

Introduction:
Exchanges in a Borderless World Economy

In 1991, Robert Reich wrote in *The Work of Nations*,

We are living through a transformation that will rearrange the politics and economics of the coming century. There will be no national products or technologies, no national corporations, no national industries. There will no longer be national economies as we have come to understand that concept. All that will remain rooted within national borders are the people who comprise a nation. Each nation's primary assets will be its citizens' skills and insights. Each nation's primary political task will be to cope with the centrifugal forces of the global economy which tear at the ties binding citizens together—bestowing ever greater wealth on the most skilled and insightful, while consigning the less skilled to a declining standard of living.

Quite a bit of commentary has been made on the first part of this passage—the borderless economy for goods and, increasingly, services, and we do need to pay attention to this side. However, I focus here on the second part of Reich's comment: the political task of coping with the centrifugal forces of the global economy. In Japan and the United States, institutions and governments are ill prepared to participate in this task. In the United States, for example, organized labor is bound to the nation-state far more than are goods and services, hence it struggles (ultimately in vain) against outsourcing. In Japan, the slow pace in opening markets, especially in telecommunications, finance, and insurance, threatens long-term competitiveness.

Issues of distributive justice will surface more and more as we enter the borderless world economy. In Japan, distribution of wealth among individuals is more equal than in the United States, but Japan has very poor distribution between corporations and people. And there is a deeper issue: a significant weakness in both countries is the failure to comprehend, and to implement in

policies, the concept of productive justice and sustainability. If justice is identified with distribution only, it leaves out the issue of the size of the economic pie. Productive justice adds the notion that deviations from distributive equality are justified to the extent that they contribute to a larger pie. This notion does not so much settle debates about distribution as provide a better context in which to have them.

What both distributive and productive justice lack is a way to define a relevant time frame. For this reason, there needs to be added a transgenerational notion of justice—sustainability. If we are not creating sustainable economies, we are stealing from our children and grandchildren. Our confusion about justice is accompanied by a misunderstanding of the concept of comparative advantage, which is almost always confused with absolute advantage. To have a comparative advantage in one area does not entail that all production should shift to that area—only that more should. The concept of comparative advantage is, in fact, closely linked to that of productive justice. The issue is how to balance comparative advantage so that the total pie grows in a sustainable way.

Competition in semiconductors, with varying comparative advantages, improved the economies of both Japan and the United States. Such competition required worker flexibility and mobility over time and, hence, it inflicted some pain. But the alternative was worse—countries growing progressively poorer in isolation and fighting for shares of a shrinking pie. Appropriate technology transfers can increase total productivity, enhancing the well-being of citizens in all participating nations.

As for universities and the global economy, these institutions in the United States and Japan are hardly equipped to meet the demands of the global economy. An anecdote about British universities defines the terms. “What is it like to come from Manchester to Oxford?” a stuffy Oxford don asked a professor from a red brick university. The professor answered: “I have discovered that I left a provincial university to join a parochial one.” Universities in the United States are provincial, and Japanese universities are parochial.

The provincialism of U.S. universities normally takes the form of ignoring most of the world. And when they do take account of the rest of the world, they too often do so with a North Atlantic bias. This bias is expressed in the countries that U.S. students choose for study abroad. It is even more clearly expressed in the languages taught in U.S. universities. In Japan, university parochialism finds its deepest expression in the assumption that virtually all faculty should be Japanese and that foreign faculty are essentially interchangeable ornaments.

If English truly is the lingua franca of the world, especially the world of commerce, then we all need to know it. But if it is the only language we know, we are handicapped: handicapped in selling to other cultures, handicapped in developing products and services for them, and handicapped in contributing to

transnational understanding. Language learning in the United States has long been devalued because of the idea that the powerful do not need to learn other people's languages; in today's world, however, being monolingual is not a manifestation of power but a revelation of weakness. To address the issue of U.S.-Japan relations, it follows that U.S. universities should offer content courses in Japanese and that Japanese should offer content courses in English.

Facility in foreign languages on the part of students will enable them to mix courses taken in the host country with courses taken in their own country. Exchange programs will also be encouraged to develop strong language instruction components, since participating students can use their language in content courses when they return home—which is now rarely the case (although a few liberal arts colleges in the United States have begun to move in this direction). A shift in language policy and practice at the university level may bring about a reallocation of resources in high schools and provide impetus for language education there.

For Japanese universities, building English expertise and teaching content courses in English for all students—native and foreign—are crucial to building the English expertise essential for full participation in the global economy. It is not a concession to U.S. imperialism or an indication of cultural inferiority. Literacy in English has simply become necessary for participation in the transnational economy. Japanese nationalists who argue that to preserve cultural integrity they have to teach everything in Japanese misunderstand the basic issue. Moreover, the lack of widespread literacy in English has hardly prevented the import of American and European popular culture.

In this information age, when facts and errors flow quickly and easily around the world, when we are drowning in data but lacking in understanding, the multinational exchange of people becomes more and more important. Personal knowledge, contextual understanding, and empathy still require the direct, lived experiences of different peoples and cultures. It follows that transnational competence, whether of individuals or nations, will require an increased, not decreased, exchange of people. The nature of the exchanges will no doubt be affected by powerful new teaching tools such as the internet and virtual reality, but the importance of exchange will certainly increase.