

December 22, 2014

Dual Trends of Great Power Aspiration and Micro-Nationalism

By NAKAMURA Jin

Britain barely avoided national division, but there seems to be no alternatives for this country other than shifting towards a “micro nationalism”. It looks like major powers would disappear one by one in this new era. On the other hand, the magma of Islamic extremist organizations exploded in the Middle East, and a so called “Islamic State” has begun to expand its realm. Eventually, the vandalism of the “Islamic State” would be wiped out, but the Middle East will be continually in confusion. China and Russia are on the path of “Great Power aspiration”, and the United States is on the defensive side. Is the world order on the path to collapse or confusion? Which way is it moving towards?

Regarding the major industrial economies, particularly in Europe and Japan, economists still worry the possibility of deflation risk. Policymakers find their economies at the mercy of excessive money supply, and also, information glut by the Internet. According to hypotheses that draws worldwide attention, their economies have already lapsed into long term stagnation, or monetarized economy widens inequality to constrain their economic growth. Some experts argue that extraordinary monetary relaxation to resolve deflation augments socio-economic contradictions. Where is the world economy moving to?

As to the result of the referendum in Scotland to reject independence, I was most impressed with Prime Minister David Cameron’s announcement to change the ruling system of the United Kingdom. More authorities like taxation, expenditure, welfare, and so forth, will be transferred to local governments such as England, Wales, and other regions. It looks like Britain is moving towards a decentralized state. I hear of “micro-nationalism”, these days. The economies of developed nations are increasingly monetarized and de-industrialized, and in Britain, the wealth and the population are over-concentrated in London, and people residing in other provinces are frustrated with the fact that these economic accumulations are not redistributed to the rest of the country. This is an important backdrop of Scottish people’s rise for independence.

People in Japan are also familiar with the phrase, “Leave local affairs to local people”. But the price of this must be paid. If voters choose regionalism and micro-nationalism, they are liable to

dismiss critical agendas of the whole nation, such as national defense, energy, national budget, and so forth. That will make it increasingly difficult to strike a balance between local autonomy from the state and national independence on the global stage.

There is no problem, if this is a century of “micro- nationalism” worldwide. However, we are in an era when China and Russia declare their quests for great powers in public. One is expanding its influence in the East China Sea by flexing its military muscle, while the other demands Ukraine to cede authority to municipal governments in the east by sponsoring pro-Russian proxies. In a world like this, the rise of “micro-nationalism” would simply please them. Nevertheless, there are many local independence movements in Europe, such as the Flanders region in Belgium, autonomous communities of Basque and Catalonia in Spain, and so forth. Even if they do not win complete independence, decentralization and municipalism will move forward.

In a sense, “micro-nationalism” may be a natural consequence of current direction of the world economy, notably, globalization, monetarized economy, and de-industrialization. Through the expansion of the world market, strong countries become stronger, strong companies grow stronger, and wealthy people get wealthier, which amplified economic inequality furthermore. In a period of high economic growth, social complaints and discontents were covered and hidden. However, as the level of economic capability decreases because of deflation or low economic growth, various contradictions surge at once.

Thousands of youngsters come from the West and the Islamic world to join the “Islamic State” which is expanding the realm through violence and fear, and when they return, they are likely to be involved in terrorist activities at home. If it happens, that will be a disaster for the Western society. Some experts say that young people are frustrated because economic inequality grows larger and the society does not offer chances for further tries once they fail in economic competition, and this is why so many of them are fascinated with extremism.

Professor Charles King of Georgetown University comments “Today, more transnational dialogues are required than any other period in history, but ironically, they are not sufficiently put into practice” (“Economics Class Room”; Nihon Keizai Shimbun, retranslated in English from Japanese). In addition, he points out that the problem is so complex that it cannot be resolved simply by strong leadership of the United States. It seems that a dreadful era has begun. Will that era continue for a long time?

(This is the English translation of an article written by NAKAMURA Jin, former National Paper Writer, which originally appeared on the e - Forum

“Giron-Hyakushutsu” of GFJ on September 25, 2014.)