. It is not a question of having a party at the tenth and twenty-fifth anniversary--or the fiftieth if they make it--it is a question of having incessant parties, get-togethers, all the time.

But more important than that: because of the principle of promotion by seniority they move upwards in their various hierarchies at the same pace, which means that they can easily keep contacts. They start as junior assistants, in a ministry or a corporation, and twenty or thirty years later they are vice-ministers and director-generals! This parallelism, together with collectivism, is not found in the west. One more factor of importance and not reducible to the structured managerial decisions: it has to do with a very basic structural fact in the whole country.

Let us then have a look, for the sake of it, at the fourth corner, the third world. Neither national market nor national plan--still to a larger extent based on villages striving to make a living. Well, that is clearly underdeveloped, which means that something must be done about it. As the International Herald Tribune wrote about Burma some years ago: "In this country, they have nothing; the only thing they have is happy, smiling people." Some people would say, "Not too bad," especially if you take a walk on the streets of New York and snap a photo of the facial expressions of people when they are standing at the crossing between 5th Avenue and 42nd Street. Not much happiness. Not much smiling. But developed.

Obviously the third world has to be changed; they have to be developed. If they are helped by the United States they are pushed in the blue direction, and if they are helped by the Soviet Union, they are kicked in the red direction. If they are helped by Norway, the movement is somewhere in between in Figure 3--the angle from  $0^{\circ}$ - $90^{\circ}$  being a question of what country gives the aid, not what country receives it. The fantastic thing is that it is all called "development" in order to make it possible to have some kind of consensus, so that everybody can be in it.

Here you have five models and my final comment is the following. The diagonal that is traced on the Figure is the classical European Political Spectrum. Democracy in Europe is to have an election whereby one can move two millimetres up and down that diagonal. Of course that freedom is better than no freedom at all. But that spectrum is the one we try to impose on the rest of the world as an understanding of The World. The way it is conceived of makes it impossible to understand what Japan is about, and makes it impossible to understand why so many people want to escape the logic of diagonal and get closer to the green corner again.

Back now, to the fourth world: What about them? I mentioned as one factor explaining the fourth world's ability to become number one was based on state-capital or, if you will, ministry-corporation cooperation. The basic point about that again was the Japanese ability not to accept the eternal contradiction between the two that has beset the western world: that the economy works at its best when the state does not interfere with the corporation, or the

Soviet version of it, that a country cannot run at all if the state does not control the corporations. The western tendency to see the blue and the red as antithetical was the first thing that the Japanese did not accept. One will understand a lot about Japan . . . just remember one little sentence: where we say "either/or," the Japanese say "both...and." Why do we say "either/or?"--because we have these religions with God or Devil, good or bad, right or left, wrong or right, everything dichotomous, Aristotelian and, to also put in the French connection, profoundly cartesian. As long as that is besetting one, one is not able to see the richness that can ensue from combining to both. Where western thought is alternative, oriental thought is additive. So I gave one example: add state and capital. Permit to express it in anecdotal form.

My first encounter with Japan was in January 1968 where on one day I met two persons: the first one became my wife, and the second one was a Soviet planner from Gosplan, from the state planning agency in Moscow, studying Japanese capitalism. It was his last day in Japan, he was desperate, he was leaving and he said, "You are a European, Mr. Galtung; I am surrounded by only Americans and Japanese; could we have a drink together?" So I volunteered and after an outpouring of his miserable situation, came the key-phrase--and the key-phrase came in German: "Diese verdammten japanischen Kapitalisten machen den Sozialismus besser als bei uns"--"These damned Japanese capitalists are better at socialism than we are." A very profound statement. Imagine that



some equally profound American could be found--just imagine it. I have never experienced him, but just imagine it for the sake of imagination. What would he have said? He would have said, "I am surrounded only by Japanese, could we have a drink together. My problem is the following: these damned Japanese socialists are better at capitalism than we are." My point is that I never encountered that American. And, of course, the Soviet man was a European...to put it in an arrogant European perspective.

Having then revealed quite a lot of my own prejudices, let me move on to the second and third contradiction that the Japanese have overcome, where they also have "both/and" solutions, where we have "either/or." The second after state-capital is simply to reject the marxist assumption that there has to be a contradiction between capital and labor. And the third is the rejection of the economistic assumption that there has to be a contradiction between labor-intensive and capital-intensive production.

Let us first take the marxist one, as basic to marxism as the contradiction between state and capital to liberalism. And I think one reason why we in Norway are a little bit Japanese in our pinkish way is that we are such bad theoreticians. We are not profound enough. So we never understood these either-or theories completely and for that reason we do not take them seriously enough. But down at the European continent there are great theoreticians who know how to take theories seriously--the Germans for instance!

What this means in practice in a big Japanese corporation is the following. When things are going well management will go up in

level of living, as will the workers, and in a very parallel fashion; parallelism between the two curves being watched. There is no doubt as to who has more power, but when it comes to privilege, to material amenities, they are to a large extent shared and common, or growing at a parallel pace. But what happens when it goes badly? One possibility is that both of them accepts a 15% cut at the same time--they go down together. If it goes very badly, the first one to go, although it may sometimes be symbolically, is the general manager. If it goes extremely badly, he will even commit suicide. His final message to the world becomes "I did not make it, but I belong to this collectivity and I take upon myself the collective responsibility as my act of faith in the collectivity...." That act which in the west--wrongly--is called "harakiri," is performed with ritual: you have to know how to be dressed, it is not easy. But I am sure western managers are bright enough to learn it and that that will be one approach that could be studied in an effort to answer the question whether European management has been defeated or not.

If you do not like it, then I'll immediately tell you what the European pattern is. The European pattern is the following: when things go well, the management does extremely well, the workers too, but the curves are not parallel except in some countries--the more pinkish countries--where they are relatively parallel, although not so parallel as in Japan. But what happens when it goes badly? The management keeps its position, the workers go down, either in real life time salary, or by being dismissed. The dismissal takes two forms, the blue Reagan/Thatcher form, which is

just "out, unemployment," and the pink form which is increasing leisurism by cutting working hours, sometimes also cutting salaries. But they go down. The gap is increasing because the management seems to survive quite well. If it goes very badly, the pool of unemployed will increase up to above 30 million in the OECD countries, and it will increase further: it goes beyond 10%, 13.5% in Belgium, which is the top country, but as competitor having Netherlands and Britain. If there is any suicide to commit, let the workers do it; let them do it. The suicide frequency, particularly among young unemployed, increases.

It is difficult to imagine two more different cases, and I can have sympathy with the European managers who rather than taking on the suicide themselves, leave it to the workers. It should be very clear what is happening; put here in dramatic forms, but that is the form which can best be understood. What the Japanese have done is to institutionalize a form of parallelism in level of material living in the big corporations unheard of in our part of the world, and when I say our part of the world, I include, of course, the Soviet Union.

What has been said so far begs two questions. First, where does it all come from? And second, there must be something negative about it. The negative aspect is very clear. In order to absorb the shock in a period of decline, one needs much capital, big capital. Only the big corporations have this, so the pattern I describe does not apply to the small firms. It is a privilege for those being in the big ones. The others cannot absorb the

shocks; they go bankrupt, and ultimately the pressure comes to the old women supporting a small family style spare parts workshop.

As to the explanation: the parallelism between management and workers in Japan does not come from marxism, but from confucianism and mahāyāna-buddhism. The basic point about confucianism is the regulation of vertical relations, instilling discipline. There is no company without some element of verticality; however egalitarian it is or pretends to be, somebody is on the inside and will make more decisions than others. To regulate relations between the internal and the external sector within a firm, confucianism is a perhaps ideal code of ethics that gives rights and duties both to those at the top and to those at the bottom. It is profoundly feudal, but then there are many feudal characteristics in any corporation. And it is not classical Russian feudal in the sense of giving all the rights to the top and all the duties to the bottom.

This could perhaps also be obtained in our part of the world. But what, for instance, Herman Kahn has so profoundly misunderstood when he talks about neo-confucianism and which makes his books so deficient in this regard is the neglect of the buddhist element, of mahāyāna "great vehicle" buddhism, for solidarity. What more can you ask for? If you have shintō defining a national cause, confucianism giving discipline in the vertical relation, and buddhism solidarity in the horizontal relation, then, of course, you are doomed to success.

The third point is to overcome the contradiction between labor-intensive and capital-intensive production: they have to produce,

it is not enough to have confucianism and buddhism. The point here is very simple. In the west, the theory is: you start with artisanal production; you substitute for labor more and more capital and research until the production becomes increasingly robotized; and eventually you can decrease the proportion of the population working in the secondary sector and put them into the tertiary sector, the services, and at the same time increase labor productivity, and, I would add, at the same time get rid of the "bothersome" industrial proletariat. Western economists have very often been at the service in producing theories that are essentially hostile to labor, making it more difficult for labor to assert itself, for instance by tying salary increase to productivity increase, inviting labor to work hard to abolish itself. I assume that to be a basic task for western economists, a basis on which they draw their salary.

However, what is important in this connection is the following. The Japanese do not accept this contradiction but ask, "How can we combine artisanal with robotized production?" There are two ways of doing it. One is a dual economy with a considerable amount of subcontractors, small firms, some of them very small, that make products of very high artisanal quality that are then sold to the big corporation. They are dependent on the big corporation and are bullied by the big corporation. They can be called at one o'clock at night because a mistake has been found in one part of a batch of one thousand and the person who is the manager of that little firm is supposed to show up at three o'clock in the morning to start sorting them before work starts again at seven. The de-

pendency relation is quite clear, but the quality aspect equally prominent.

The second aspect would be that after robotized, assembly line production has been carried out comes an artisanal phase which in the west is misunderstood by referring to it as "quality control." The west, particularly Americans, can only consider it in terms of sampling, sequential analysis, things of that kind. I think it should better be understood as the second or the third phase of the whole production process. A car comes off the assembly line, is then approached by an army of artisanal level skilled workers who pick it to pieces and then put it together again--or they do this as the assembly proceeds. The phase is highly labor-intensive, carried out by skilled generalists.

In order for this to pay, one has to have large volumes of products and a huge market, which means one has to address the middle level, middle class consumer, not the small top level. And to ensure high quality one has to have very skilled workers. Both of these assumptions are negated in the west. As one Japanese cabinet minister told me: "We have nothing against the west being able to sell a Mercedes to every minister in any ministry in any third world country, as long as all the functionaries buy Datsun-Honda-Mazda. They can run around in their black Mercedes as much as they want--no problem!" Underlying all of this you see all the time the same formula: the eclectic "both/and" instead of the western "either/or," but not as something on which one writes doctoral theses, but as something implemented in practical

decisions. State and capital. Capital and labor, Labor-inten-  
sive and capital-intensive.

Let me now expand the horizon by saying some words about the fourth world in general. If you have a country where state and capital cooperate, where internal tensions are by and large solved in the large corporations, and where a mode of production combining artisanal and robotized production is found, of course you win! They can manage the one thing that is important, the key to success in a world market: to produce better quality at lower prices. The formula is somewhat simplistic, but if you have a choice between that which has better quality and lower price and something with lower quality and higher prices only a masochist, a nationalist, or a very badly informed person would choose the latter. The badly informed part of it the Japanese take care of by means of advertising and they do that very well. The masochist part is no problem, because homo occidentalis economicus is not very good at masochism: he has a tendency to prefer the better and cheaper to the worse and more expensive. He is raised that way. The only difficulty left is nationalism, and that brings me back to France again: the only country that could imagine for a period, having Japanese video, etc. come into Poitiers in central France for customs inspection, in order to try to stifle the imports that way. To produce better quality requires imagination, requires the artisanal aspect; lower price requires the industrial aspect. In order to combine the two, it is not enough to do so managerially; you also have to have a frame of thinking and an underlying cosmology--a way of looking at things in

this world that makes that possible. As an example have a look at my Seiko watch: Why does it have both a watch and a computer? I know the story of a man who got that idea and went to a Swiss watch manufacturer saying, "Why don't we put a computer in it?" And the Swiss manager said: "Eine Uhr ist eine Uhr, ein Rechenwerk ist eine ganze andere Sache." (A watch is a watch, a computer is another thing.) Here we see the western world at work. The Japanese answer would be: "Why, why not, let us try." Sooner or later we shall get slalom skis with video recorders. Both-and at work.

Does the rest of the fourth world also do all of this? The four mini-Japans, South Korea, Taiwan, Hong Kong and Singapore had already in 1977 58% of what is usually called the third world's export in manufacturers. Four small countries had 58%! Country number five was India, it had at that time 660 million inhabitants as against Singapores 1.8 million. And yet its portion was lower. Country number six was Brazil, not so small either. So there is something, and that something which for the western mind had been going on for some time already, can only be understood in terms of U.S. investment. First of all, that makes the west the important actor, overshadowing the patient, very clever and tenacious work by the Japanese and, their fourth world companions/competitors. And point 2: it makes an economic factor--investment--the overarching factor, and not the cultural one. Again reassuring to the western mind. The confucian-buddhist combination is found wherever there is Chinese civilization--and that means many places in the fourth world.



Conclusion: the fourth world is not only rising; it has no choice. And that is the profoundly changing world in which we live. I have tried to make the point that:

a) it is not only a question of cars and electronics, because the formula that Japan has used to conquer world markets can apply to any product as long as it has a high level of processing. The Japanese would never be interested in products with a low level of processing because there their quality could not show. This is the reason why Royal Dutch Shell Company will continue and IBM will sooner or later become a Japanese subsidiary--the former deals in a rather crude commodity essential to Japan; the latter competes with Japan.

b) it is not only a question of Japan. It is also a question of the mini-Japans, the ASEAN countries and the socialist countries in the fourth world--the People's Republic, North Korea and Vietnam. They have all the same spirit: they can all do the same--potentially. In other words, it is only a comforting western mechanism to see it in terms of motor bikes and Japan only, and to limit the abolition of free trade in order to protect the Harley-Davidson motorcycle.

c) it follows that Japan's days may be counted. There will be a decline and fall of Japan just as there is a decline and fall of everything that rises. The decline and fall of Japan will partly come from competition from the other countries in the fourth world playing the same game equally well, and partly come from internal contradictions in Japan itself. But in that there is no comfort for the first world: there are enough people in the rest of the fourth

world to take over, using Australia, New Zealand and Oceania as internal resources.

Is western management defeated? I do not think so. I think Europe has been defeated, and the U.S. is on its way. We had five hundred good years: in terms of historical justice that might be about enough.