

Errata: Page 36, Graph

Graph 2-1: Two Different Models of Economy and Economic Development

The Anglo-Saxon Model

- Individual capitalism
- Consumer economics
- Economic philosophy: Adam Smith
- Rational utility-maximizing individual
- Individualistic: more leisure and consumption
- Profit-maximization
- Shareholders first, customers and employees a distant second and third.
- Labor as rented factors of production can be disposed
- Success flows from individual brilliance
- Risks of economic change are carried by the individual.
- More a laissez faire state.

The Japanese Model

- Communitarian capitalism
 - Producer economics
 - Economic philosophy: Fredrick List
 - Empire-builders: strategic conquest
 - High saving and high investment society; Team-building and business groups
 - Market-share maximization
 - Employees first, customers second, and shareholders third.
 - Labor as a strategic asset to be nurtured
 - Success flows from a skilled team.
 - Risks of economic change are carried by the group.
 - Strategic policies from the state.
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Source: This graph is made based on the arguments by Lester Thurow, *Head to Head: The Coming Economic Battle Among Japan, Europe, and America* (New York: William Morrow & Company, Inc., 1992).