

Japan's Survival As a Trading Nation: Learning From Medieval Venice

SHIONO: In my studies of medieval Italian history, I have found that the most interesting city-state of that time was Venice. Venice was a trading state that prospered for 300 years. What was their secret? How did they manage to thrive for three centuries when the other city-states died out after only one or two generations? And what lessons does Venice hold for us today? Is Japan's current prosperity the short-lived type or the long-lived Venetian type?

AMAYA: Obviously it is better to go for 300 years than 30, but the question is how.

SHIONO: I am not so sure that I agree that 300 is obviously better than 30. If in that 30 years you can create an enduring culture that will influence other

peoples for centuries to come—like Florence did—that course may also have something to recommend it. But to collapse both quickly and insignificantly would be the height of ignominy.


AMAYA: Even though it is true that both Japan and Venice are trading countries, this is where the resemblance ends. Even on the fact that both are trading countries, Venice elected to become a trading country more or less of its own volition, but Japan was pretty much forced into this by its imperious “opening” in the late 19th century. Japan can hardly be said to have “invited” Perry and other Western military missions in the 1850s and 60s. We did not want to become a trading nation, but this was the only way we could survive.

Even after World War II, Japan had little choice but to become a trading nation. Having no resources of our own, we had to buy food and other raw materials from overseas and then export the bulk of our production to pay for more imports. Imports, exports and internationalization have been a means of survival rather than a conscious choice of lifestyles.

That may be why the Japanese still maintain a somewhat insular personality even though we are famous worldwide as both buyers and sellers.

“The Venetians did not care about ideology. They liked their system simply because it worked.”

SHIONO: Venice's attraction for me as a writer was that it maintained its eminence as a trading power for so



NANAMI SHIONO has lived in Italy since graduating from Tokyo's Gakushuin University in 1962. Her numerous writings include *Women of the Renaissance*, *Servants of the Servants of God*, *The Opulent Cruelty of Cesare Borgia* (winner of the Mainichi Shimbun Nonfiction Award), and most recently, *Tale of a Maritime Capital: The Republic of Venice's 1,000-year Reign*.

Having achieved industrial and commercial distinction, Japan is today at a crossroads. Where does Japan go from here? How is the country to ensure that this is an enduring prominence and not a transient success?

One Italian city-state which has succeeded in answering this question for itself is Venice, a commercial and later industrial nation which held the balance of power in the Mediterranean for nearly a millennium.

In the dialogue which follows, former MITI Vice Minister for International Affairs Naohiro Amaya and historian Nanami Shiono discuss the lessons ancient Venice holds for modern Japan.

long. After all, there were many other maritime trading powers, but most of them were short-lived. Although I had always wondered how the Venetians managed to sustain their republic, it was not until I was well into my research that I realized that it was an eminently pragmatic thing. They did not care about ideology. They liked their system simply because it worked. We have seen so many ideologies go bankrupt in the 20th century that this is something we should be able to understand. The Venetians managed to discard ideology and maintain their republican institutions because they worked. If you take the pragmatic view and do things because they work rather than because they satisfy some urge for ideological purity, you have a much better chance of surviving as a state.

This is especially attractive for someone like myself who was too young to be much influenced by wartime Japanese militaristic education and who therefore had no need to embrace postwar democracy as a means of renouncing wartime militarism. I do not really have any strong ideological commitments. I am part of what you might call "the inbetween generation."

AMAYA: What intrigues me is how the Venetians knew that this would work so well. All people are susceptible to the lust for power, and even people who do not gain any appreciable measure of power for themselves become anesthetized or inured to the evils of power. Only Venice was immune.

SHIONO: As traders, the Venetians were primarily interested in what would and would not work in their trade. With major powers to both east and west, they may have realized that they would have to bend to avoid being crushed.

AMAYA: We can make another comparison in terms of central vs. peripheral maritime states. Among the peripheral seafaring nations have been Phoenicia,

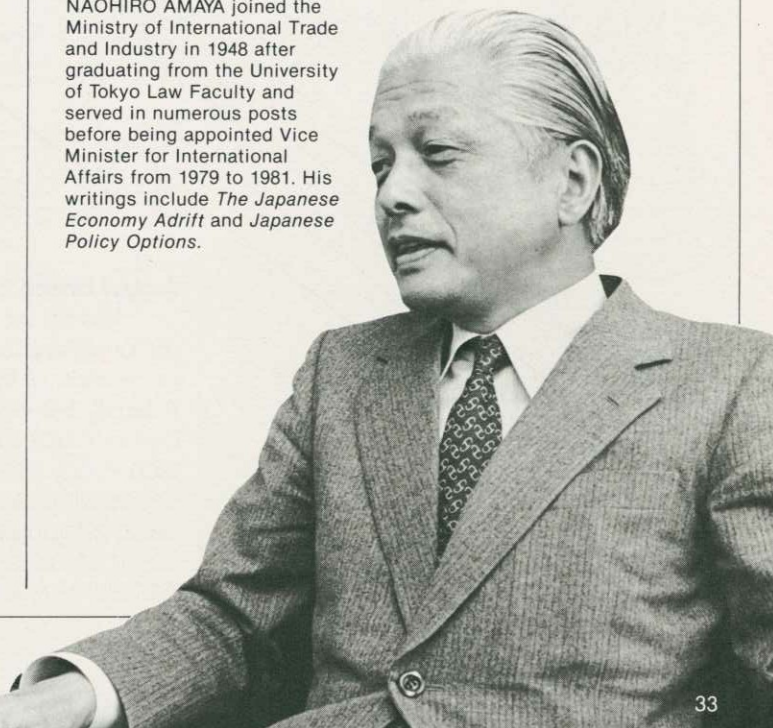
Venice, and maybe the Netherlands. By peripheral I mean that they did not possess great landed empires but were restricted to trading with and between the great empires. By contrast, the central seafaring states were those such as Rome, England, or the United States that existed not at the sufferance of other powers but as powers in their own right ruling the waves to establish themselves as global powers.

What of Japan? I do not really think you could classify Japan as a leading seafaring nation or a maritime power. Rather, Japan is a peripheral maritime nation.

SHIONO: But one which perhaps dreams of becoming central?

AMAYA: Not today. Maybe in the prewar days when

NAOHIRO AMAYA joined the Ministry of International Trade and Industry in 1948 after graduating from the University of Tokyo Law Faculty and served in numerous posts before being appointed Vice Minister for International Affairs from 1979 to 1981. His writings include *The Japanese Economy Adrift* and *Japanese Policy Options*.



the concept of the Greater East Asia Co-prosperity Sphere was bandied about, but maritime dominance is not the sort of thing that you come by idly. That was a halfbaked plan built upon a fantasy world, and it did not have a chance of succeeding.

When you look at the peripheral maritime nations that did well, they are all very similar in being highly pragmatic and not embarking upon ideological or religious crusades. Likewise, they did not put much store by the arts. Instead, they survived and prospered by a very pragmatic attention to trade. As a result, they were not flamboyant powers and did not lend themselves to despotic leadership. Since they existed to some degree at the great powers' forbearance, they also developed an excellent "street-wise" sense of international politics and how to ensure that the situation is conducive to their survival.

SHIONO: Venice was a great one for forming alliances. Most nations that form alliances try to join up with the stronger power. Not Venice. Venice invariably allied itself with the weaker power. And if the side that Venice was allied with started to get too strong, Venice would switch sides to keep things even. This way they preserved the balance of power.

AMAYA: One of the things that worked to Venice's advantage was its location. To the west of Venice was Europe, and to the east the Byzantine empire, India, and China. Goods and ideas flowed back and forth through the Mediterranean, and it was all in all a fairly small geographical area amenable to Venetian control.

By the same token, of course, Venice would have fallen into ruin very quickly had it not had the ability to take advantage of this given situation.

SHIONO: After all, there were many other city-states that were similarly blessed but did not fare nearly as well.

AMAYA: The Mediterranean region has a long history of city-states such as Venice. In ancient Greece, for example, you had Athens, Sparta, and the rest. But even Athens was not able to maintain its democratic ideals and ultimately fell sway to tyranny. Venice was virtually the only one that was immune to tyranny for so long.

SHIONO: Machiavelli once wrote that he who would seek to preserve a given form of government must have the courage to break its rules. If you want to continue as a democracy, you must have the courage to act undemocratically. If you want to be a nation of peace, you must have the courage to be a nation of war. Unless people have this courage, the very values that they seek to preserve will die.

The reason that Machiavelli wrote this was that his own country, Florence, started out as a democracy but, as things developed, found that democracy was not working. So Florence moved on to other systems, including a monarchy.

The two works that Machiavelli is best known for are *The Prince* and his *Discourses*. Although a republican himself, Machiavelli was not advocating any particular form of government in these works. He was only concerned with the practical principles of how to establish and preserve the form of government you want. He was not an ideologist, and neither was Venice.

AMAYA: Natural defenses are another reason why



Venice took full advantage of its waterways.

Venice was able to prosper for so long—that and the fact that they stayed abreast of the state of the art in shipbuilding and navigation.

SHIONO: Indeed, Venice was fairly impregnable. The waters around there are fairly shallow, but not uniformly shallow. Just as they have *canali* in the city, there are also channels of deeper water in the offshore waters. If you go to Venice, you can see the buoys that mark the channels. Come an invasion, and the Venetians pulled these markers out. The invading navy, not knowing the lay, got grounded in the shallows. In some places the water is less than a meter deep. Even the Genoese, very good sailors in their own right, were not able to sail into Venice.

AMAYA: Japan has also been relatively free from invasion, but most of this is because other countries were not interested in Japan. Japan was a self-sustaining country which was neither attractively rich nor invitingly poor, so there was not much to be gained by attacking Japan, and it rarely occurred to people to invade Japan. So in a way, Japan was blessed by being in such an out-of-the-way place. But Venice was right there for all to see, a pearl of prosperity in the Mediterranean and a prize worthy of anyone's ambition. Still, Venice's good natural defenses and a strong navy enabled it to stave off attack even as the Venetians prospered.

Much of the credit for this must go to Venice's government. It is a mark of how outstanding Venetian politicians were that the country was able to maintain a strong navy and that this strong navy never tried to seize the reins of government. Rather, Venice's strong navy

was a well-trained force to defend the state and even, it might be said, the trading class.

SHIONO: To understand that, you have to look at the reasons people form into factions. The only real way to prevent factionalism is to promote vigorous exchanges among the people involved. Venice did not have an independent or standing navy per se. What it had was more a collection of merchant ships that banded together in the common interest in times of emergency. Venice had a little fleet of warships, but it was just a core force. The bulk of the navy was trading ships. People would be traders until the age of 40 or so and then they would move into the diplomatic corps or become politicians. So one year a man would be a trader, the next year a naval officer, and maybe the next year a *doge* or member of the ruling establishment. There was a great mixing and intermingling among the different groups, and this tended to keep them relatively homogeneous and disinclined to coups d'état. Moreover, with the constant shifting people around, no one got entrenched in a position or developed a stranglehold on the levers of power.

You might also say they were sustained in this by their profound distrust of man. For example, they had a public council that all the politicians were supposed to attend. In Japan we leave it up to the individual Diet-member's conscience whether or not he actually shows up. Not so in Venice. There they had a fine that was some tremendous amount—about five times the annual income for a middle-class household—if somebody was absent without good reason.

It is also worth noting the way position and power were separated. This is something that Japan has done too, but the Venetians carried it to perfection. The people who were in positions of symbolic authority were not given any real power.

There was a feeling in Venice that politics was too important to be left to the masses, and they developed a class of professional politicians. Since they did not have a screening process such as Japan has in the Tokyo University Law Faculty, they made it hereditary, but it remained a very professional class.

AMAYA: Having a class of professional politicians is not all that unusual, but I think what distinguishes Venice is that they managed their politics so that power did not gravitate to specific individuals within this class. Most professional politicians have a lust for power, but Venice managed to avoid this. In Venice, for example, the professional politicians were not necessarily rich people.

“Venice’s professional politicians were very much like the career bureaucrats in Japan today.”

SHIONO: I tend to think of political distinctions by whether politics is carried out by amateurs or by profes-

sionals—democracy being perhaps the epitome of amateur politics and an oligarchy the model of professional politics. Usually a country see-saws between the two, going from one to the other. But in Venice they seemed confident that it was better to leave politics to the professionals, or maybe they were just able to see how well it worked. Of course, it helped that the ruling families were so numerous—for example, in the 200-member upper house, they had a rule that no family could be represented by more than one person—but the factionalism that plagues so many other systems was largely absent in Venice.

Venice’s elite class of professional politicians had awesome responsibilities. They were supposed to be able to engage in maritime trade, conduct wars, practice diplomacy, and provide all of the state’s leadership functions. It occurred to me only after I was along in my studies that this was very much like the career bureaucrats in Japan today.

AMAYA: You might even compare this noblesse to the elite Oxbridge graduates in the U.K. The bureaucracy is a very professional group in France, the U.K., and Japan, but these people, these professionals, are concerned not so much with politics as with administration.

SHIONO: Speaking of the bureaucracy, there have been suggestions that Japan has been so successful that we do not need MITI any more and it should be disbanded. My impulse is to say that we did not need MITI in times of rapid growth but do now. In times of rapid growth, the economy is working and everything is going smoothly. It is when times get tough that you need a MITI to keep things running smoothly. At least that would be the Venetian way.

“Market mechanisms alone cannot make the hard decisions.”

AMAYA: You might compare the economy to a pond. When there are just a few lotuses in the pond, most of the surface is water and there is no problem with rapid growth. In fact, rapid growth will probably occur if the lotuses are left to their own devices. But once the lotus leaves cover the pond, then what do you do? Then you need politics or administration to help. This is when you need government intervention because market mechanisms alone cannot make the hard decisions that have to be made in a humane way.

SHIONO: They had an administrative bureaucracy in Venice too, but it was a little different from Japan’s career bureaucrats in that the same people stayed in pretty much the same posts for a long time. When I look at Japan’s career bureaucrats, they seem to me more like the elite noblesse than like administrators. But the Venetian noblesse was different from the nobility in other places. Their only special prerogative was that they governed, that they were in charge of the state’s politics. They were not vested with any special legal powers or in a position to accumulate great wealth.

AMAYA: If Japan is to survive for 300 years as a trading nation, I think the most important thing we have to learn from Venice is to discard our illusions and to take a hard look at reality. This is true even for Japan's so-called opinion leaders—the bureaucrats, politicians and businessmen. And it is especially true in international politics. There are a lot of people who have an emotional aversion to the idea of power politics and refuse to believe that such power politics exist. Instead, they want to believe that the whole world is made up of peace-loving nations in a brotherhood of love and friendship. This is wishful thinking.

SHIONO: The Japanese want to be recognized by the international community, but not very many people realize that such recognition does not come just from being internationally active. You have to possess an international sense, which means having your own ideas or behavioral patterns and having a feel for what other people think. Japanese still have a long way to go in this respect.

For example, look at the Japanese reaction to the problems in Lebanon. There is a multilateral peacekeeping force in Beirut now of U.S., French and Italian troops. When I was in Italy, people told me how Italy had recently gained more status in European eyes and gained a greater voice in international politics as a result of Italy's contribution to this peacekeeping force.

In Japan's case, the Constitution prohibits sending troops overseas. So the government responds to the situation by sending money instead. But anyone who expects Japanese money to win the same respect as an actual physical presence does is badly mistaken. There is just no way this is going to happen. Putting troops in Beirut means putting lives on the line. You cannot possibly win the same respect if all you put on the line is your money. It is not the same, and no amount of protesting by Japan can make anyone believe that Japanese money is worth as much as Italian lives.

Of course, there is strong anti-military sentiment in Japan, but Machiavellian or Venetian pragmatism would argue that Japanese who oppose any rearmament or military involvement should logically also oppose the idea that other countries should intervene militarily on Japan's behalf. And anyone who favors rearmament should be in Lebanon or wherever helping militarily to keep the peace.

“The situation looks different from the other side of the trade balance.”

AMAYA: One of the problems for Japan today is that, quite without regard for the hopes of the Japanese people themselves, Japan has become an industrial power. Of course, the Japanese have long been very good craftsmen, so we should not be surprised that Japan turns out very good automobiles or television sets.

However, Japan is like a company that makes great products but has a poor public relations department.

Japanese products are bought and appreciated the world over, and as a result of this international commercial presence, Japan gets involved in a vast number of international economic and political issues.

Japanese seem to feel that it is only natural that superior products should sell well. That is the way economics is supposed to work. And by selling good products at reasonable prices, Japan is doing consumers everywhere a service. So why should there be trade friction? Why should Japan be criticized for its textbook performance? What this argument misses is that the situation looks different from the other side of the trade balance.

“Japan is amazingly schizophrenic, and I sometimes wonder if we are going to last 300 years.”

Likewise with our military non-involvement. Many Japanese say, and rightly so, that military arms are used to kill people and are a drain on the world economy even when they remain unused. Why not, they say, take the \$600 billion that is spent on weapons and use it for Third World development or other peaceful ends? This is all so logical that it misses the essential illogic of world affairs and arouses great resentment for its holier-than-thou tone.

So we wind up with the United States and other countries pressuring Japan to change its policies. Naturally, this pressure generates considerable resistance in Japan among people who feel that the rest of the world should follow the Japanese model instead.

Yet this is the very opposite of the attitude that a commercial state should take. The Venetians would not have made this mistake. They knew that everything worked within the dynamics of power politics, and they worked



hard to develop the techniques needed to manipulate this.

So to the Venetians or Machiavelli, Japanese are geniuses in the factory and morons outside. Japan is amazingly schizophrenic, and I sometimes wonder if we are going to last 300 years.

SHIONO: A lot of it depends upon whether or not Japan can get down off its self-righteous high horse.

I have heard that there is a saying about the four things which do not exist anywhere: an American philosopher, a German comedian, a British musician, and a Japanese playboy. I think you have to be a bit of a playboy to engage in successful diplomacy. Both are questions of popularity, of displaying yourself to best advantage, and of playing on the other person's weaknesses.

Economics, your field, is a little different because the numbers are right there for everybody to see, but in international politics there are no numbers to judge by and it does not matter if you do not get things exactly right. In fact, sometimes I wonder if it might not be a good idea for Japan to be more willing to get things wrong. In politics or diplomacy, you have to strike a balance among the desirable, tolerable and impermissible.

“Japan has to impress upon other countries how essential Japan is.”

AMAYA: I think you can sum up international relations with three little words. Now this cannot possibly be “I love you.” It is going to be either “I need you” or “I hate you.” The first aim of Japanese foreign policy has to be to eliminate the “I hate you” vis-à-vis Japan. The second aim should be to increase the number of countries which think they need Japan. And this need has to be a mutual thing. There has to be balance.

The way things are today, Japan needs Australia, the United States, and many other countries, but how many countries feel they need Japan? Japan has to impress upon other countries how essential Japan is. They may not like Japan, but they should need Japan. Economic cooperation is a case in point. This is not altruistic assistance. It is very much in Japan's own self interest.

SHIONO: Japan should be perfectly honest with the Third World. We need each other's cooperation to survive. “Co-existence and co-prosperity” is not such a bad slogan after all so long as it is honest.

AMAYA: It is the same with rearmament. We should not do this because the U.S. tells us to but rather because we need a certain level of military force in our own as well as our mutual interests. We should be doing this for ourselves as a responsible member of the free world—and willing to admit it.

SHIONO: This idea that we are doing it because the U.S. tells us to is just incomprehensible to the American or European mind. They assume that Japan does it because it pays or is otherwise to Japan's advantage. There are all kinds of things that we have to do in our own interest—because it pays—but whenever I talk about

this people accuse me of having lived overseas too long. They say I do not understand conditions in Japan.

AMAYA: It is not so much that you have lived overseas too long as it is that they have lived in Japan too long.

“Japan has to let more winds of international thought blow through the land.”

SHIONO: These people expect me to modify my views to fit the prevailing mood. But I cannot change my views to suit every passing fancy. I have to be honest. If I say something because then such-and-such newspaper will invite me to speak at its symposiums, or I refrain from speaking out because the government might not appoint me to a prestigious advisory council, then I am not an honest writer any more. Once I do that, I am an intellectual prostitute.

Japan has to open up more and let more winds of international thought blow through the land. I know there are some foreign teachers at the universities, but not many. And what few there are do not want to rock the boat. We really need a broader range of ideas to shake people off dead center and to get them thinking. Unless, of course, we think the Japanese system works as well as it does because we do not have this intellectual turmoil.

AMAYA: In the 1960s, when Japan was getting ready to liberalize trade, there were a lot of economics professors at the universities who were very vociferous in their criticism of MITI for holding back liberalization. This criticism had much to recommend it and maybe MITI should have been a little faster with liberalization. However, at the time, there was one professor at Tokyo University who pointed out that these economics professors should put their own houses in order before they criticized MITI. At the time, the faculties were all-Japanese. There was not a foreign face in the lot. Even compared with Japan's commercial marketplace, the academic marketplace was one of the most closed of them all.

SHIONO: One of the things I have noticed overseas is that Japanese publications are not available in the bookstores. There are a number of very good Japanese periodicals in English—*Japan Quarterly*, *Japan Echo*, this *JOURNAL*, and more—but they are not available in foreign bookstores. Maybe they are only intended for specialists, but this is another area that needs to be worked on. How can Japan expect to engage in international exchanges of ideas if we do not get our own thinking out there to be criticized?

AMAYA: Japan is still imbalanced. We have grown much bigger as an industrial nation, but we are still children when it comes to power politics and diplomacy. Until we rectify this imbalance, we will always feel out of place in the international community. How we rectify this imbalance between our international presence and our stay-at-home minds may well make the difference between a few years of prosperity and 300. ●