

9. CONCLUSION

The history of seven-power economic summitry has been the history of collective management of world crises and attempts to provide collective leadership to cope with the demise of American political-economic hegemony. The volatile nature of the international situation has substantially diverted the summiteers' attention and the summit's agendas toward pressing world crises. The 1979 Tokyo summit exemplified a summit aimed at crisis management of the drastic oil price hike. In this case, when the summit was held in the midst of an international emergency, the summiteer's personal competence and negotiating skill particularly determined the content of the declaration. Summitry has played the function of restraining the adverse effects of crises by reconciling differing national interests. In a more normal situation of economic management, the result has been mixed. Though it was meant to be the "highest political will based on consensus", the outcome of the discussions and agreements in the declarations has tended to be too general and non-committal to cope effectively with the pressing issues of the time. More often than not, the declaration has been nothing more than a broad policy statement, summarizing the least common denominator of each summit member's interests. The actual impact of the document has been further undermined by its non-binding nature due to the absence of an enforcement mechanism.

Indeed, there are inherent limitations to summitry. Summitry is premised on the state-centric model of the management of the world political economy. But the substantial rise of the number of actors on the increasingly centrifugal international arena, coupled with the eroding authority of the central government of each has made the agreements reached at the summit more difficult to implement. The conservative *laissez-faire*-oriented macroeconomic policies of the major powers in the early 1980s have reinforced this trend by strengthening the power of market forces and free enterprise. In sum, as Gary Saxonhouse asserts, nowadays "governments do not command economies."²⁸⁴ The summiteers can agree to a target rate of GNP growth or target current account surplus reduction. But their abilities to accomplish the summit objectives are severely constrained by aggregate economic performance based on decentralized decision-making among numerous microeconomic actors. The "locomotive" targets for the Japanese GNP presented at the 1977 London and the 1978 Bonn summits demonstrate the limited maneuverability given to the highest political authority in the nation-state.

Besides, summitry cannot intrude into sensitive areas that may jeopardize national sovereignty. However, most of the issues summitry has tried to tackle are beyond the domain of national sovereignty. The foreign exchange rate issue, for example, cannot be controlled by a statement issued at a summit or joint intervention by a summit members' monetary authorities alone. Furthermore, the built-in character of industrial democracies includes some handicaps for summit leaders. The summiteers can only make firm commitments within the domestically-feasible range of options.²⁸⁵ The reactions of the domestic audience - the media, the opposition and powerful business groups - are invariably taken into account in producing the summit's declaration. Fierce domestic criticism of Nakasone's Williamsburg security commitments certainly did not make his life comfortable, and in the following months, he had to tone down his hardline oratory to a considerable extent. Consideration of the domestic appraisal of the summit is of special importance to Japan, which values the practice of resolving issues by building a consensus and which has a relatively weak political leadership.

Nevertheless, summitry has provided a viable international forum to help resolve policy

differences among the participants. Indeed, there are conspicuous instances where some bilateral issues were either settled or alleviated thanks to the talks held at the highest political level. With some exceptions, summitry has often prevented the exacerbation of fierce conflicts by creating a personal rapport among the world leaders. The relationship between President Reagan and Prime Minister Nakasone is a case in point. The annual meeting is particularly crucial for Japan because Japanese encounters with the major heads of government and state are more limited than the meetings held among Western leaders. Summitry is a perfect place for the Japanese to be exposed to the divergent opinions held by other summiteers, and has contributed to the education of the Japanese participants. The Japanese input into the process of summitry has been significant as well. As its economic status and political voice have grown in the world, it has taken a number of initiatives, as seen at the 1978 Bonn summit and the 1987 Venice summit, to help stimulate world economic growth. In many instances, it has mediated the divergent interests of the summit countries, especially those between the US and EC. It has also attempted to put "Asian perspectives" into the otherwise purely "Western" summit. For instance, the Japanese Prime Ministerial visits to the ASEAN nations before and after the annual meeting has been a mechanism to obtain the considered opinions of the Asian leaders as well as to report back to them the result of the seven-power summit. Not necessarily acting as "a spokesman for Asia", the Asian dimension of Western summitry has undoubtedly increased with the presence of Japan.

Summitry has given Japan an occasion to develop its strategy toward macroeconomic affairs. Compared with other summit members, Tokyo's sensitivity to external pressure and to how Japan is perceived by other major governments is noticeable. Summitry has been institutionalized as a crucial annual source of formidable external pressure on Tokyo's policy-makers. The Japanese sensitivity to international pressures has been supplemented by their obsession for muting criticism in the summit's formal session. Whenever Japan was charged with unfair trade practices by other summit members or was causing bitter trade frictions by running more than 1.0% of current account surplus as a percentage of GNP,²⁸⁶ Japan came up with a pre-summit package to soothe the grievances of the trading partners. In this respect, summitry has actually promoted the liberalization of Japanese markets and the creation of fiscal stimulus measures, by enhancing the position of internationalists and/or expansionists in the Japanese government. Undoubtedly, without Japanese participation in the summits, Japan's market-opening process and more cooperative macroeconomic policy management would have been slowed down by stubborn domestic resistance. The authority and legitimacy drawn from the summit have had a significant impact on Japan's decision making. In fact, summitry has largely shaped the diplomatic schedule of every participating Japanese Prime Minister.

This unique Japanese characteristic however, has stifled Japanese activities at the summit as well as aroused resentment in some domestic quarters. Japanese sensitivity to external pressures and its penchant for consensus-building among the summiteers have generally undermined the Japanese bargaining position. Bluffing is not an aspect of the Japanese style of negotiation, but pleading is. Japan has not threatened to walk out of the meeting if its position is under attack in the declaration, nor persisted in producing a clause reflecting its wish, as France did over the new trade round at the 1985 Bonn summit. The less assertive orientation of Japan contrasts with the German rejection of extra stimulus measures at the 1987 Venice summit. Frequently, Japan has subjugated its pre-summit national positions to the necessity of maintaining harmony in the declaration. It has, from time to time, abandoned its original hopes or accepted undesirable requests from other countries. Summitry is a place for compromise rather

than conflict as far as Japan is concerned. Not surprisingly, Japan has been, on the whole, making steady efforts to implement what it has agreed to at the summit. The declaration produced at the meeting has not been taken lightly by Japan; the international pledges seem to have a special ring to Japanese ears. It is safe to conclude that the summit's influence on the Japanese government has been substantive, especially when the communiqué provided more detailed prescriptions for the solution of the various issues.

The Japanese domestic reaction to summitry has varied from one summit to another, but there are interesting patterns to note. All Prime Ministers attending the summit have wished to capitalize on the glittering diplomatic show to improve their standing in the polls and to fortify their political ground in Japan. The opposition has defied their vision by deliberately rebuking the Prime Minister's summit performance. The opposition parties' negative assessments of the summit outcomes contrast sharply with the overall positive appraisals held by Zaikai leaders. The opposition parties, however, are not monolithic about denouncing the political gathering of the major leaders. Since the first summit, either Komeito or DSP or both centrist parties have given some favorable comments to the items agreed at the summit, but the JSP and JCP have stuck steadfastly to their overwhelmingly dissenting views on the summit results. Indeed, summitry has given the opposition a suitable chance to regularly condemn the ruling party's diplomacy, and after Williamsburg, their outcry caused a great uproar in the domestic arena. But their criticisms have not usually led to any organized moves influential enough to turn around the direction established at the summit. This is probably because their disapprobation seems to stem more from a political strategy than from their genuine rejection of summitry as an institution.

The opposition's overall scathing comments on the summit have been offset by the countervailing affirmations expressed by the business community. Zaikai has been, in the main, supportive of the summit declaration though it did not hesitate to reveal its displeasure when its vital interests were not well served by the meeting of the Seven. The exchange rate fiasco at the second Tokyo summit and the Sakhalin pipeline project at the 1982 Versailles summit are good examples. Its endorsement has been a great encouragement for the Japanese summiteers, especially those LDP politicians whose political fortunes are partly determined by Zaikai's evaluation. So far Zaikai has not raised any visible objections to Japanese agreements at the summits, but has almost always cautioned the government that it should live up to its summit's pledges.

The Japanese media have responded to summitry in a way that reflects their ideological positions. The four leading dailies' editorials examined in this study show the fundamental consensus in favour of the raison d'être of summitry. They generally believe that summitry has been beneficial for Japan as well as for the world and have never explicitly suggested the termination of the summit system nor advocated Japanese non-participation in the summit. They also have been unanimous in judging that the success of the summit usually depends more on how much the conclusions will be put into concrete actions than on what the leaders discussed and agreed. When it comes to the evaluation of the summit result, however, the differences among the papers as well as the differences at the summits are revealed. Generally speaking, more economic-oriented summits drew similar and affirmative comments from the four while such political summits as Versailles and Williamsburg disclosed the newspapers' divergent politico-military orientations. The liberal Asahi and Mainichi definitely do not favour "political" and "security" summits that can involve Japan further in the Western military alliance along the "hawkish" Reaganite line. The Nihon Keizai as a business daily is

more sympathetic to a greater security role for Japan though it seems to want the leaders to treat the economic issues first. The conservative Yomiuri not only approves of greater security responsibilities for Tokyo but also has given the highest rating to Tokyo's diplomatic achievements at previous summits. Though the media have not been included in the policymaking process of Japan's summit foreign policy, their role is decisive in communicating the preparation, result and critique of each summit to the general public. It might have contributed to an over-expectation by some domestic sectors for the summit by its wide coverage of the summit process and outcome.

The thirteen-year history of summity has witnessed many changes in the world system. One of the most noteworthy developments is the rise of Japan's economic position and the fall of that of the US. Summity has provided modest but meaningful collective macroeconomic leadership in place of a declining American economic power. Starting with the 1977 London "locomotive" summit when an economic growth target was set for the three major economies to pull up international economic growth, the summits have attempted to allocate a division of economic work to the Seven. This role-sharing has been largely defined by the current international macroeconomic climate, major world events, domestic electoral cycles and certain dominant domestic macroeconomic themes in the summit nations. A more specific international division of labour has been adopted since the second Bonn summit. With Washington's abolition of its "benign neglect" policy in the G-5 Plaza accord, an international consensus for more appropriate macroeconomic policy coordination was born. The Tokyo summit launched a sophisticated multilateral surveillance to harmonize each member's economic performance, and paved the way for the Miyazawa-Baker "G-2" agreement and the Louvre accord, which attempted to improvise currency exchange rate stability. The Venice summit reaffirmed this strategy and reinforced the function of the surveillance system with a more refined agreement. Though Japan has not fully enjoyed the benefits of these agreements, as shown in the case of the inconvenient yen-dollar exchange rates, it has gradually but steadily moved in the direction adopted at the Venice summit.²⁸⁷ The proposed JFY 1988 budget under the Takeshita administration is intent on expanding domestic demand with a 20% increase of public-works expenditure. Despite the continued appreciation of the yen, Japan's trade surplus has fallen for the ninth consecutive month as of January 1988, and imports did go up quite strongly throughout 1987 through a rise in non-oil products. Japan, at last, seems to realize the importance of domestic demand expansion.

The overall Japanese approach to summity is characterized by its reactive nature. Japan has not developed a well-thought out strategy nor a well-defined role to utilize its economic strength for summity. Japan has been less effective than other summiteers in pressing its case. Certainly it has presented a number of economic packages and taken some initiatives, mainly in noncritical items, at the summit. Nakasone's private prominence sustained by his outgoing style has helped advance the Japanese image at the summit. Japan has been increasingly vocal, and its views are now more appreciated than before. Yet Japan has not taken decisive leadership in swaying the crucial macroeconomic management of the international political economy in the direction propitious for worldwide growth. It has often supplemented the demise of American political economic hegemony but not supplanted it. Its fragile negotiating skill was highlighted by the two "failed" summits it hosted at Tokyo. In both cases, presiding over the summit meant more burdens than advantages for Japan. Summity has undoubtedly energized the Japanese policymaking process by giving the Prime Minister more leverage to bypass internal inertia and allowing him more personal input into policy-formulation. Nevertheless, summity has not fundamentally transformed

Japan's reactive rather than pro-active stance on macroeconomic diplomacy. Its main imperative has been to evade collective criticism during the session rather than to constructively contribute to the better management of the international political economy. Frequently, the roles and responsibilities given to Japan are ones it would not be willing to take unless there existed sufficient external pressure. Its basically reactive posture toward summit diplomacy suggests that it is not yet bent on discarding substantial portions of economic sovereignty and interests to shoulder the burden necessary for the maintenance and improvement of the international stability. It remains to be seen whether Japan can more voluntarily and actively make summitry better serve the smooth functioning of the international political economy.