

## Global Public Goods and Sustainable Development in Asia

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### Introduction

Globalization has replaced the dynamism of the cold war as the major force that dictates the structure of the world community. It is increasingly clear that globalization proceeds on two tracks; fast and slow. The fast track consists of the market forces which are promoted by such powerful agents as transnational enterprises, the U. S. government, IMF and the WTO. While economic efficiency has been improved by these forces and growth performance of the world economy has also been strengthened, various problems have been aggravated by these forces, notably poverty and the widening gap between the rich and the poor, declining environmental quality, and the destruction of local cultures that have provided lynchpins of social trust. Various actors have begun to address these problems. They include NGOs, bilateral donors, UN agencies, the World Bank, regional development banks and an increasing number of governments in the developing world. These actors have begun to cooperate with each other in recent years, and are now forming an alliance jointly to address such issues as environment, poverty, and local cultures. The slow track globalization, consisting of cooperative activities of these actors, has been born in the world community, and these slow track activities are the major forces which promote global public goods.

### I. Sustainable Development in Asia and International Public Goods

Sustainable development in Asia being a building block of global public goods, it is promoted mainly by the slow track globalization. With an increasing number and severity of unsustainabilities in Asia, including the flood of the Yangtse River and the draught

around the Yellow River in China, the threat of a war over water control between Malaysia and Singapore, and the haze in the Malacca Strait areas originating from forest fires in Indonesia, the actions of the slow track actors have been intensified.

Differentiated actions are taken towards three categories of countries that are emerging as a result of the impacts of the dynamism of market-based globalization forces which have diametrically opposite vectors. These forces integrate into the world economy those Asian economies that attract foreign direct investments resulting in the bumpy road of high growth and collapse, whereas they marginalize those countries which do not attract any foreign direct investment, resulting in aggravated poverty. In major developing countries such as China and India, integrating forces and marginalization work simultaneously, bringing about a widening gap between the rich and the poor in the country. Requirements for ensuring sustainable development in these three categories of countries are substantially different.

## **II. Roles of Japan in Fostering Public Goods**

The forces of the private sector of Japan constitute the major part of the fast track globalization in Asia, thus contributing to the improvement in its overall economic efficiency, but also to creating factors that bring about unsustainability in Asian countries. It is mainly through ODA that Japan supports forces of the slow track globalization which addresses the problems of unsustainability of Asian countries. Cooperative actions of Japan contribute significantly to the promotion of Asian public goods, particularly in such areas as stability in trade and finance, sustainable natural resource management and the long-term protection of Asian biosphere, which constitute important building blocks of the global public goods.

There are a number of reasons why the Japanese government participates in the slow track globalization through its ODA. Among the main reason are:

- overcoming the historical negative legacy;

- gaining recognition of the international community by translating its own wealth into international public goods;
- fostering the political climate of international cooperation; and
- accepting a broad responsibility and a leadership role.

Japan's concerns, however, have been evolving rapidly, and now extend globally. One major role for Japan is to link Asian public goods to global public goods. A typical example is to use the output of the Eco-Asia exercise for consolidating Asia-wide environment administration as an input into the World Summit for Sustainable Development of 2002.

### **III. Is Asian Third Way Possible?**

The interaction between the two tracks of globalization, working at the regional level, has brought about a number of Third Way governments in Europe in the mid-1990s. The European Third Way formula is market-based globalization plus welfare.

If an Asian Third Way regime is possible, is it the combination of the European formula and such elements as harmony with the nature and importance of the community and its values? With increasing strength of the slow track globalization in Asia, the need to address this question will be felt strongly in the near future.

### **Conclusions**

The interactions of two tracks of globalization will lead to a shift in Japan's position in Asia. It will be a shift from "Japan and Asia" to "Japan in Asia". In the process of this shift, "Asia and the World" will be changed to "Asia in the World". The interactive processes between two tracks of globalization will transform "Asian Public Goods" to "Global Public Goods in Asia".