

東京フルブライト・アソシエーション 2007年度総会講演会

GLOBALIZATION AND CORPORATE COMPETITIVENESS

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I am pleased and honored to be invited today to address this annual general meeting of the Tokyo Fulbright Association. After leaving USTR in January 1990, I joined AT&T and moved to Tokyo in June 1990. But within a month of arriving in Tokyo, I was invited to address the Fulbright Association here. This clock, which I received as a gift after my speech, has engraved on it "June 28, 1990: GARIOA/Fulbright Tokyo *Dosokai*," and since that day has been prominently displayed in my office.

Since graduating from Stanford in 1972, I have worked in journalism for one year, academia for eight years, law practice for three years, government service for five years, and business for 18 years. So today, based on this eclectic background in five professions over 35 years, I would like to share some thoughts with you on the subject of "Globalization and Corporate Competitiveness."

My main message tonight is that in this world of globalization, Japan needs to take a more "strategic" approach toward the world, including forging closer ties with Europe and Asia while keeping its close relationship with the United States, in order to maintain and enhance its economic competitiveness and political relevance.

グレン・S・フクシマ

エアバス・ジャパン(株)代表取締役社長

◆プロフィール◆



1949年カリフォルニア生まれスタンフォード大学、ハーバード大学大学院、同大学ビジネススクール、ロースクールを経て、82年フルブライターとして東京大学法学部留学。85年米国大統領府通商代表部に入省。対日、対中の通商政策の立案、調整等に携わる。日本AT & T 株式会社副社長、アーサー・D・リトル(ジャパン)株式会社代表取締役社長、日本ケイデンス・デザイン・システムズ社長、日本NCR株式会社代表取締役共同社長、05年2月より現職。在日米国商工会議所元会頭。

I will divide my talk into three parts. First, I will examine globalization. Second, I will assess the current state of U.S.-Japan relations. Finally, I will comment on Japan and its relationship to the rest of the world. My views on these topics are broader and more "global" than they were two years ago because I am now working, for the first time, in a European company, which provides me a "third party" perspective that I did not have before.

THE MEANING OF GLOBALIZATION

"Globalization" has many dimensions, but for business executives there are, in my view, six key drivers.

The first is the changes in the world political environment since the collapse of the

Berlin Wall on November 9, 1989. With the diminution of the role of government and with the spread of market economies, many new markets have opened up to trade and investment. Business executives now face the challenge of allocating limited resources strategically to those markets around the world that produce the best economic returns.

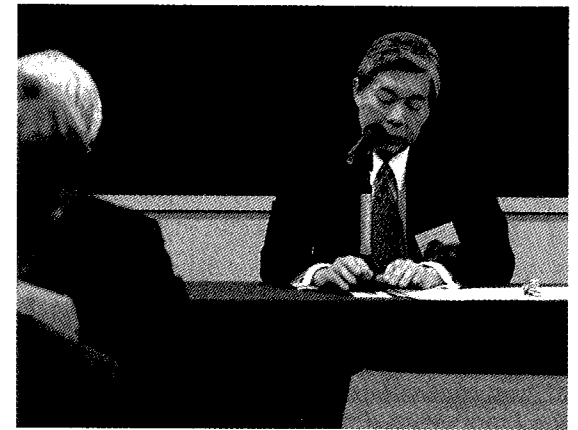
The second driver is demand-side factors. At AT&T, where I worked for eight years, from 1990 to 1998, the aim was to provide telecommunication services to "anyone, anytime, anywhere." Individual consumers, corporate customers, and governments were demanding telecommunications products and services around the world that were dependable, convenient, and high quality, yet low in price.

The third driver is supply-side factors, or the actions of competitors. Competition is forcing companies to engage increasingly in cross-border mergers, acquisitions, joint ventures, and strategic alliances--whether in telecoms, financial services, automobiles, pharmaceuticals, semiconductors, etc.

The fourth driver of globalization is government policy, including the regulatory reform and deregulation that governments around the world are undertaking. This is creating new rules and frameworks for competition--at the global level with the WTO (World Trade Organization); at the regional level with NAFTA (North American Free Trade Agreement), APEC (Asia Pacific Economic Cooperation forum), and the EU (European Union); and at the national level as well.

The fifth driver is technology, especially in the areas of IT (information technology), transportation, and logistics. The use of new technology has spurred individual productivity, corporate competitiveness, and government efficiency and effectiveness. It is both a product of, and a contributor to, globalization.

The sixth driver is changes in the



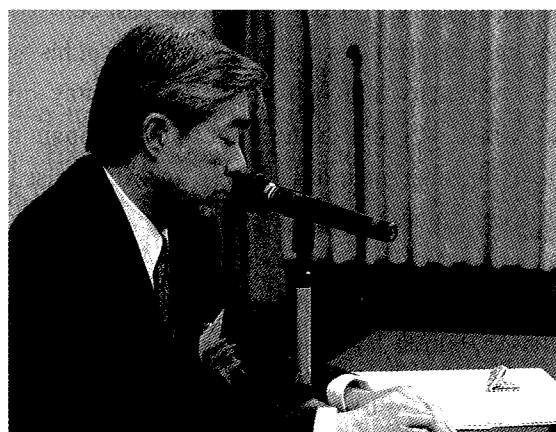
workforce, which is growing more mobile, more diverse, and more specialized. There is, for example, less correlation than in the past between the citizenship of a worker, the nationality of his or her company, and where he or she may be working. A good example is Carlos Ghosn--a global businessman of Lebanese ancestry, raised in Latin America, educated in France, with work experience in Latin America, North America, and Europe--who came to Japan in 1998 to head Nissan, which had itself received a significant capital infusion from Renault, a French company.

At the American Chamber of Commerce in Japan (ACCJ), we have a growing number of cases where an American company operating in Japan is being led, not by an American or a Japanese, but by someone from a "third" (e.g., European) country. Global corporations are increasingly hiring and assigning executives based not on their citizenship or gender but on their ability to do the job.

These are six of the key drivers of globalization that business executives need to keep in mind when operating globally. A strong case can be made that the Japanese government and many Japanese companies did not respond quickly enough to these changes in the global environment post-1989, and that this contributed to the economic slowdown that is often termed the "Lost Decade" of the 1990s.

When I was a student at the Harvard

Business School in the late 1970s, half of the cases in the course known as "BGIE" (Business, Government, and the International Economy) were on Japan, and they extolled the virtues of "industrial policy" and "Japanese-style management." One of my professors at the time, Ezra Vogel, came out with a book in 1979 entitled *Japan as Number One: Lessons for America*. By the 1980s, when I worked at USTR, there was a tendency in the United States to overestimate Japan. But by the mid-1990s, after the bursting of the Japanese bubble, there was a tendency to underestimate Japan and to fear a potential meltdown of the Japanese economy.



But now, there is a more realistic assessment of the Japanese economy, compared to the overestimation in the 1980s and the underestimation in the 1990s.

Although there is much hand-wringing about the "Lost Decade" of the 1990s, my own view is that during this period Japan undertook significant changes that are resulting in a resurgence of the economy. It is a mistake, as some in the U.S. are wont to do, to write off the Japanese economy and to believe that all the growth in Asia will be in China and India.

One clear change from the 1980s is that there is now greater diversification in the Japanese economy. The so-called "convoy system" ("*goso sendan hoshiki*") and the uniformity ("*yokonarabi*") that were common among major Japanese companies have been attenuated, if not fully

eliminated. We are now actually seeing some winners and losers. And speaking from personal experience, having sat on the board of directors of several companies and nonprofit organizations in the U.S., Japan, and Europe, I can attest to the tremendous variation over the last 10 years in the composition of boards among major Japanese companies and the way in which the boards operate. There is a healthy diversification taking place in Japan today.

The ACCJ used to comprise primarily U.S. citizens representing major American companies in Japan. In the past, only large, well-established companies could afford to be in Japan, because the cost of doing business here was so high and because it took such a long time to make a return. But by the 1990s, an increasing number of Japanese nationals (and those of other nationalities) were joining American companies in Japan. At the same time, there has been a surge in the number of Americans who have come to Japan and, while here, decided to start their own company. This is another small example of the diversification that we have seen in Japan, where it is now possible for foreign entrepreneurs to come to Japan, start a business, and be successful.

This diversification is a healthy trend. Before these changes in the last 10 or so years, the rigidities in the Japanese system caused the strong companies and industries to be held back by the weak companies and industries. Now, it is increasingly possible, even in Japan, for competitive companies to become even more competitive.

THE STATE OF U.S.-JAPAN RELATIONS

I would now like to assess the current state of U.S.-Japan relations. Although I am now working for a European company, I still maintain a strong interest in the U.S. and Japan, as well as in the bilateral relationship. Last week, for instance, I was in New York City for the centennial gala

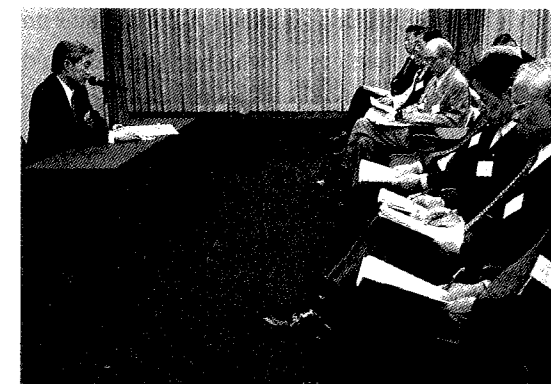
dinner of the Japan Society, attended by 1,000 people including former U.S. Ambassadors Mondale and Baker, and current Ambassador Schieffer. The keynote speaker was Bill Clinton. The guests of honor were Shoichiro Toyoda of Toyota Motor Corporation and David Rockefeller, one of the founders of the Japan Society. It was an impressive event that showed the importance of the bilateral relationship to both countries.

Although the relationship remains important, as in the world of business, the new realities of globalization are requiring changes in the ties between the two countries.

The first term of the Bush administration went reasonably well for the U.S.-Japan security relationship, in part because of the personal chemistry between President Bush and Prime Minister Koizumi and the presence of "Japan hands" in the administration such as Rich Armitage. In fact, diplomats in both countries were proudly proclaiming, "U.S.-Japan relations have never been better."

However, with the departure of most of the "Japan hands" at the end of the first term and with the departure last year of Prime Minister Koizumi, the challenges facing the relationship are becoming increasingly evident. In many ways, the close personal ties between the heads of state had the effect of keeping submerged the security, political, and economic issues that had been papered over or neglected since the beginning of the Bush Administration. The terrorist attacks on the U.S. on September 11 made it easier for both governments to assume that bilateral cooperation in Afghanistan and Iraq would be enough to keep the relationship strong.

In reality, however, the end of the Cold War, the emergence of the BRICs (Brazil, Russia, India, and China), and the changing domestic politics of both the U.S. and Japan are demanding significant changes in the bilateral relationship. With globalization, the importance of bilateral ties



is receding, and the strength of regional and global ties is growing. The U.S. is aware of this and is adapting accordingly. However, Japan is still focused on its bilateral relationship with the U.S. to an unusual and unhealthy degree.

JAPAN AND THE WORLD

In my current job, I have the opportunity to participate in seminars, conferences, and air shows around the world. What I find disappointing is that there is so little Japanese presence in most of these international events.

It used to be, during the bubble period of the 1980s and early 1990s, that Japan would be dragged into participating in such international forums even if it was not enthusiastic about doing so. Japan was simply too important a player to be ignored. Now, with the rise of the BRICs and the preoccupation of most Japanese with domestic affairs, Japan is receding from the world. This is paradoxical, because the world expects Japan to be more engaged with the rest of the world. As some Americans have put it, Japan is an "underachiever" when it comes to playing a role in international affairs.

One could argue that the main reason for this is that the current alliance relationship with the U.S. allows Japan to be preoccupied with its own domestic issues. To put it starkly, postwar Japan has effectively "outsourced" its foreign policy to the U.S. Thus, there has no need for Japan to engage in the kind of national discussion

and debate necessary to reach a consensus on such important matters as whether Japan should possess nuclear weapons, what restrictions-if any-should be imposed on the use of military force to resolve international disputes, and how large and what kind of a presence U.S. forces should occupy in Japan.

One method to wean Japan away from being an "underachiever" would be to revise fundamentally the U.S.-Japan security relationship. However, this could trigger unforeseen and perhaps undesirable consequences, such as an arms race in East Asia. Thus, the U.S. faces the challenge of encouraging Japan to take a more active role in international affairs without doing so in a way that is perceived by its neighbors and partners to be too aggressive or threatening their interests.

In this context, Japan needs to diversify its risk portfolio to include close ties not only with the U.S. but also Europe and China. In my current work at Airbus, I find fascinating the contrast in the Japanese and Chinese approaches to this industry. To put it simply, the Chinese are strategic, always playing Airbus and Boeing off against each other, having them compete to offer the best terms. In addition, the Chinese work with both Airbus and Boeing in industrial cooperation and joint manufacturing, with the aim to create their own aircraft manufacturing industry in the future. By contrast, the Japanese tend to stick to one company, Boeing, with the hope that having only one supplier will not prove detrimental in the long run.

There is no question that competition in the Japanese commercial aircraft market should lead to benefits not only to the airline companies, but to passengers, airports, and aerospace manufacturers. It would also signal maturity on the part of Japan to foster closer relations with

Europe and to seek more commonality with Asia than in the recent past. Japan is, after all, the only major country in the world where the market share for Airbus is in the single digits.

CONCLUSIONS

Having surveyed the six drivers of globalization, the current state of U.S.-Japan relations, and Japan's role in the world, I hope you will agree with me that Japan faces significant challenges if it intends to stay economically competitive and politically relevant. One of the ways to achieve this is for Japan to build stronger ties with other regions of the world-most notably Europe and Asia-while keeping intact its close relationship with the U.S.

More than anything, Japan needs to adopt a more strategic and multilateral view of the world that takes into account the vast changes brought about by globalization over the past two decades. Japan is too large a power to rely so heavily on one country, no matter how important that country may be. It is, rather, in the interest of both parties to broaden ties with others and to operate from a global perspective.

Finally, I want to pay tribute to the Tokyo Fulbright Association for maintaining a strong alumni network here in Tokyo, for sponsoring alumni events such as this event tonight, and for contributing financially to the Fulbright Program since the 1970s to ensure that fellows from both the U.S. and Japan can continue to benefit from, and contribute to, this valuable program of cultural, educational, and intellectual exchange between our two countries. Thank you.

Glen S. Fukushima was a Fulbright Fellow from Harvard University to the Faculty of Law at the University of Tokyo in 1982-83.

総会報告および決算

会長の総会あいさつ

長坂 健二郎 会長
1962 Columbia U.



ご多用な中、同窓会の総会にご出席頂き、心から感謝申し上げます。

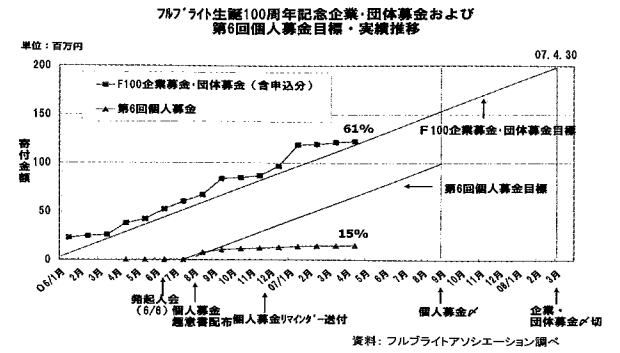
さて私は昨年の総会で会長を仰せつかってから1年が経ちました。この間の活動を通じ、本同窓会の現状と問題点が漸く分って参りました。まず活動状況を3点に集約してご報告いたします。第1は会員の親睦と相互啓発です。これはどの同窓会にも共通したのですが、とくに本同窓会の場合は各方面の第一線において活躍されている会員が多いので、親睦がそのまま又とない相互啓発になるという特色があります。第2は来日フルブライターとの交流です。私達がかつて米国でホストファミリーや友人達から種々お世話になり、それを通じて米国及び米国人の素顔に触れることができました。今度は私達がお恩返しをする番です。東京での会合のほか、最高裁判所や日光・鎌倉へお連れしているのもその一環です。第3はフルブライター総数を増員する為の募金活動です。フルブライトの人物交流プログラムは基本的に日米両国政府による同額醸出金によって賄われていますが、それだけでは不十分です。第1表にあるように、諸外国に比べ総人員数においてかなり見劣りします(第1表参照)。そこで私達は政府ベースの予算の不足を補うため、企業・団体及び個人を対象に募金活動を展開しています。今回の募金は企業・団体で2億円、個人で1億円の目標を立てて

第1表 2005/2006年度フルブライト奨学生数各国比較

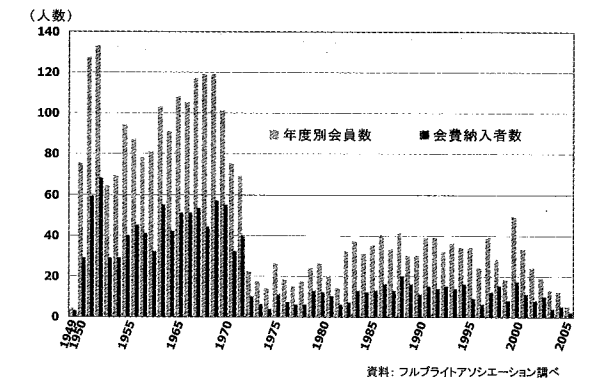
当該国	当該国→米国	米国→当該国	計
日本	64	40	104
韓国	52	147	199
中国	63	71	134
ドイツ	311	269	580
イギリス	80	81	161
スペイン	95	56	151
フランス	52	48	100

資料: Annual Report 2005/2006 by J.W.Fulbright Scholarship Board

第1図 募金進捗状況



第2図 年度別会員数及び会費納入数



いますが、率直に言って道遠し、という状況です(第1図参照)。

以上のような活動を通じ浮び上ってきた問題点は次の2点です。第1は募金活動における苦戦です。一頃と違って企業・団体の社会貢献活動はこのところすっかり停滞色を強めています。多くの企業が自社独自の留学制度を設けているということも影響しています。また個人募金についても、会員の個人寄附に依存するところが大きいだけに、これまでに比べその低調ぶりが気になります。第2は会員数及び会費納入額の減少です。1970年代に入ってからフルブライト交換留学生数は激減し、今日に至っています(第2図参照)。問題は各年度大勢居られた先輩方が年々社会的活動からいわば卒業して行かれることです。先程述べたように最近の奨学生数は以前に比べ極めて低水準で、この穴埋めができません。こうした傾向は今後益々強まりますので、今のうちにその対策を考えておく必要があります。

どうか会員各位におかれては現実を直視し、その対策について忌憚のないご意見をお寄せ下さい。心からお待ち申し上げます。