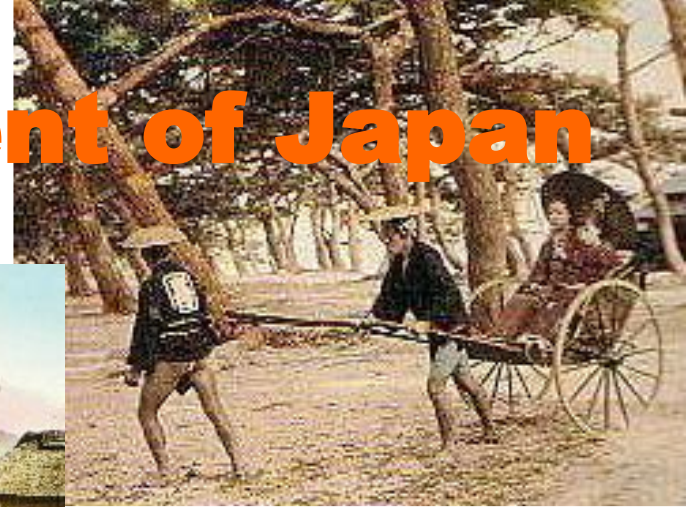
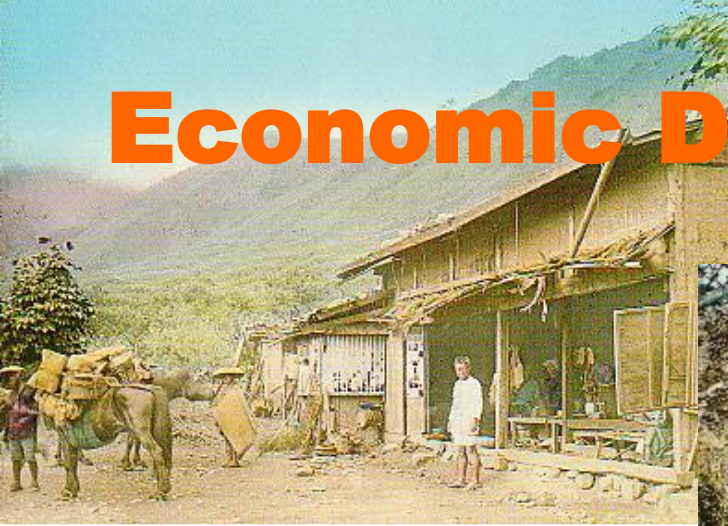


# Economic Development of Japan



565号	13:56	金沢	20番	12	新大塚	17	10時1-9
141号	14:00	新大塚	22番	17	新大塚	18	10時1-9
615号	14:08	豊野	21番	8	新大塚	18	10時1-9
211号	14:12	仙台	23番	10	新大塚	15	10時1-9



**No.1 Overview**

# Topics for Discussion

- ❑ Why did Japan industrialize so fast from the late 19th century onward among all non-Western latecomers?
- ❑ What are/were the features of Japanese people that promoted economic development? Where do these features come from?
- ❑ Are Japanese developmental experiences and lessons applicable and useful to today's latecomer countries (especially your country)? Why and why not?

# Introduction

- My research interest is the comparative analysis of industrial policies. I have examined 26 economies in Asia and Africa:  
Japan, Singapore, Taiwan, Korea, Malaysia, Thailand, Indonesia, Vietnam, Cambodia, Myanmar, India, Sri Lanka; Kyrgyzstan, Uzbekistan, Kazakhstan; Ethiopia, Rwanda, Mauritius, Egypt, Tanzania, Kenya, Djibouti, Ghana, Zambia, Mozambique, South Africa
- Vietnam—I have studied its industrialization process and advised its government since 1995.
- Ethiopia—I engaged in bilateral policy dialogue at the request of PM Meles (2008-12) and PM Hailemariam (2012-18).
- My knowledge of Japanese history is secondary—from books and papers I have read over the years. But I have the advantage of looking at Japanese industrialization from the comparative perspective of latecomer developing countries.

# Nations Are Not Equal, and Policy Learning Is Critical

- ❑ Development performance differs greatly across nations. Some nations quickly reach high income while others slow down or stagnate at low or middle income.

**Economic performance = Private dynamism + Policy quality  
+ External factors**

- ❑ In the long run, private dynamism matters most. Policy is important in supporting private dynamism and coping with external shocks.
- ❑ In this course, we will look at these three determinants of Japanese economic development.

# Distinguish Globally Common Factors and Country-specific Aspects

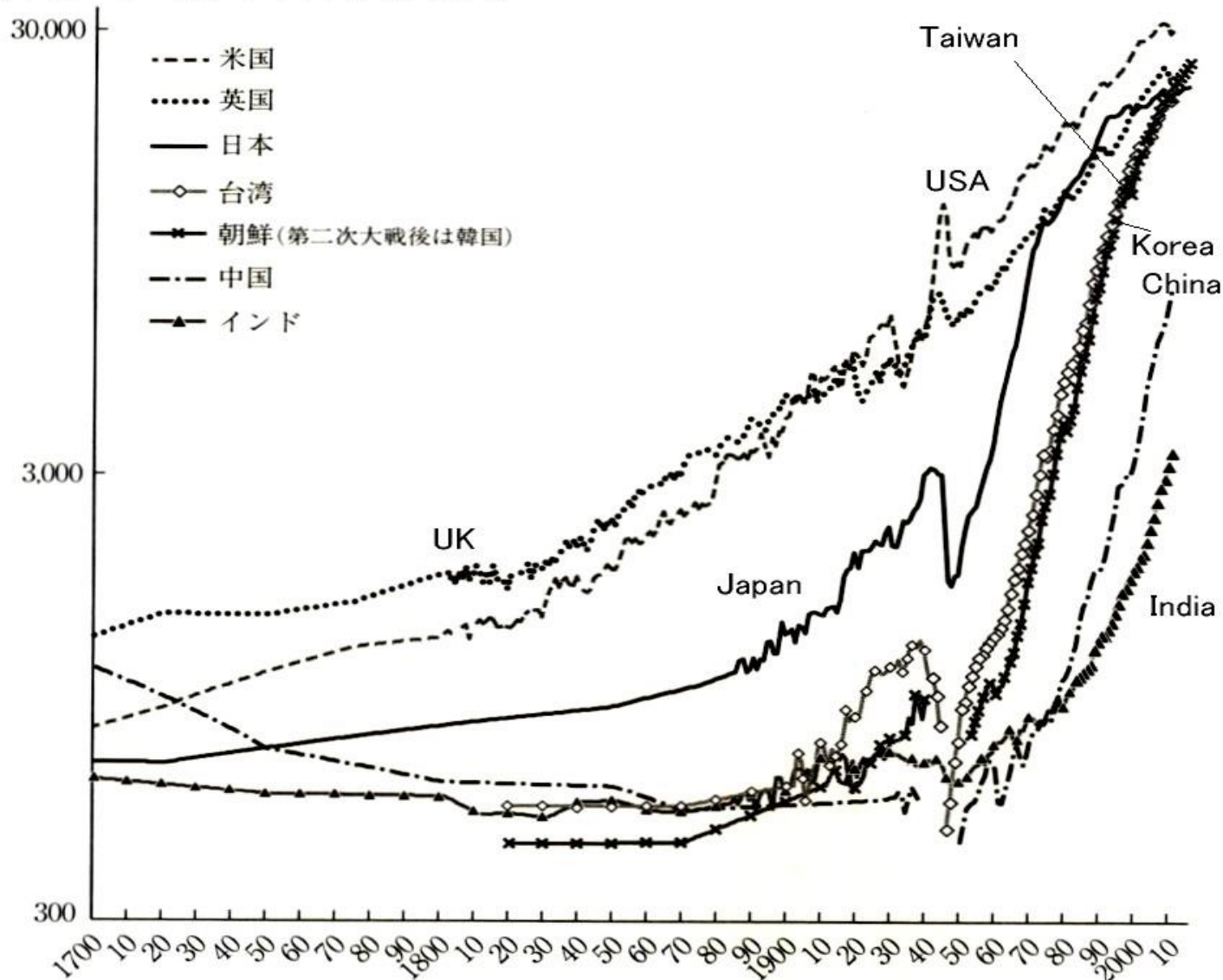
- ❑ In any international comparison, global commonality and country uniqueness are both present. We must recognize them in each case.
- ❑ Common features of human society are many. For example,
  - Family, ethnicity & religion are primary units for allegiance.
  - Love for insiders, hostility for outsiders.
  - Rising economic power often leads to external aggression.
  - The existence of a national goal or enemy unites people, etc.However, concrete details of how they work depend on each society and time period.
- ❑ Some say experiences of 19th century Japan or 20th century Asia are irrelevant to their country because times have changed. This is partly true, but you can still learn many lessons if you distinguish common from specific.

# Japanese History and Character

- ❑ Japan has about two millennia of recorded history which proceeded from rice cultivation to warfare among small states and national unification under Emperor. Then decentralization began, samurai emerged, feudalism was installed and industrialization and modernization started in the nineteenth century under Western influence.
- ❑ There were alternations of domestic evolution and external influence. Japanese society changed greatly over the years but the sense of national identity and cultural continuity was never lost.
- ❑ Japanese thinking has been greatly influenced by Western trends. Japanese now embrace science, technology, democracy and other ideas originating in the West, but they also retain certain unique features and remain different from the West (*wakon yosai*, or Japanese spirit, Western technology).
- ❑ Three authors who give clues to unique Japanese characters are:
  - { Shiba Ryotaro—The Shape of This Nation
  - { Umesao Tadao—An Ecological View of History
  - { Maegawa Keiji—Translative Adaptation

# Estimated Per Capita GDP, 1700-2010

(1990 international dollar, log scale)



Source: Kyoji Fukao, *Japanese Growth and Stagnation from the Perspective of World Economic History: 1868-2018*, Iwanami Shoten, 2020.

# I. Emperor's Rule



**NARA**

Centralization

Jinshin War × 671

Taika Reform × 645

Clan fights

Hunting & gathering

# II. Samurai's Rule

1603



**KAMAKURA  
MUROMACHI  
SENGOKU**

Internal wars, dynamic & fluid society

**HEIAN**

Court politics, decentralization

# III. Modern-ization

1867



**EDO**

Tokugawa Shogunate

Peace, isolation, conservative class society

**MEIJI**

Westernization, industrialization, militarization



# IV. Postwar



Rapid recovery and growth

**WAR**  
1937-45



XXXX

XXXX

XXX

Rice

Buddhism

Chinese culture & political system

WEST: guns & Christianity

WEST!!!

US occupation 1945-52







Tsushima

Nagasaki

Kyoto

Osaka

Nara

Nagoya

Kamakura

Edo

# Characteristics of Japanese People

## Popular ideas about Japanese people

- ❑ Strong curiosity over foreign ideas, products and technology
- ❑ Accepting foreign things with local adjustments so they will fit Japanese context (“translative adaptation”)
- ❑ Pragmatism and diversity—living comfortably with multiple principles which may be mutually inconsistent
- ❑ Honor over profit—pursuit of discipline and correct action without being forced by government or God
- ❑ Dedication to nation, society and something greater than self
- ❑ Hard work in pursuit of excellence

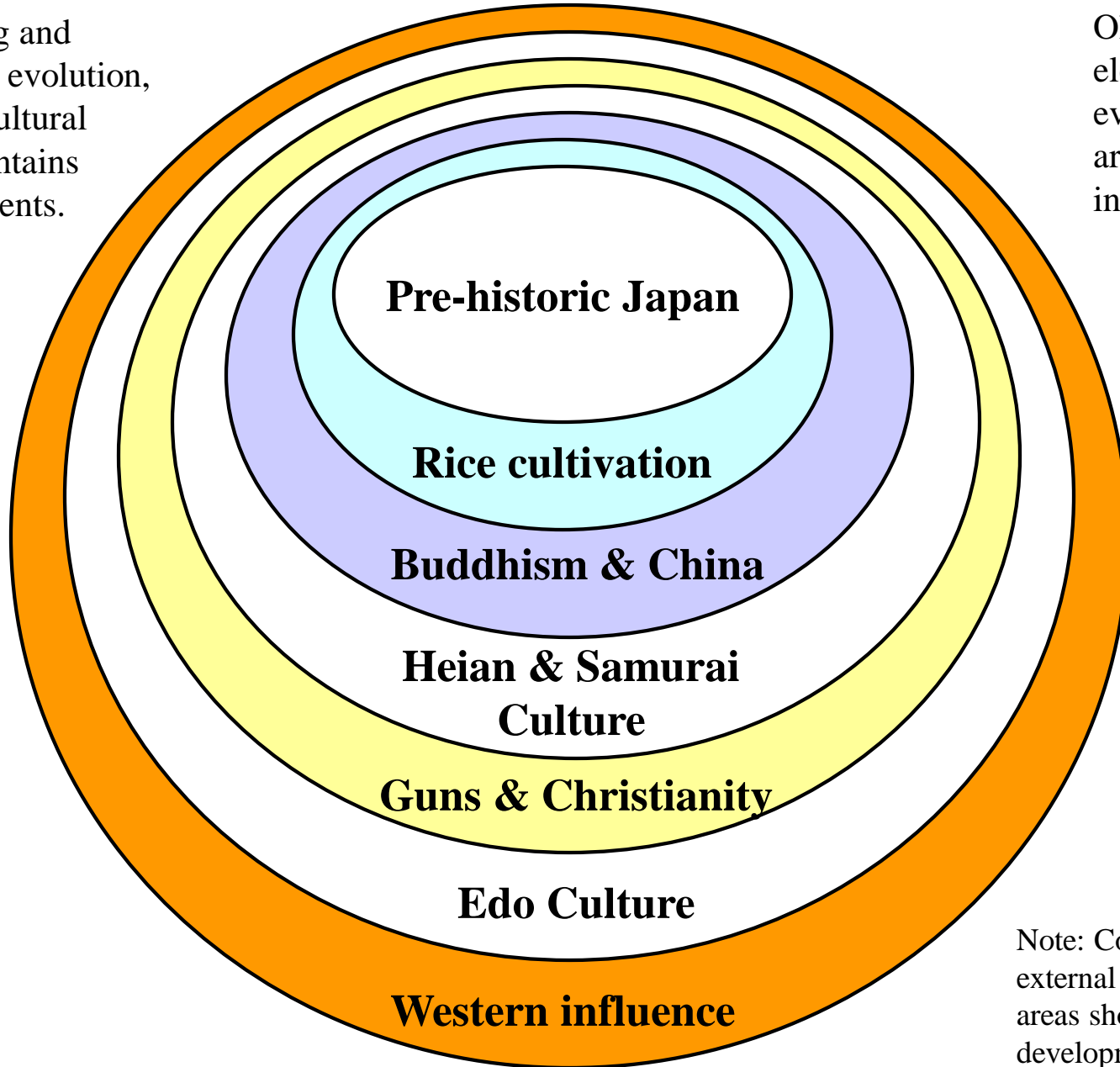
## There are also negative aspects

- ❑ Lack of logical consistency
- ❑ Group orientation and weak individualism
- ❑ Cultural uniqueness and isolation
- ❑ Low foreign language ability

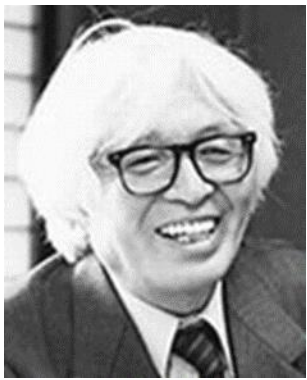
# Japan's Multi-layered Identity

Due to long and continuous evolution, Japanese cultural identity contains many elements.

Old and new elements co-exist even though some are mutually incongruent.



Note: Colored areas indicate external impacts and white areas show mostly internal developments.



# The Shape of This Nation

A series of historical essays 1986-1996

by **Shiba Ryotaro** (Historical Writer, 1923-1996)

**Shiba asked *What is Japan and What shaped Japanese people*. His two key answers are:**

## **An Island Nation**

The people of an island nation are curious about foreign ideas and objects, not conservative about accepting foreign inventions, absorbing them eagerly while adjusting them to Japanese tastes and mindset.

## **Bushi (Samurai) Spirit**

The spirit of samurai (warriors) permeates Japanese life. The highest value is honor, not personal gain or family prosperity. Japanese people want to live and die honorably, avoiding shame.

# An Ecological (or Geographical) Explanation

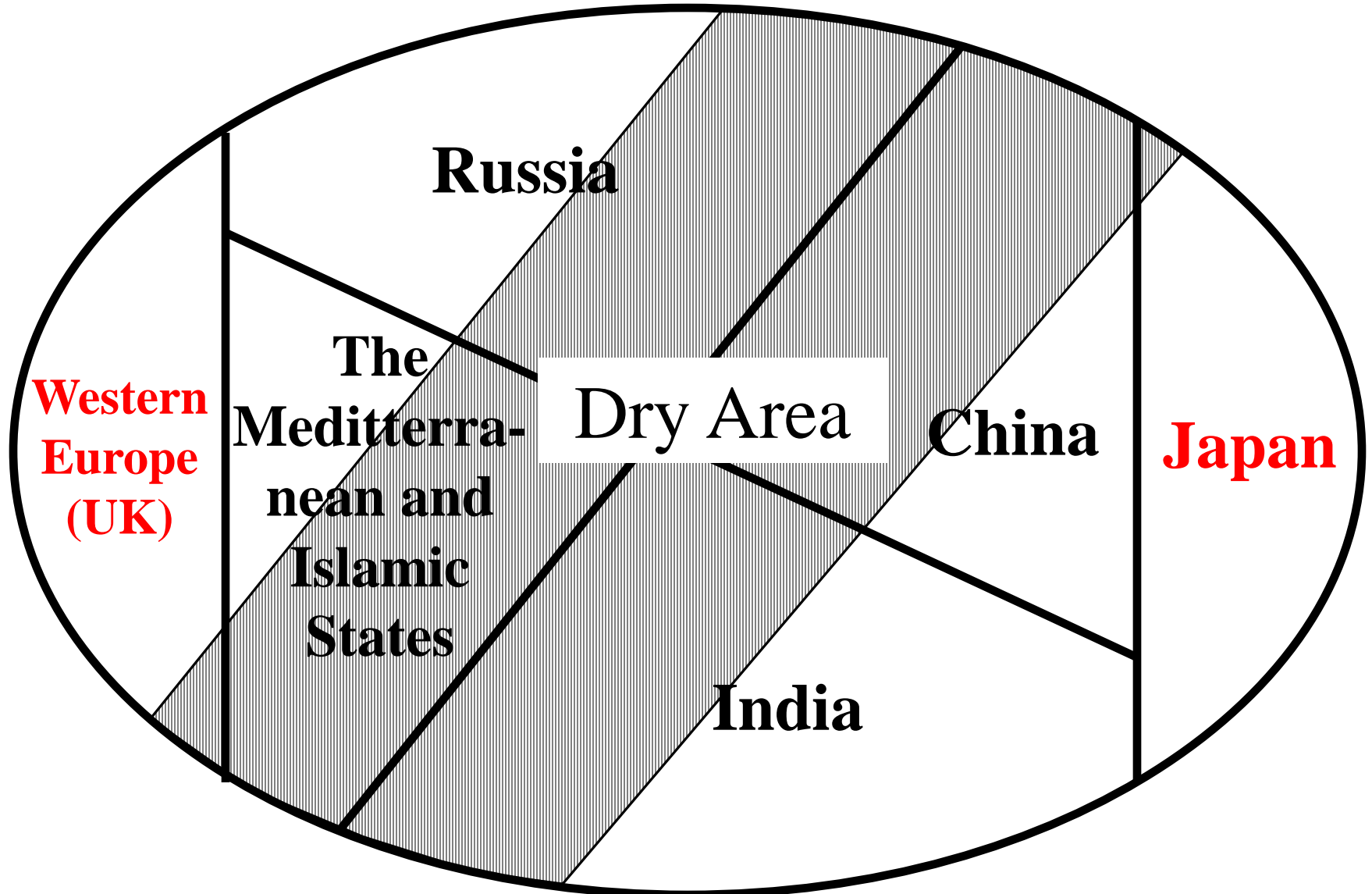


Umesao Tadao  
1920-2010

- ❑ According to Umesao Tadao, both Japan and the United Kingdom (Zone One) are separated from the Eurasian Continent (Zone Two) by a narrow strait. This geographical position enabled them to import the culture and systems of high civilization relatively easily while avoiding or minimizing external military invasion.
- ❑ In Zone One, social evolution proceeded from central authority to decentralization, feudalism and finally capitalism—unlike societies in the middle of the Eurasian Continent which were frequently attacked and even wiped out by violent nomadic peoples.
- ❑ Umesao believes that such cumulative history is necessary for initiating industrialization. Japan's industrialization was independent from and parallel to that of the West, not just a copy of Europe and America. He also argues that countries that do not enjoy such geographic advantage is unlikely to develop economically [do you agree with this point?]

# Umesao's View of the World

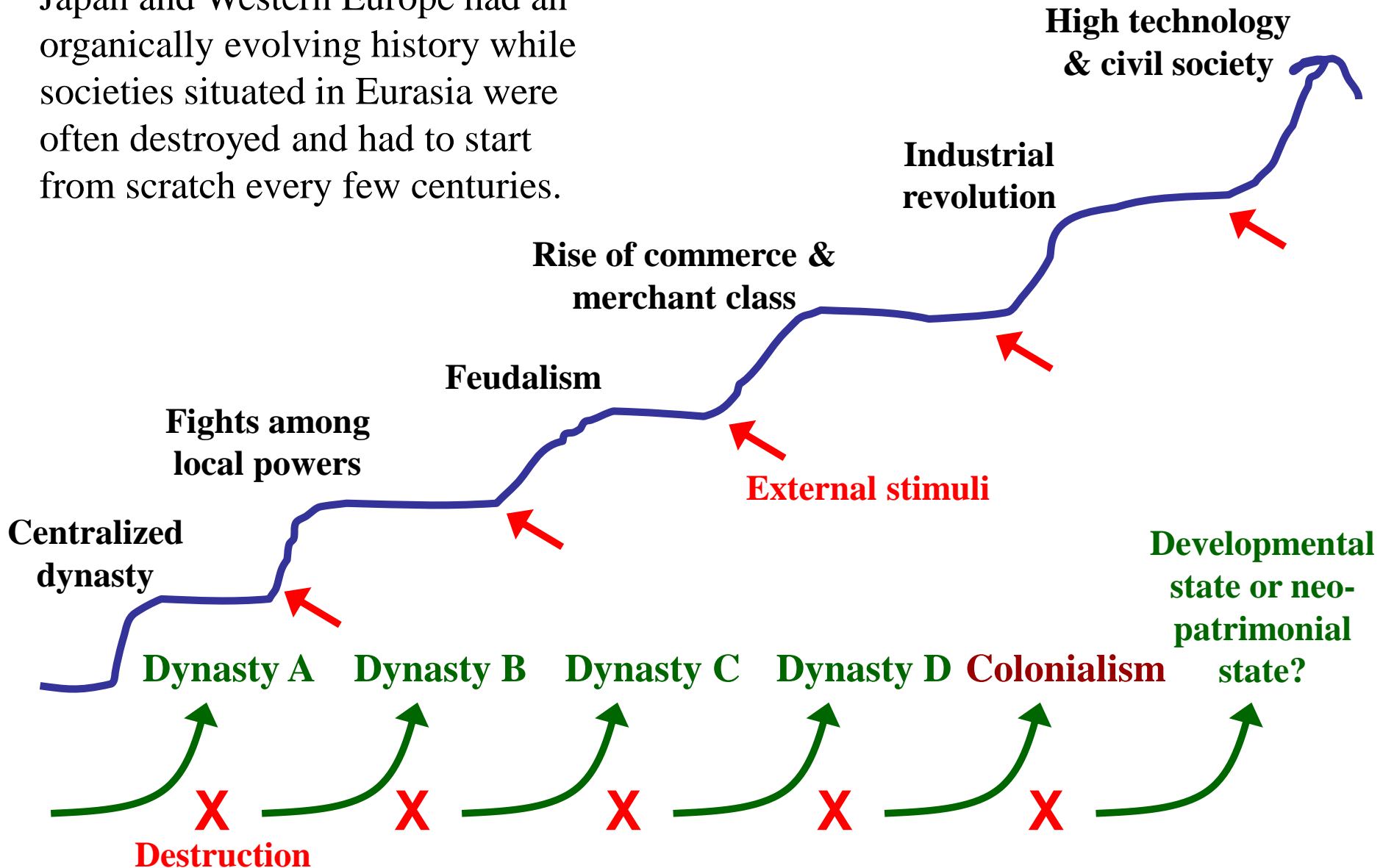
**Eurasian Continent**



(English translation checked and approved by Dr. Umesao)

# History: Evolution vs. Repetition

Japan and Western Europe had an organically evolving history while societies situated in Eurasia were often destroyed and had to start from scratch every few centuries.





# Translative Adaptation



- ❑ Keiji Maegawa, an economic anthropologist, observes that an encounter with the powerful West may weaken or even destroy an indigenous society but it may also lead to activation of such society.
- ❑ In the World System, the Center (large nations and international organizations) imposes its rules on the Peripheries (other countries), forcing them to adopt the norms created by the strong. The Peripheries look helpless and passive in front of the powerful Center.
- ❑ However, Maegawa argues that a latecomer is not really weak if it controls the type and speed of importation of foreign things, using them to stimulate the home society for new growth. Even as foreign elements are added, the basic social structure remains intact. Such a nation can manage its global integration well. This he calls *translative adaptation*.
- ❑ Maegawa says Meiji Japan was a prime example of translative adaptation—however, also see Natsume Soseki below.

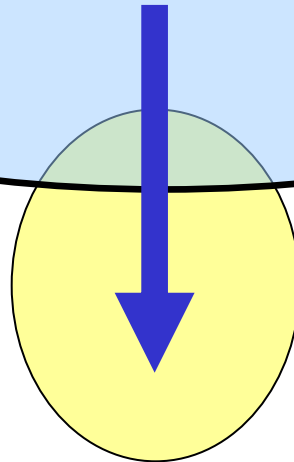
# Integration Viewed from Outside

WTO, World Bank, IMF, FTAs...

## Existing World System

Democracy, market economy, industry,  
technology, life style ...

Latecomer country

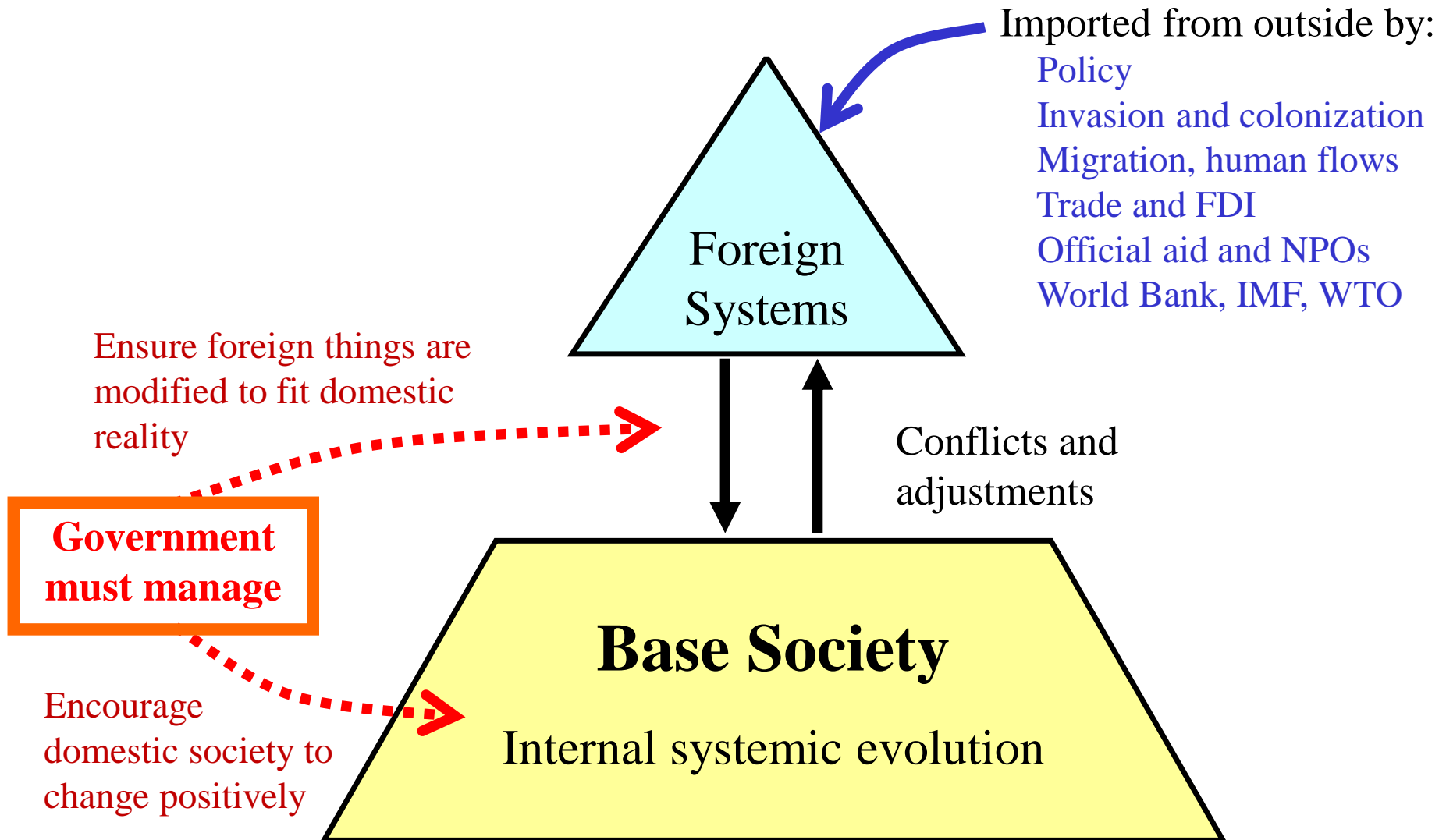


**Dynamism for change (+)**

**Integration risks (-)**

# Integration Viewed from Inside

Interaction of domestic and foreign systems



# Examples of Translative Adaptation in Japan

- ❑ The Meiji government drafted a **constitution** (1889) by comparing different Western models, including British and German, and decided to adopt the latter model (constitutional monarchy). It hired German legal experts and also dispatched a high-level study mission to Europe. But drafting was done by Japanese, blending Western elements and Japanese requirements.
- ❑ Meiji Japan decided to build a state-of-art steel mill. After research, German technology was chosen and many German engineers were hired for construction. **Yawata Steel Works** was completed in 1901, but German technology without local adaptation did not produce smooth operation. Japanese engineers were called to adjust the blast furnace, raw materials and operation method. By 1905, production became efficient and smooth.
- ❑ In the 1950s, statistical methods for productivity improvement were introduced from the United States, and Japanese firms absorbed them vigorously. But US methods (theoretical, top-down) were converted to a more participatory and bottom-up process to suit Japanese corporate culture. The resultant method, called *kaizen*, spread to all over Japan and subsequently to the rest of Asia and the world.

# Natsume Soseki (1867-1916)

A lecture delivered in 1911 in Wakayama



“Western societies are evolving naturally but Japan after the Meiji Restoration and foreign contact is quite different... [O]verall, throughout history, Japan was developing more or less endogenously. Then suddenly, after two centuries of isolation, we opened up and encountered Western civilization. It was a big shock we never experienced before. Since then, the Japanese society began to evolve in a different direction. The shock was so severe that we were forced to change directions...”

“Western tides dominate our development. Since we are not Westerners, every time a new wave arrives from the West we feel uneasy like a person living in someone else’s house. Even before we can grasp the nature of the previous wave, a new wave arrives. It is as if too many dishes are brought in and soon removed before we can start to eat. In such circumstances, people will inevitably become empty, frustrated, and worried.”

(Natsume Soseki, “Development of Modern Japan,” a 1911 lecture included in Yukio Miyoshi, ed, *Soseki’s Writings on Civilization*, Iwanami Bunko, 1986.)

# Key Ideas for This Lecture

- ❑ Geography and location were key factors that shaped the characteristics of Japanese people.
- ❑ Evolutionary history produced both continuity and change. Japanese national identity was maintained.
- ❑ Japanese spirit and knowledge grew cumulatively without a complete break from the past.
- ❑ Domestic ownership in absorbing foreign influence enabled “translative adaptation.”