



# Voices

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## Special Reports: Central Asia and SPF's Support

# Implementing market economies in Central Asia

*Assistance for economies in transition expands from Central Asia to the Caucasus*

By Akira Matsunaga  
Research Associate,  
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### An experiment in applying the East Asian experience of economic development to Central Asia

One of SPF's major fields of activity is assistance for developing countries in transition from a planned to a market economy. Activities so far include research, development of human resources, and international exchange. At first we focused on Mongolia and other Northeast Asian countries, but later we expanded the scope of activities

to include such transitional economies as Cambodia, Laos, Vietnam, and Myanmar in Southeast Asia and the Czech Republic, Slovakia, Hungary, and Poland in Central Europe. Central Asia is a relatively new target region.

With the dissolution of the Soviet Union in 1991, Central Asian countries gained independence, and SPF began providing intellectual support for the transition from a Soviet-style planned economy to a market economy.

The project Implementing Market Economies in Central Asia: Implications from East Asian Experiences, carried out from fiscal 1994 to fiscal 1999, targeted five Central Asian countries: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. The aim was to transfer East Asian countries' experience of economic development to re-searchers involved in the formulation of economic policy and technocrats engaged in economic policy.

The six-year project Capacity Building for Development in Central Asia and Caucasus, initiated in fiscal 2000, expands the target region to include three Caucasus countries: Armenia, Azerbaijan, and Georgia.

When SPF embarked on assistance to Central Asian countries, the region was reeling under the "shock therapy" applied by the World Bank, the International Monetary Fund, and other international financial institutions. SPF considered that China and Vietnam, then engaged in their own kind of transition from a planned economy to a market economy, were more-developed economically and regarded their original and consistent approach to reform and market



Ali Masimov, former prime minister of Azerbaijan, right, and Rajiv Kumar, senior economist of Asian Development Bank speak at the 7th Issyk-Kul Forum held October 18-20 in Kuala Lumpur, Malaysia.

opening as providing a better economic development model for Central Asia.

Over the past 40 years, Japan, Malaysia, Singapore, South Korea, Taiwan, Thailand, and other East Asian countries achieved dramatic economic development. Government played an important part in this process, actively engaging in the construction of mechanisms promoting economic development and the formulation of economic policies. SPF thought that it should be possible to apply a similar economic development model to Central Asia. Central, Northeast, and Southeast Asia are not that distant geographically, but there was a vast psychological distance between the people of Central Asia, who had long been part of the Soviet system, and their counterparts in the rest of Asia. Nevertheless, various surveys on Central Asia indicated the feasibility of applying the Northeast and Southeast Asian experience and model of economic development to Central Asian countries.

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## Major activities

Through the above-mentioned two projects, SPF has undertaken the following activities:

### **Joint research and surveys by midlevel Central Asian policymakers and researchers and East Asian development experts and publication of the results**

In 2000, Japanese researchers published their findings in Japanese as *Central Asian Development Strategies*. It has been welcomed as the first book on Central Asian transitional economies in Japan. In addition, M. E. Sharpe is due to publish the English-language book *Central Asia: The Gathering Storm* in the near future.

### **International forums**

Every year SPF organizes the Issyk-Kul Forum, bringing together Central Asian policymakers and researchers and East Asian experts to present research and exchange information and views. The name comes from the fact that the first forum, in 1995, was held on the shores of Lake Issyk-Kul in Kyrgyzstan. The second was held in Tokyo, the third and fourth were held in Tashkent, Uzbekistan, and the fifth and sixth were held in Ashgabad, Turkmenistan.

The forum is usually held in early October, and taking part are researchers from Central, Northeast, and Southeast Asia. The sessions, following a round-table format, provide a forum for exchanging experiences and information at which all participants can freely express their views.

The seventh Issyk-Kul Forum, held this year, departed from custom somewhat. To enable delegates to observe the Southeast Asian economic development model firsthand, it was held October 18–20 in Kuala Lumpur, Malaysia. In another break from precedent it was cosponsored by the Asian Development Bank and the Malaysian Institute of Economic Research.

There were five sessions—"Central Asia: Reform and Development

in 2000/2001," "Economic Development in Southeast Asia: Lessons for Central Asia," "Religions and Political Economy in Development," "The Geopolitical Situation in Central Asia," and a round-table discussion—as well as a seminar on economic management policy.

The participants, including representatives of Central Asian countries, host country Malaysia, Hong Kong, Japan, Russia, Singapore, South Korea, Taiwan, the United States, and—for the first time—the Caucasus republic of Azerbaijan, engaged in vigorous debate on the above topics. The inclusion of sessions on religion and geopolitics, topics not addressed previously, further broadened the forum's parameters.

With the Muslim nation Malaysia hosting this year's forum, there was keen discussion of the issue of Islam and economic development. One school of thought holds that Islam and economic development are incompatible, but the example of Malaysia, which has developed through the introduction of the East Asian economic model, seems to have provided a useful referent for Central Asian countries, whose people are predominantly Muslim.

In addition to the Issyk-Kul Forum, conferences are held in London and Washington, D.C., to explain the thinking of those involved in the SPF projects and the conditions in Central Asian countries to Western researchers.

Unlike the Issyk-Kul Forum, these meetings are small in scale, serving as forums at which Central Asian researchers can exchange views on their own countries' circumstances and economic development policies with Western counterparts.

Both the Issyk-Kul Forum and the conferences in London and Washington have two aims: to provide information on the current status of Central Asian countries and to give people from both Central Asia and elsewhere opportunities to exchange information and views on issues of common interest.

### **Study tours for Central Asian researchers to China, Japan, South Korea, and Taiwan**

It is said that seeing is believing. Likewise, study tours to China, Japan, South Korea, and Taiwan are designed to improve economic policy making in Central Asia by giving Central Asian researchers the opportunity to observe these countries' economic development firsthand so that they can view their own countries' economic conditions more objectively.

SPF has always cooperated actively in exchange between researchers from Central and East Asian countries. With the expansion of activities to the Caucasus region, five economists from Azerbaijan, including Ali Masimov, who served as prime minister in 1993, were invited to this year's Issyk-Kul Forum. After the forum they traveled to Tokyo for a study tour and received briefings on Japan's economic conditions from economic scholars and others.

In addition, on May 26, the project advisor Dr. Boris Rumer, a senior research fellow at Harvard University, conducted a workshop in Baku, the capital of Azerbaijan, in cooperation with Azerbaijani researchers. Also taking part were Reitaku University Professor Osamu Nariai, Hiroshima Peace Institute Research Associate Nobumasa Akiyama, SPF Senior Program Advisor Takashi Shirasu, and SPF Research Associate Akira Matsunaga from Japan and Malaysian Institute of Economic Research Executive Director Mohamed Ariff from Malaysia. The Azerbaijani participants included Ministry of Economy Vice-Minister Oktay Hagverdiyev and other prominent economic scholars. The workshop featured vigorous discussion of Azerbaijan's agrarian economy and Southeast Asian economic development, making good use of the Issyk-Kul Forum's experience and network. Thus, SPF is building on its achievements in the five Central Asian countries to steadily expand activities to include Caucasus countries.

SPECIAL  
REPORTSCentral Asia and SPF's Support  
*Opinions*

# Turkmenistan and the bombing of Afghanistan

*A planned gas pipeline could change the political map of Central Asia*

By Kunio Sakuma

*Board Member and Senior Researcher,  
East & West Research Institute, Japan  
Political and Economic Research Foundation*

*The following two opinion pieces were written in early November, before the effective collapse of Afghanistan's Taliban regime. — Ed.*

## Pipeline across Afghanistan involves complex regional interests

As the United States continues to bomb Afghanistan in the wake of the September 11 terrorist attacks, Tajikistan and Uzbekistan have been cautiously stepping up their direct involvement in providing support for the Northern Alliance so that it can recover control of northern Afghanistan. Uzbekistan has been feeling especially threatened because the forces of the Taliban regime have taken control of regions along the Uzbekistan-Afghanistan border.

By contrast, Turkmenistan, which has a longer border with Afghanistan (approximately 800 kilometers), has been extremely circumspect; officially it has only declared that it will cooperate in the provision of humanitarian assistance. After becoming independent in 1991, Turkmenistan declared permanent neutrality. It has continued to recognize the pre-Taliban government of President Burhanuddin Rabbani, but at the same time it has tried to maintain good relations with the Taliban regime. This posture can be seen partly as a reflection of Turkmenistan's principled neutralism, but there is another factor that we should bear in mind, namely, that Turkmenistan continues to cling to hope of construction of a gas pipeline across Afghanistan, a project that once attracted great attention.

The project was launched in March

1995 with the signing in Islamabad, Pakistan, of a memorandum between Turkmenistan's President Saparmurat Niyazov and Pakistan's Prime Minister Benazir Bhutto.

Such plans involving Caspian Sea resources involve sharply clashing interests among various countries, however. Russia, which does not want to lose control over the resources of countries that were formerly part of the Soviet Union, did not feel that it could sit idly by as Turkmenistan proceeded with the project. In August 1996, the original plan was replaced by one that also included Russia's Gazprom and the government of Uzbekistan. The new plan thus included Russia and Uzbekistan.

The pipeline was to run from the natural-gas fields of eastern Turkmenistan through Afghanistan, skirting the mountainous central region and passing from Herat to Kandahar; it would then enter Pakistan, passing through Quetta and Sukkur, and head north along the Indus River to Multan. Eventually, it was expected, the pipeline would be further extended in two courses, one to India and another south from Sukkur along the Indus to the port of Karachi. But subsequently, as the Taliban invaded the six provinces of Afghanistan's predominantly Uzbek region, Russia and Uzbekistan stiffened their positions, and they pressed Turkmenistan to cancel construction work.

## Implications for the political map of Central Asia

The Americans initially hoped that the Taliban government would bring stability to Afghanistan, but they began to have second thoughts about the "fundamentalist" regime when it banned female education and employment. Unocal started work on the project despite these doubts, but it was forced to withdraw in 1998, when the bombing of U.S. embassies in Kenya and elsewhere led the Unit-

ed States to launch missiles at Osama bin Laden's suspected base of operations in Afghanistan.

Turkmenistan found itself in a bind. It has rich natural-gas resources, but due to transportation limitations it has actually had to reduce its output. Thus it has been unwilling to abandon hope of a trans-Afghanistan route, and until recently it was doing its best to maintain its relations with the Taliban. But the recent sudden change in the Afghan situation has led to lively talk of a post-Taliban government, and this has created renewed expectations of resumption of work on the suspended project. Turkmenistan has thus been forced to take an even more cautious stance than before toward the Afghanistan problem.

If the pipeline is to become a reality, political stability in the countries through which it passes is essential. Conversely, once the pipeline is operational, its existence will contribute to more-stable relations among the countries involved. India, for example, is experiencing rapid growth in its demand for energy as its economy expands. If the pipeline were extended from Multan to India, this could serve as a catalyst for improved ties between Pakistan and India.

## Kunio Sakuma

Kunio Sakuma was born in 1934 and graduated from the Russian University of Peoples' Friendship. Having worked as a senior staff member of the Research Center on Soviet Affairs, he is now director and senior researcher of the East & West Research Institute, Japan Political and Economic Research Foundation. He also lectures in economics at Hosei University and Daito Bunka University. He is coauthor of *Bunretsu suru Soren: Naze minzoku no hanran ga okotta ka* (*The Soviet dissolution: Why national uprisings occurred*) and co-translator of *Meiso suru fukko Roshia* (*Restoration In Russia: Why capitalism has failed*) by Boris Kagarlitsky.

# Iran and Turkey vie for regional influence

*Crisis in Afghanistan marks a new stage in Central Asian affairs*

By Tosei Sano  
*Researcher,  
Middle East Institute of Japan*

## The long history of rivalry between Iran and Turkey

Iran and Turkey are historical rivals within the Middle East, and since the countries of Central Asia became independent both have sought to exert influence over this resource-rich region, Iran in cooperation with Russia and Turkey in cooperation with the United States and Israel.

Ethnically, the countries of Central Asia are largely Turkic, so they have tended to look to Turkey as a potential patron. Plans have progressed for the transport of natural resources from the Caspian Sea to Europe via Turkey, as through the Baku-Ceyhan oil pipeline. There has also been lively direct investment by private-sector Turkish interests in the countries of the region. But Turkey itself has massive foreign debts, making it difficult for it to extend much aid to these countries; as a result they have recently been moving back toward closer relations with Russia.

Against this backdrop, the Iranian government has been encouraging the Central Asian countries to export their natural resources across Iran to the Persian Gulf, a cheaper route than via Turkey. One example is Iran's move to establish crude-oil swap arrangements with Kazakhstan. But the United States, as part of its containment policy toward Iran, has applied pressure to block such developments.

Meanwhile, Iran and the Central Asian countries have a dispute over the natural resources of the Caspian. The five countries bordering this sea have held negotiations about its legal status, but while Iran has called for it to be

divided evenly, with each of the countries taking a 20% share, countries like Azerbaijan have called for the seabed to be divided along the median lines on the basis of the United Nations Convention on the Law of the Sea. Under Azerbaijan's proposed settlement, Iran's territorial waters would be only 14% of the total, so Tehran has firmly rejected the proposal. It was in the context of this dispute that in July 2000, oil exploration vessels of Britain's BP plc, which were operating in the Caspian under Azerbaijani auspices, were forced to withdraw from waters in an area claimed by both Azerbaijan and Iran after being intercepted by an Iranian naval vessel.

## Turkey's designs in sending peacekeepers to Afghanistan

The rivalry between Iran and Turkey, which has also embroiled the U.S. and Russia, has progressed inconclusively, one side's advances alternating with those of the other side. The Central Asian countries that are the objects of these attentions seem to have been taking advantage of both sides on an ad hoc basis, attracted to Turkey by the fact that it is ethnically close and that it is a secular West-leaning state, and attracted to Iran by the geographical advantage of the route to the Persian Gulf and by the economic assistance that Iran can provide from its own oil and gas export earnings.

The terrorist attacks on the United States and the subsequent U.S. military campaign against Afghanistan have had a subtle effect on relations between the countries of Central Asia and their rival Turkish and Iranian patrons. Afghanistan borders three Central Asian countries: Tajikistan, Uzbekistan, and Turkmenistan. What these countries fear above all is that the

troubles in Afghanistan will spill over into their own territories. That is why Uzbekistan, which had been leaning toward Russia, has agreed to the stationing of U.S. military forces on its soil. Turkey, which is cooperating with the Americans, has agreed to send its own armed forces to Afghanistan for peacekeeping duties in the post-Taliban period; this move is presumably aimed at recovering influence in the region.

Another reason for Ankara's decision to participate in the peacekeeping effort, however, is to counter the signs of a rapprochement between Washington and Tehran, with Iran having decided to look after injured U.S. military personnel and thereby cooperate indirectly with the United States. If this leads to a lifting of the U.S. sanctions against Iran, that country's regional influence may grow, and this could lead to the implementation of plans to transport Central Asian resources via Iran. Turkey wants to avoid that at all costs, and its decision to dispatch peacekeepers seems to have been motivated partly by a sense of alarm.

The future course of events in Afghanistan may thus bring new changes to the web of relations between these two regional powers and the countries of Central Asia, focusing particularly on the export routes for their natural resources.

## Tosei Sano

Tosei Sano was born in 1965 and graduated from Keio University. After receiving his M.A. from Harvard University, he worked as a researcher at the Japanese Embassy in Iran. He is now a researcher at the Middle East Institute of Japan. He also serves as an outside analyst to the Intelligence and Analysis Bureau of the Ministry of Foreign Affairs. In 2001 he completed the course requirements for a Ph.D. in history at Keio University.

## Reports from the Field

# Japan-China database building

By Keijiro Kishi

*Japan-China Organization for Science and Industrial Technology Exchange*

*The Japan-China Organization for Science and Industrial Technology Exchange aims to encourage the creation of new industries and markets by conducting scientific and industrial exchange between Japan and China, in order to promote the further development of both countries.*

*Since its establishment in October 1997, the organization has carried out joint research and personnel exchange involving representatives of industry, academe, and the bureaucracy. The organization is implementing the three-year (fiscal 2000–2002) project Japan-China Database Building with the help of a grant from the Sasakawa Japan-China Friendship Fund.*

### Identifying Chinese researchers and their specialties

As of May 1, 2001, a total of 44,014 Chinese had traveled to Japan to study. They, along with Chinese who have undergone training in Japanese companies and re-searchers who have taken part in joint research with their counterparts in Japanese universities and research institutions, best understand the benefits of Japan-China exchange and are its natural standard-bearers. Many Chinese researchers lament, however, that although they want to engage in joint research with Japanese universities, research institutions, and companies, they do not know how to make contact and that there are far fewer initiatives for joint research emanating from Japan than from Western countries. Chinese knowledgeable about and friendly toward Japan chafe at the fact that Western countries monopolize exchange opportunities with China.

Japanese researchers, meanwhile, maintain that they do not know what kinds of researchers there are in China and what their special fields of study are. Despite the geographic distance separating Japan and Western countries, they say, there is abundant information about Western researchers and the risks of working together are low.

In recent years the standard of Chinese research has risen rapidly. For several years now the Chinese government has been luring back top researchers from overseas by offering them highly favorable conditions to work in China. A new generation of young researchers has emerged and is making significant contributions in such cutting-edge fields as information technology, biotechnology, and materials science. China can now provide good partners for Japanese researchers.

The main problem hindering such linkages is insufficient information. If the special fields and accomplishments of researchers in both countries could be identified, it should be possible to open up new avenues of cooperation.

### Building a database

The solution to this problem is a database of researchers. The Japan-China Organization for Science and Industrial Technology Exchange began compiling a database of Chinese researchers in fiscal 2000 with the help of a grant from the Sasakawa Japan-China Friendship Fund.

The first step is a questionnaire survey of researchers in Chinese universities, research institutions, companies, and the government to ascertain their wishes in regard to engaging in joint research and exchange with Japan, their special fields of research, their achievements so far, and the fields in which they would like to see Japan-China cooperation. The database will be based on the results of the questionnaire. Simultaneously a search

engine is being developed. In fiscal 2001 the questionnaire was distributed to 10,000 researchers in IT, biotechnology, and materials science, and the results are now being collated.

The huge size of the sample and the wide range of questionnaire items make the survey much more complex and time consuming to administer than would be in the case in Japan. Simply drawing up the list of respondents is laborious, since university and research-institution staff directories are not made public, as they are in Japan. The across-the-board cooperation of the Chinese Academy of Sciences, however, has made it possible to compile a highly reliable list.

Another problem is language. The titles of research papers and research topics, along with other information, are being submitted in Chinese mixed with English. But those using the database will be Japanese, who will conduct searches using Japanese-language software. Since Chinese simplified ideographs cannot be accessed, it is necessary to convert them to their Japanese equivalents. There are also such problems as what to do about ideographs that exist only in Chinese. In addition, earlier this year saw heightened political tension between Japan and China. Since that was the time at which the questionnaire was being distributed, some researchers refused to respond or voiced criticism of the project itself. Nevertheless, those in charge of the survey are working patiently to persuade more researchers to cooperate.

Enhancing the database and persevering with exchange are important ways of ameliorating such friction. The Japan-China Organization for Science and Industrial Technology Exchange will continue and expand the project in fiscal 2002 and beyond. It also plans to actively encourage use of the database, making it available on CD-ROM and the Internet.

## Interview

## The electric power industry in the coming broadband age

*Gaishi Hiraiwa, counselor of Tokyo Electric Power Company, Inc., and honorary chairman of Keidanren (Japan Federation of Economic Organizations), talks with SPF Chairman Setsuya Tabuchi*

### Aspects lacking in current Japan–China relations

**Setsuya Tabuchi:** Former Prime Minister Noboru Takeshita (1987–89) seems to have been the Japanese person most trusted by the Chinese. Now that he has passed away, I hear that you are the one they trust the most.

Japan and China are closely tied by common characteristics, and they also have extremely close political and economic ties. What's your view of the state of the bilateral relationship?

**Gaishi Hiraiwa:** There was a difficult period around the time of World War II, but other than that, China and Japan have had close ties for a long time, and economically we've developed a complementary relationship. The most important thing is to mature this relationship. Various politicians and business people are actively involved with the Chinese, but what concerns me is the gap that has emerged between the earlier generation, up to Prime Minister Takeshita—who built up the bilateral relationship—and the people who are now working to build new ties. A relationship between two countries should be based on strong human ties. This is an area where I'm hoping to make a contribution.

**Tabuchi:** Prime Minister Kakuei Tanaka (1972–74) normalized diplomatic relations with China, but there was a history of earlier efforts by numerous other politicians of good will, such as Tatsunosuke Takasaki, Masayoshi Ohira (prime minister 1978–80), Masayoshi Ito, and the recently deceased Yoshiaki Kibe, all

of whom worked to build and improve the relationship. Takeshita made many trips to China and paid great attention to Chinese people's feelings, as a result of which he was highly trusted. But I can't think of anybody since then who has built up a notable level of trust among the Chinese.

**Hiraiwa:** The same is true for the Chinese side. We're now at the point where people in both countries need to rebuild the relationship. Strong bilateral ties between politicians on both sides are necessary. In the past, the relationship benefited from the positive oversight of Liao Chengzhi, who served as president of the China-Japan Friendship Association. He was very fond of Japan and the Japanese people. This continued through the time of Sun Pinghua, who also served as president of the association. But he has passed away, and now there are various different friendship groups that are conducting activities separately. The Chinese side no longer has a well-organized system to receive visitors, and the Japanese side no longer has a strong contingent of people with close ties to China. That's the problem. We need a new generation to take over and build their own channels linking the two countries.

**Tabuchi:** The number of people involved is still reasonably large, but the relationship seems to have become somewhat formal, doesn't it?

**Hiraiwa:** We now have a set of unfortunate issues in front of us, such as the history-textbook

problem, the bad feelings over Prime Minister Jun'ichiro Koizumi's visit to Yasukuni Shrine, the "safeguard" import restraints, and the issue of Taiwan. But even before all these emerged, I was sensing the need for efforts to improve the relationship. Still, in order to conduct exchange, there has to be enthusiasm on both sides, along with incentives for both.

**Tabuchi:** In economic terms the incentives may have decreased.

**Hiraiwa:** I believe that's correct. The Japanese side has less to give and because China has grown into a great economic power, the Chinese no longer hope for so much from us. But even if the economic incentives have receded, if you consider the bilateral relationship in a regional context, there's a real need to deepen the level of mutual trust. In this sense it will make a big difference who becomes China's next political leader.

**Tabuchi:** I've read press reports that President Jiang Zemin is expected to yield his post to Hu Jintao at the National People's



SPF President Setsuya Tabuchi, left, talks with Gaishi Hiraiwa, counselor of Tokyo Electric Power Company, Inc.

Congress next year or the year after. If that's true, it will be a tremendous rejuvenation. I hope Prime Minister Koizumi and other younger Japanese politicians can manage to build closer ties with the new Chinese leadership.

**Hiraiwa:** I hope so, too. The Cultural Revolution deprived China of the people who would have come after Jiang Zemin, so the new leadership will certainly be much younger.

### Problems of deregulation in the electric power industry

**Tabuchi:** I would like to change the subject. If I understand correctly, electric power rates in Japan are high by international standards. The entire Japanese economy is affected by this, so shouldn't these rates be brought down?

**Hiraiwa:** It's true that electricity is more expensive in Japan than in other countries. But this is just one of many areas where our prices are higher. Land is considerably more costly, and life insurance premiums are substantially higher. Stock brokerage commissions are probably about double the American level. In this context I don't think our electric power rates are actually all that high. If you compare them with the rates in the United States, for example, the multiple comes to 1.17.

**Tabuchi:** Is that all? I was under the impression that the difference was greater.

**Hiraiwa:** That's an average figure. But companies that use large amounts of electric power probably do pay a lot. In order to cope with the oil crises in the 1970s, Japan adopted an approach aimed at keeping down energy use. Household electricity rates are low for those who use small amounts and higher for heavy users. Under ordinary business practices large industrial users would get lower rates, but that's not necessarily the way it works for electricity.

**Tabuchi:** So the energy policies

adopted after the oil crises are still in place. But I've heard that a foreign electric power company has offered to generate electricity at a lower cost in Japan.

**Hiraiwa:** Land costs can be kept extremely low by using vacant business property, so there are advantages to be had. Another possibility is for an individual to buy some land, build a power-generating facility, and then sell some or all of the electricity that it generates.

**Tabuchi:** Even assuming a power plant could be built at a low cost, the market for its electricity would presumably be in the cities. So wouldn't there be considerable additional expenses for power lines and the like?

**Hiraiwa:** For a fee the plant owner could use the existing power lines of TEPCO (Tokyo Electric Power Company). Installing new power lines would also be an option, of course, but that would be tremendously expensive.

**Tabuchi:** So your company would lease its power lines?

**Hiraiwa:** That's right. One issue is whether the fee level is appropriate, but in fact about 30% of TEPCO's market has been liberalized; firms from various fields have moved into the power-generating business, and some of them are already supplying electricity. Not only that, but they are apparently making a profit.

**Tabuchi:** So it's shifting from a monopoly to a deregulated business?

**Hiraiwa:** Currently 30% of the market has been deregulated. The overall plan for market liberalization will be decided within the next two years. Over the past 20 years, including the period when the bubble economy was at its peak, TEPCO has lowered its rates by 30%. And it lowered them by another 5% in connection with the liberalization of 30% of the market. Most other prices have surely risen over this period; consumer prices as a whole have gone up by more than 25%. Competition will certainly mean

lower rates, and I believe that TEPCO needs to work at bringing its rates down while maintaining its level of service.

**Tabuchi:** Deregulation of the electric power industry has caused problems for general industry and households in California. It appears that if this sort of deregulation is carried out improperly, it can backfire. Isn't a certain amount of regulation necessary for this industry?

**Hiraiwa:** The underlying principle is that liberalization is advantageous. But in a market economy, activity is concentrated in the areas where it's profitable. So this raises the problem of who will provide services for remote locations in the mountains and on outlying islands.

There's another problem, which I'll explain using the example of California. If deregulation is carried out in an environment where there's excess power-generating capacity, electricity can be supplied at a low cost even if demand increases. But what happens when there's a sudden surge in demand? Electricity is a product that can't be stored.

Under the market mechanism, when prices are rising, suppliers want to wait and sell their products at a higher price. That's basically what happened in California. When the supply of electricity ran low, the newer power-generating companies held back in hopes of higher rates. Meanwhile, the utilities distributing the electricity to users had their rates held down, so they were forced to buy electricity at a high price and sell it cheaply. The losses caused some companies to go bankrupt. In the end it was the customers who were hurt.

What we need to learn from California's example is the importance of clearly identifying who will be responsible for supplying electricity after deregulation. The issue that lies ahead for us is to find a way of assuring a steady supply of electricity while moving ahead with deregulation of the power industry and lowering rates.

**Tabuchi:** They say that Japan's electricity is like highly refined sugar. But some suggest that it doesn't need to be of such a high quality—that it would be better for it to be cheaper, even if that meant elevators would occasionally stop running.

**Hiraiwa:** Two years ago, when an Air Self-Defense Force plane crashed into the Iruma River north of Tokyo, it cut a power transmission line. It was a trunk transmission line, so it could easily have meant a loss of power for all of Tokyo. But by supplying power from the south, we were able to limit the power outage to just one second. This was possible because TEPCO always installs duplicate transmission lines.

**Tabuchi:** So that's what high-quality electric power supply means.

**Hiraiwa:** That's right. And this requires a tremendous amount of capital investment. TEPCO's power supply to the average household is out for just four minutes a year. By contrast, in the United States and Europe the annual figure is over an hour. Is it really necessary to limit outages to four minutes? In the United States they accept power outages of as long as 10 hours at a stretch, but in Japan people won't put up with it for even half an hour. Another element of high quality is minimizing fluctuation in voltage and amperage.

### Electric power companies as communications businesses

**Tabuchi:** The society of the future is likely to be heavily into information technology, I believe. What's TEPCO's vision of the future of the IT industry?

**Hiraiwa:** In the past the electric power industry couldn't enter the IT field, but deregulation has made it possible for us to do so. Actually, the electric power business is fundamentally a communications business. For example, TEPCO has a Central Load Dispatching Office

that determines which plants can generate the required power most cheaply and sends out the generating orders accordingly. The company has its own communication network to transmit these orders to all the plants. The network uses both cable and wireless transmission. As you know, our corporate headquarters has a 200-meter-high wireless transmission tower.

**Tabuchi:** The existence of that network isn't very widely known.

**Hiraiwa:** The Central Load Dispatching Office is actually a communications operation. And the network extends to our major customers. So TEPCO has had an incentive to get into the communications business all along. And when



the field was opened up with the end of the monopoly held by NTT (Nippon Telegraph and Telephone), we set up a company called TTNNet (Tokyo Telecommunication Network Co.). But since our communication lines didn't extend as far as ordinary homes, its operations were only directed to specific industries.

IT will be a growth field for TEPCO from now on, and we need to develop it into a core business. We've already set up a number of new IT-related companies, using our communications business as a starting point.

**Tabuchi:** That would include the joint venture with Masayoshi Son's Softbank Corp., right?

**Hiraiwa:** The company is called SpeedNet Inc. We've also set up a company called Poweredcom, Inc., as a joint undertaking by nine electric power companies to handle future broadband business.

**Tabuchi:** Broadband.

**Hiraiwa:** That's the newest thing. So we now have three major communications operations: TTNNet, using regular phone lines; SpeedNet, our joint venture with Softbank and Microsoft, which will extend fiber-optic cables to homes; and Poweredcom, which aims to quickly establish a nationwide fiber-optic network. In the future we aim to provide broadband services for homes through direct fiber-optic links.

**Tabuchi:** Will the fiber-optic cables be completely separate from your power lines?

**Hiraiwa:** Yes. Electric power has to be transmitted at high voltages, so it can't use optical fiber. So far we've been using fiber-optic cables for security-related communications, such as monitoring and control of electric power equipment. The idea is to use them for regular data transmissions, as well.

**Tabuchi:** So they can be thought of as being like phone lines?

**Hiraiwa:** Yes. That's why NTT is also involved.

**Tabuchi:** But there's no need for duplicate fiber-optic cables, is there?

**Hiraiwa:** That's true, so if one party sets them up, others can use them on a fee-paying basis.

**Tabuchi:** How much of this kind of cable is already in place?

**Hiraiwa:** We now have about 50,000 kilometers, and our plan is to add another 50,000 kilometers over the next five years. The connections to homes still need to be installed.

**Tabuchi:** My own computer takes a rather long time to connect to the Internet. I guess that's because the fiber-optic cables aren't yet installed.

**Hiraiwa:** That's right. For example, it can take hours to download music and video over telephone lines. Broadband allows downloads to be completed in a shorter time. This can be done either via cable or through wireless connections. We need to install this sort of infrastructure as quickly as possible to allow people to freely receive and send video and music.

**Tabuchi:** I take it that TEPCO is planning to go with optical fiber.

**Hiraiwa:** That's right. But we'll also have to use some wireless connections. SpeedNet will be based on a system that uses cable for some parts and wireless for others. This company is currently offering its services in parts of Saitama Prefecture and other locations, but they're not available nationwide. To achieve nationwide coverage in the future, it would probably be necessary for SpeedNet to merge with other firms.

**Tabuchi:** The business seems to have a big future ahead of it.

**Hiraiwa:** NTT has an overwhelmingly dominant position. It will be a question of how large a share we'll be able to get. To compete in this field, we need to offer lower communication prices and attractive services.

### The politics of energy

**Hiraiwa:** Electric power companies will have to lower their rates as a result of deregulation, but at the same time they need to spend money to deal with environmental issues. We've been making various efforts in connection with this, including the use of nuclear power. In terms of preventing global warming, nuclear power is the best option. If the Kyoto Protocol is ratified, we'll have to further reduce CO<sub>2</sub> emissions. This will require an additional 10 to 13 nuclear power plants. But building new plants is no easy task. In fact it's not certain whether it will be possible. The United States treats energy as a

matter of national strategy, but it's even more of a strategic concern for Japan. That's because the United States has ample domestic resources and can supply more than 100% of its own energy, but Japan has a self-sufficiency rate of less than 20%.

**Tabuchi:** Recently there was a local referendum where residents voted against a planned "plutermal" project, wasn't there?

**Hiraiwa:** The "plutermal" concept, using plutonium in thermal reactors, is actually very straightforward. Since the plutonium is mixed with regular uranium, it's a model of resource recycling. This is a common practice in other countries. Plutonium isn't waste; it's a valuable resource.

But this has been seen as a new type of operation, and anti-nuclear power people are opposed to it. There's liable to be opposition wherever there's a current of sentiment against nuclear power. Politicians come out in opposition, and government administrators back down. Energy is actually a political product; it's constantly exposed to problems of a political nature.

**Tabuchi:** There also hasn't been enough explanation, has there?

**Hiraiwa:** It's true that greater efforts at explanation are necessary. But part of the problem is that even when we provide explanations, the press doesn't print them. There are many NGOs working to promote nuclear power, along with the many that are opposed, but the former don't get any press coverage at all.

**Tabuchi:** I didn't realize that pro-nuclear power NGOs existed.

In closing, I'd like to ask for your thoughts as you look back on the period when you were chairman of Keidanren, which marked the end of Japan's period of rapid growth and the bursting of the bubble.

**Hiraiwa:** I'm astounded at how immense the bubble turned out to be. The myth of ever-rising land prices was so strong and the bub-



**Gaishi Hiraiwa**

Gaishi Hiraiwa, counselor of Tokyo Electric Power Company, Inc., was formerly president and then chairman of TEPCO. He has also served as chairman of Keidanren (Japan Federation of Economic Organizations) and is now honorary chairman of Keidanren and president of the Industry Club of Japan, among other positions. He is the recipient of many honors in both Japan and other countries, including the Légion d'Honneur and the Order of the British Empire.

ble's collapse had such a big impact that we still haven't been able to fully recover from the aftermath. The bad-loan problem is now being compounded by the recession in the United States, posing a threat to the Japanese economy. I believe structural reform is necessary, but I also believe the situation isn't so simple that it can be quickly fixed just with such reform. Something has to be done about the poor performance of the stock market and about rising unemployment.

**Tabuchi:** How much longer will it take for the Japanese economy to pull out of its current slump?

**Hiraiwa:** I think it may take another five years or so to dispose of the bad loans.

**Tabuchi:** Japan had an economic boom that lasted approximately 30 years, only briefly interrupted by the oil shocks. Since the boom lasted 30 years, I feel the recession may last 15 years, or half as long as the boom.

## Eyewitness Account

# Living with the specter of Anthrax

*People process their sadness and vow to rebuild*

By Junko Chano  
Project Director, Grant Talk,  
Ford Foundation

### **Anxiety and tension continue to stalk New York**

Saturday, October 13, was a balmy Indian-summer day in New Jersey, where I live. My daughter, along with other members of her high school girls' soccer team, were washing cars to raise money for the team. Fifteen or so girls had set up shop in the local general store's parking lot. Sponges in hand, they pounced eagerly on every car brought in for a wash. The parents sent along to do double duty as helpers and supervisors stood around with hoses and chatted easily with the motorists as they waited for the girls to finish. Girls frantically waving placards advertising their car-wash service almost dashed into the street as they tried to catch the attention of passing cars. By afternoon it was warm enough for short sleeves, and the autumn sun beamed down gently.

What a peaceful scene! How pleasant peace is! My appreciation was sharpened by the anxiety and tension I felt every day working in New York City.

Ford Foundation President Susan V. Berresford began the regular staff meeting on October 1 by reassuring us that everything was under control and there was nothing to worry about. All foundations were anxious about the impact on interest income of the falling stock market and the U.S. economy's rapid decline, but the president told us that the board of directors had approved an unchanged budget for projects during the two-year period beginning in October, which was based on plans drawn up before the terrorist attacks of September 11, and encouraged us to go about our work as usual.

The office had regained its pre-September 11 bustle, and calm was gradually returning to the city. Still, at some level New Yorkers seemed to be braced for another sudden terrorist attack and for the possibility that they and their families would be caught up in it.

I have developed the habit of mentally preparing myself for the daily commute from New Jersey to New York. My immediate boss, who lives near Ground Zero, says that some days, depending on the weather conditions and the direction of the wind, the air is still full of dust and a terrible stench, which always depresses her. Police officers continue to patrol the streets. Since the U.S. bombing of Afghanistan began on October 7, National Guard personnel in camouflage have been stationed at Penn Station in mid-Manhattan, where trains from the suburbs converge.

Compared with the oppressive atmosphere of New York, the small town in New Jersey where I live seemed a haven of serenity. As I listened to the girls' laughter that Saturday, I prayed that things would always remain that way.

### **An anthrax-contaminated post office only 30 kilometers away**

Returning home with my daughter, who was covered in water, detergent, and mud but elated that the team had washed 70 cars and earned \$350, I was greeted by a message from my family in Japan, who had heard on the news that an anthrax-contaminated letter sent to the New York headquarters of the TV network NBC was postmarked Trenton, New Jersey. The warm glow I had been feeling vanished and I was gripped by fear and confusion.

The Trenton post office is actually in the neighboring township of

Hamilton, only 30 kilometers or so from my house. Mail distributed to the 46 branch post offices in central New Jersey is sorted there, including most mail delivered to my home.

From that day onward, America was buffeted by a swiftly evolving anthrax scare. Until then, one man in Florida had died of inhalation anthrax and anthrax had been detected on a letter sent to NBC. The next week anthrax was also detected on letters sent to Senate majority leader Tom Daschle's office in Washington, D.C., and to the New York Post. These letters, too, had Trenton postmarks.

Supposedly the government had been prepared for the possibility of attacks by means of biological and chemical weapons, but the use of the U.S. Postal Service as the delivery system threw everyone into confusion. For one thing, it was found that the anthrax on the letter to Senator Daschle, postmarked October 9, was much more potent and finer-grained than that on the letters mailed to NBC and the New York Post, both postmarked September 18. Despite this, the Centers for Disease Control and Prevention (CDC) announced that anthrax could not leak from sealed envelopes. For that reason testing of post offices and postal workers had not been made a priority, and as a tragic consequence two employees at the Brentwood mail distribution center in Washington, D.C., died of inhalation anthrax, on October 21 and October 22.

Earlier, New York Mayor Rudy Giuliani had held a press conference at NBC, where one person had developed the less-virulent skin anthrax after opening an envelope addressed to TV anchor Tom Brokaw. Giuliani had urged New Yorkers not to give in to panic, assuring them that the place was safe—otherwise, he said, he would

not be holding a press conference there.

Ironically, shortly before the two Brentwood deaths Washington Mayor Anthony Williams had emulated Giuliani by holding a press conference at the post office, promising that it would continue functioning as usual.

However, not only Mayor Williams but also his 81-year-old mother, who had been trotted out to demonstrate the safety of the post office, all the members of the press that had attended, and all Brentwood postal workers were treated with antibiotics. While the postal authorities were still dithering, however, Hamilton Mayor Glen Gilmore decided to distribute antibiotics free to all Trenton post office workers, an act that won him high praise from citizens.

The CDC later issued a statement admitting it had been wrong but saying that the advice that anthrax could not leak from sealed envelopes had been based on the best knowledge available at the time.

### **The economic impact of backed-up mail**

After the Trenton post office was closed for testing and decontamination, postal workers continued to work in a makeshift tent set up in the post office grounds, sorting mail from throughout the country and forwarding it to the branch post offices within the Trenton zone. Some 680 million pieces of mail are delivered nationwide each day, of which 43% are advertisements and other so-called junk mail. But in the States it is customary for both companies and households to pay bills by checks sent by mail, which means that the postal service plays a key role in keeping the wheels of American commerce turning.

With about 500,000 pieces of mail piled up in the shut-down post office, local newspapers reported that some small businesses in the vicinity had begun to experience cash-flow problems.

All this mail had to be decontaminated and then tested for the presence of anthrax; it was finally delivered in early November.

Even before the anthrax scare, a deficit of \$1.65 billion was forecast for the U.S. Postal Service this fiscal year, the worst record in recent times. And the temporary dropoff in mail following September 11 is estimated to have lost the postal service an additional \$300 million. The impact of the anthrax scare, on top of all that, is still unknown but is bound to be devastating.

The CDC, while stressing that the odds of other pieces of mail having been contaminated with anthrax during the sorting process were extremely low, advised people to wash their hands with soap after handling mail just to be on the safe side. Many residents, however, went a step further, donning vinyl or plastic gloves before emptying their mailboxes and examining their mail on the spot, discarding envelopes and other unnecessary items there and then and keeping only what they really needed.

As a matter of fact, by October 18, a Hamilton resident had contracted the skin form of anthrax, and anthrax was detected in the mail drop at this person's office on November 2. Just as residents had feared, some mail had indeed been contaminated with anthrax.

People living along the route of the first mail carrier to contract skin anthrax in New Jersey are said to have asked after her and shared news of her progress. More people in the neighborhood seem to have taken to going out to greet mail carriers with a sympathetic word and cheer them on.

### **A subdued Halloween**

The age of this 50-something mail carrier reminded me of the first mail carrier I came to know in America, around the same time of year eight years earlier. We had just moved the whole family to Philadelphia, where both my husband and I had begun graduate studies. We were too busy studying

to think about Halloween. This mail carrier was the first person to give our children candy on Halloween. She used to place an envelope full of candy in the mailbox of every family with children along her route.

Since then, Halloween has been one of the most enjoyable events of the year for our family. The fun of concocting original costumes, the adventurousness of children going about at night knocking on strangers' doors and asking for candy, the communication established between children and adults—we came to see Halloween as a typically American event, rooted as it is in community trust.

Halloween this year was very different, though. The majority of adults, jittery over anthrax, kept their children at home and held parties indoors or allowed the youngsters to go trick-or-treating only to the homes of people they already knew. We were stuck with the huge supply of candy we had laid in for the neighborhood kids. The usual packs of laughing and shouting children in scary costumes roaming the streets were nowhere to be seen. The dark night reflected our own unease back at us.

As of November 7, a total of 17 people had contracted anthrax (8 with inhalation anthrax, of whom 4 had died) and 32,000 people had been treated with antibiotics. Over 300 buildings had been tested for anthrax. The most heavily contaminated were the Hart Senate Office Building, where the letter addressed to Senator Daschle had been opened, and the Brentwood post office. No arrests have yet been made.

The anthrax scare has brought home to me the frightfulness of anonymous bioterrorism and the difficulty of taking effective action in the absence of reliable information. The only way we can recompense the unfortunate people who have been struck down is to learn from their experience and apply the lessons in combating this silent menace.

## Foundation Updates

### □ Asian Voices □ Seminar in Washington, D.C.

By Keiji Iwatake  
General Manager,  
Sasakawa Peace Foundation USA

A dozen or so protestors bearing placards with such slogans as “Free Burma” demonstrated outside the Carnegie Endowment for International Peace in Washington, D.C., on October 29 before the arrival of Ma Thanegi, a prominent writer, journalist, and artist from Myanmar whom the protestors accused of being a mouthpiece for the government.

Thanegi had been invited to Washington to speak on the theme “The Culture Clash and Political Breakdown: Relations Between the United States and Myanmar” as part of the ongoing seminar series “Asian Voices: Promoting Dialogue Between the U.S. and Asia.” Thanegi served as personal assistant to Aung San Suu Kyi, daughter of a national hero and leader of the National League for Democracy, before spending three years in prison. She also is a contributing editor of the progovernment English-language newspaper, the *Myanmar Times*.

This seminar, part of a series in its third year, was the first to attract protestors. Nevertheless, the meeting proved a great success, drawing close to 100 participants, including the Myanmarese ambassador (a former classmate of Thanegi’s), diplomats from other Asian embassies, and representatives of the U.S. Department of State and various organizations representing the Burmese democracy movement.

At one point it was doubtful that the seminar would be able to proceed, since the U.S. embassy in Yangon had been closed after the terrorist attacks of September 11, preventing Thanegi from obtaining a visa. Thanks to Thanegi’s perseverance and the cooperation of the U.S. embassy, she was able to make her first trip to America.

Having made it clear at the outset that she would refer to her country as Myanmar, the name used before British colonization, rather than Burma, which is a relic of the British era, Thanegi spoke on the current situation in her country. Invoking an old saying “When two buffaloes fight, the surrounding vegetation is trampled,” she noted that the differing cultural perceptions of Myanmar’s extremely conservative present leadership, based on traditional Eastern (Myanmarese) values, and those of Suu Kyi, who was educated in Britain and is a Western-style idealist, have exacerbated mutual mistrust. Thanegi argued forcefully that more attention needs to be paid to the suffering people on the lowest tier of society, whose interests have been swept aside in the



Ma Thanegi, a writer, journalist, and artist from Myanmar speaks in Washington, D.C. on the theme “The Culture Clash and Political Breakdown: Relations Between the United States and Myanmar.”

struggle between these two great forces. She added that everyone had hopes of dialogue between Suu Kyi and the government, which resumed a year ago, and that she would patiently watch its progress.

Thanegi also questioned the efficacy of the U.S. approach to Myanmar, noting that while economic sanctions had been successful against South Africa, this did not mean that they would have the same effect in the case of Myanmar. She stressed the need for greater awareness of Myanmar’s historical and cultural background and argued passionately that if economic sanctions merely deepened the suffering of the poorest of the poor, they were no different from economic terrorism.

In the question-and-answer period, activists who had taken part in the demonstration outside and members of dissident groups, including an exile who had spent a year in the same prison as Thanegi, raised such issues as why she thought she could speak for the people of Myanmar and whether economic sanctions were the only way to exert pressure for political reform

from overseas. Thanegi responded that she was speaking as an individual who mixed with people at all levels of Myanmarese society as a writer, journalist, and artist. She said that she could understand campaigning for reform from overseas but beseeched activists to avoid simply adding to the suffering of ordinary people. Thanegi added that while “political correctness” has a fine ring to it, if people are sacrificed in its cause it is extremely heartless and unjust, and urged the need for an approach sensitive to the needs of the most impoverished.

Despite some anxiety beforehand that the seminar might be disrupted, there was no heckling and debate was conducted in an orderly fashion. The seminar lived up to its aim of “promoting dialogue between the U.S. and Asia.”

## Human Resource Development for Industrial Research in Myanmar

By Sein Zaw Than

Researcher,  
Myanmar Economic and Management Institute (MEMI);  
Research Associate, SPF

The objective of this initiative is the development of human resources for industrial research in Myanmar, particularly in the area of manufacturing. Myanmar-based experts and specialists from Japan provide the training for this project, which is being undertaken as part of a domestic industrial development program implemented locally by the Myanmar Economic and Management Institute (MEMI).

Launched in October 2000, the project has ten trainees: six students enrolled in the MBA program of the Yangon Institute of Economics' Department of Management Studies and four young researchers from private-sector research firms. Professor Minoru Kiryu of Osaka Sangyo University's Faculty of Economics is among six instructors from Japan. The roster of four instructors based in Myanmar includes Dr. Daw Nu Nu Yin, who serves as the dean of the Yangon Institute of Economics' MBA Program, and Toshihiro Kudo, a research fellow at the Institute of Developing Economies.



Participants in the February, 2001 Yangon Workshop which consisted of reports and training on investigative tasks and economic analysis.

Two workshops took place this year in Yangon, one in February and the other in June. The February workshop consisted primarily of reports on the status of industrial policies and research initiatives in Myanmar and training that covered investigative tasks and economic analysis. In June the trainees heard lectures on corporate research and marketing surveys and also conducted a firsthand study based on a sample of five companies. This project's reports are to be distributed as policy proposals to appropriate agencies of the government of Myanmar. At the same time, documents deserve to be widely circulated among relevant institutional and business circles in Japan and other Asian countries. It is hoped that the trainees receiving instruction through this project will be extensively involved as local partners in feasibility studies and other endeavors in specialized fields in future years.

## SPF Symposium on the post—September 11 world image

By Hozumi Ishii

Associate Program Officer,  
The Sasakawa Peace Foundation

“The Significance of Anti-American Terrorism: Rethinking the Image of the World in the Twenty-First Century,” a symposium held by SPF on October 4, provided a perspective for far-reaching debate concerning the terrorist attacks in the United States on September 11. SPF invited three speakers to take part: Professor Akifumi Ikeda of Toyo Eiwa University's Department of Social Sciences; Akira Mizuguchi, who is affiliated with the Middle East Institute of Japan and conducts wide-ranging analyses of information from the Islamic world; and Akira Matsunaga, a research fellow at the EastWest Institute in New York and an SPF research associate whose area of expertise is Turkey and Central Asia.

The intent of the symposium was to look at the recent anti-American terrorism, which is said to be the work of Muslim extremists, in the context of Islam and globalization. SPF designed the event as a vehicle for comprehensive debate, from a panoramic perspective, of relevant issues. For example, with the system of



Participating in the SPF Symposium on the September 11 U.S. terrorist attack were (from left) Akira Matsunaga, Akifumi Ikeda, and Akira Mizuguchi.

globalization (Americanization) now sweeping across the world, how should people perceive terrorist acts carried out by individuals possessing a different set of values (Islam)? Additionally, what response should be made? Through the three speakers' presentations—“The Present Situation of Islam and the Muslim World,” “The Relevance of Globalization to the September 11 Terrorism,” and “Is the Clash of Civilizations Intensifying? What Lies Ahead?”—the symposium addressed diverse issues, including the Islamic world's perception of the West, historical views of relationship building between Islam and West, trends in Islam and its position in the global system, and the prognosis for the future.

## SPF PUBLICATIONS

• *Myanmar and the Responses of the International Community and Japan* — Published by the Sasakawa Southeast Asia Cooperation Fund (SSACF) — Summary of the conference held in June co-sponsored by the Asian Club Foundation, Myanmar Economic and Management Institute, and SSACF.

#### English-language Internet service to facilitate purchase of SPF materials

The Internet on-demand publishing service BookPark (<http://www.bookpark.ne.jp/spf/english.asp>) offers an English interface to facilitate the purchase of English-

language SPF lectures and project reports. Materials available include the abovementioned report, lectures in the SPF-USA Asian Voices seminar series and reports on policy studies, study tours, seminars, and other activities of projects supporting Central Asian countries' transition from socialist planned economies to market economies. The site will also offer interview series with the leaders of ASEAN countries, as well as television specials which have been made possible through SPF. For further information on BookPark and other publications, please contact Yuko Nomura ([spfpr@spf.or.jp](mailto:spfpr@spf.or.jp)) at SPF in Tokyo.

## FROM THE EDITOR'S DESK

In this issue of *SPF Voices*, SPF Chairman Setsuya Tabuchi interviews Tokyo Electric Company counselor Gaishi Hiraiwa, one of the grand old men of Japanese business. He has also been a member of the SPF Board of Counselors for many years. We have always been impressed by his lucid way of speaking, his careful approach to issues, and his personal integrity—qualities that come through clearly in the interview. We look forward to bringing you further conversations with distinguished figures from diverse walks of life in future issues.

Junko Chano's "Eyewitness Account" in the previous issue, focusing on life in and around New York since September 11, drew an enthusiastic response. This time she shares her first-hand impressions of the anthrax scare, conveying the anger

and bafflement of people on the scene in a way that newspaper and television reports cannot.

This issue's "Special Reports" deal with Central Asia, a region that has leaped into the spotlight since the beginning of the U.S.-led campaign in Afghanistan. Along with an account of SPF activities so far in the region, the section includes two expert opinion pieces on conditions in Central Asia since the beginning of the current Afghanistan crisis.

It seems that only the other day we were celebrating the advent of the new century. As this momentous year draws to a close, we thank all our readers for their understanding and advice and wish everyone a Happy New Year.

*Akinori Seki*

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*Please note: The views and opinions expressed in this newsletter are of the individual writers and do not necessarily reflect those of the Sasakawa Peace Foundation.*



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