

strategies and practices of those local governments. In fact, a critical observation is the virtual disconnect between urban popular movements in Peru, frequently concerned with the bare survival of local populations under severe economic stress, and the political process. They were integrated to some degree in the local Peruvian political process only for a brief time and by less "vanguardist" (191) elements of the Left. Clearly, Schönwälder believes that inclusion of urban popular movements in the political process is key to effective and truly representative popular government in Peru and Latin America. Yet, although "the democratic potential of urban popular movements appeared genuine enough, . . . in the cases studied it could not be fully realized because of the existence of institutional, economic and political barriers, as well as the weaknesses of urban popular movements themselves" (191).

This is a finely polished gem. It best exemplifies how to research and write this genre of analysis. It is an essential component for understanding the dynamics of modern Peruvian society.

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Gordon, Philip H., and Sophie Meunier
**The French Challenge:
Adapting to Globalization**
Washington, D.C.: Brookings Institution Press
152 pp., \$18.95, ISBN 0-8157-0261-2
Publication Date: December 2001

This little gem of a book is a model of scholarship. It is well conceived and executed, full of relevant facts, and studded with interesting quotations. Its American and French coauthors, Philip H. Gordon and Sophie Meunier, aim to be comprehensive, objective, and balanced, and they succeed.

Concerning the importance of their topic, France's responses to globalization, Gordon and Meunier recall that France believes that it has a "universal vocation," a distinctive vision of how things should be, to present in speech and deed to the wider world. France explicitly competes with what the French typically present as America's tendentious "hegemonic" vision of "individualistic, neo-liberal globalization." We would do well to attend to the French messages about globalization and to inspect France's deeds in addition to the rhetoric. From this open-minded consideration can emerge increased American self-knowledge, as well as an understanding of "the Other."

Gordon and Meunier first take their bearings by contemporary French discourse and

salient actions, all of which highlight *mondialisation* as a central problematic of contemporary French society and politics. But they do not rest there. They confront various claims and charges, both pro and con, concerning globalization with facts and dispassionate analysis. Dispelling widespread stereotypes about the French—chiefly, that they are simply against globalization and that they are not adapting to globalization—they present a more realistic France, a complicated and ambivalent France.

This richer portrait emerges during the course of four chapters focusing on the new French economy, French culture and national identity, the partisan alignments vis-à-vis globalization, and France's European and international initiatives aimed at "managing globalization." Two fundamental traits stand out. The old *étatist, dirigiste* "political and economic traditions," according to which the state owned or controlled important sectors of the economy and had primary responsibility for social welfare, have "dramatically changed" over the past twenty years. By any number of measures, the French state has withdrawn significantly from the economy, which is increasingly liberal, adapted to the global economy, and remarkably prosperous. Change, though, has not been uniform and certainly is not total: "[T]he French still have one of the largest state sectors in Europe and they still look to the state, rather than the market, to ensure their well-being" (8). Simultaneously, they are open to and genuinely welcome free markets and globalization, they are resigned to them as unavoidably necessary, and they fear them, and they want the state "to manage" them and soften their rigors and inequities. As a result, French politicians feel compelled to dissimulate the extent to which the state has abandoned its old controlling ways, and they feel circumscribed in how far they can effect necessary reforms.

The same is true, in spades, in the areas of French cultural and national identity. The French love their own old ways and *douce qualité de vie*—wines, Roquefort cheese, and so on—and enjoy the manifold enrichment they derive from other countries and cultures, including American products, even the much-maligned Golden Arches. They also fear the advancing giant wave of American products. The public demands that the state do something about matters, so French politicians work assiduously, at home and in European and international forums, to protect the French "cultural exception." In this, too, they claim to serve a universal vision of worldwide "cultural diversity" threatened by homogenization and American hegemony.

The French are thus open to, and wary of, the new world order, which they characterize in the double terms of "globalization" and "Americanization." The French want to live—and live well—in that world, but on their own terms, terms that they

believe have universal value. Gordon and Meunier have done France, and us, a service by so ably presenting its case and its reality to the world.

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Streck, Wolfgang, and
Kozo Yamamura, eds.
**The Origins of Nonliberal Capitalism:
Germany and Japan in Comparison**
Ithaca: Cornell University Press
261 pp., \$45.00, ISBN 0-8014-3917-5
Publication Date: December 2001

Because Germany and Japan fought together in World War II, many have asked what bound these two distant, different countries together. It is true that after the Meiji Restoration of 1868 the Japanese admired, and worked hard to emulate, German scientific, medical, and other achievements, as well as the German constitution. But although both were nations of hardworking people, their histories and situations remained quite different.

Japan had been brutally and finally united into a single country by 1603. Unification after 1868 required converting the baronial fiefdoms, or *kuni* ("country"), into today's provinces, while continuing the strong central rule from Edo, now Tokyo. Germany, on the other hand, faced the problem, after 1871, of assembling its duchies and even kingdoms into one nation, which could only be done through a federal system that conceded considerable power and independence to each of the eventual new *Länder*.

As one result of these backgrounds, in industrial activity, welfare state aspects in Japan evolved within companies, which were family concerns—many very old and established, reflecting their roles within the previous *kuni*. In Germany, Bismarck was at pains to create nationwide institutions, hoping to bind the new nation more tightly together. So Japanese insurance schemes might be organized vertically by companies, while those in Germany developed horizontally across the country, by trades.

However, "in Germany and Japan . . . state bureaucracies were relatively strong compared to emerging industry, and industrialization occurred before the extension of democratic rights to citizens" (148). The resulting forms of capitalism were manipulated by the state, in large part to dampen or control or even prevent mobility and sudden changes. Skilled labor, which was seen as vital to the national interest, was not readily available at first and even had to be developed from scratch in Japan. Employment was an authority relationship rather than a free marketplace contract exchange (151, 165). This state