

...a competition between two different forms of capitalism is already under way... [the] individualistic... British-American form of capitalism is going to face off against the communitarian German and Japanese variants of capitalism.¹⁶³

Thurow and Blinder¹⁶⁴ place U.S. firms at the shorter-term, profit maximization end of the spectrum, with German firms closer to, and Japanese firms at, the communitarian end. Some commentators believe that communitarian corporatism is currently ahead of the individualistic approach. Each version has had its economic successes. However, Thurow emphasizes the strength, durability and flexibility of Japanese and German corporations.

In this Paper, the comparison of competition philosophies in the U.S., Europe and Japan suggests that the twin objective of sustaining good jobs and higher living levels can be addressed in two ways: the Anglo-American corporate competitive approach and the communitarian EU-Japan corporate governance approach.

7.3.1 Individualistic Anglo-American corporate governance

The Anglo-American corporate competition approach to competition policy places the premium on achieving "efficient" market outcomes, at least over the short to medium term, and perhaps longer. The quest for efficiency starts with producers competing in the marketplace and ends with lowest possible prices for consumers for quality products. How does the Anglo-American approach achieve its objectives?

First, the link from competitive efficiency to high living levels is quite direct. Low prices allow people to afford a bigger basket of goods and other things that matter to them in achieving high living levels. The standard of living of citizens increases as they experience expanding consumption opportunities.

¹⁶³Ibid.

¹⁶⁴Alan Blinder, "Profit Maximization and International Competition", in *Finance and International Economy 5*, The AMEX Bank Review Prize Essays: In Memory of Robert Marjolin, edited by Richard O'Brien. New York: Oxford University Press, 1991. Mr. Blinder is currently a Vice Chairman of the Federal Reserve System in the United States.