

The West vs. Japan In Historical Perspective

By Heita Kawakatsu

For a long time in the history of mankind, West Europe and Japan were on the outer edges of the civilized world. How was it, then, that these two regions were able to develop their highly sophisticated market economies, which are so visible today?

The "crisis" of the 14th century

According to Immanuel Wallerstein (*The Modern World System I*, 1974), the "European world economy" took shape around 1450–1640. Wallerstein says that the European continent was faced with a "crisis" in the 14th century, a crisis which consisted of the exhaustion of the soil's fertility because of lack of technical progress under the feudal system, frequent outbreaks of war, and plague, which swept Europe intermittently from the middle of the 14th century. He argues that Europe's search for a new economic order to overcome the crisis resulted in the formation of the European world economy.

What Wallerstein calls the "crisis" of the 14th century, however, was not a phenomenon confined to Europe alone. Similar "crisis" phenomena were seen in the vast area extending to the east edge of the Eurasian Continent. Some scholars attribute this crisis to the cold weather that rolled over Eurasia in the 14th–15th centuries. Whatever the cause, the population of Europe was reduced roughly to two-thirds; the same was the case in the Middle East (see M.W. Dols, *The Black Death in the Middle East*, 1977). The population of China, too, decreased dramatically. The epidemic first broke out around 1350 and returned time and again during a period of at least 150 years, causing serious social unrest.

In Japan, the years around 1350 were the time when *wako* (literally, Japanese pirates) began their marauding ventures. Their activities continued up to the 16th century, changing gradually into peaceful transactions. It is presumed that the initial motivation of *wako* was the shortage of food and labor in their own country, for *wako* stole rice and took away people from China & Korea. In the last three quarters of the 14th century, Japan was in a state of turmoil because of the civil war between the Northern and Southern

dynasties. Thus, in Japan, too, the crisis phenomenon was evident. The deep cleavage that the period saw is regarded as a turning point in Japanese history.

Of great interest is the fact that, with the crisis of the 14th century, a rising swell of overseas advances occurred almost simultaneously in Japan and Europe. As a result of their overseas advances, Europeans and Japanese eventually came to the same geographical region of the world, where they engaged in intensive trading activities with numerous races. The Japanese called that part of the world *Tenjiku-Namban*, equivalent to what the Europeans knew as the East Indies. The region, described as "the Indian Ocean proto-world economy" by Wallerstein (present South and Southeast Asia), might well have been the center of world trade in those days.

Importation of new products

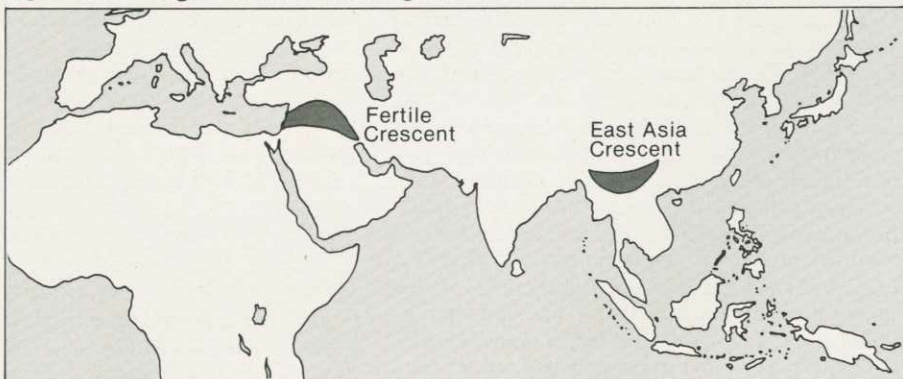
Thereafter, there were similarities in the products that the Japanese and the Europeans used. It is worth noting, in this connection, that each of the geographical areas where ancient civilizations flourished corresponded to the area where a certain group of crops was grown. This fact has been known since the Russian botanist H.N. Babirow announced the results of his research into the places of origin of cultivated plants. The Japanese botanist-ecologist, Sasuke Nakao, pushed Babirow's research a step further and discovered the two original centers of agriculture. (See Figure 1.) One of them is the

famous Fertile Crescent and the other is located in the area of Assam and a part of Yunnan. The latter has a shape like a semicircular arc, so is called the East Asia Crescent. Since the ancient agricultural revolution, Europe and Japan had developed agriculture independently of each other while receiving benefits from these two centers of agriculture; wheat originated in the Fertile Crescent, while rice originated in the East Asia Crescent.

A change occurred during the period of the second half of the Middle Ages to the early part of modern times in which Europe and Japan received a flood of new products from the East Indies and the New World—at that time, still unknown regions to them. Important items traded at this time were not limited to agricultural produce and their processed products. They included not only sulphur, saltpeter, iron, gold, silver, copper and processed mineral products such as kettles, swords, scissors, guns, etc., but also chinaware, mirrors, glass, clocks and other industrial goods, deer skin, shark skin, ivory, and even human slaves. Therefore, when considering the livelihood of people of this time and later, it is probably better to take note of the entire spectrum of livelihood supplies essential to the culture and life of people living in a specific civilization and treat the whole as "a society's complex set of products," instead of noting only the agricultural product group which Babirow and Nakao employed as their yardstick.

The product complex, in the context of the abbreviated explanation given above, changed in Europe and Japan from the

Fig. 1 Two Original Centers of Agriculture



Source: Sasuke Nakao, *Gendai Bunmei Futatsu no Genryu* (Two Origins of Modern Civilizations)

old to a new one as a result of both having engaged in large scale trade, in particularly with the East Indies. In other words, the economic history of both Europe and Japan from the late Middle Ages to modern times was characterized by a shift from a dissimilar medieval-type of complex set of products to the modern type with aspects common to Europe and Japan. The major turning points in their histories were the Great Navigation Age of Europe and the *Sengoku-jidai* (Warring Period: 1477–1568) in Japan.

Morishima's argument criticized

After Europe and Japan experienced brisk transactions with the East Indies, however, a striking contrast began to appear between them. Japan moved toward closing the country, while Europe, led by Britain, proceeded toward the establishment of the Atlantic world economy. Why did Japan and Europe take different courses, one toward a closed and the other toward an open economic system?

Michio Morishima explains in his latest book, *Why Has Japan Succeeded?* (1982), that it was a matter of comparative advantages.

Japan's isolation also functioned as a protection for internal industries. A comparison of Japanese agriculture and industry with those of the Western countries clearly shows that Japan then had a comparative advantage in mining and agriculture. It would have been more beneficial for her to specialize in them and exchange their products for foreign manufactured goods than to produce those goods within the country. Therefore, if free trade had been permitted between Japan and the West, Japanese handicraft manufacturing industries might have been wiped out. In order to protect Japan's craft industries from the West's export offensive and to prevent Japan's becoming a purely agricultural country, an appropriate protective trade policy had to be implemented, and by following a policy of national seclusion the Tokugawa Bakufu had, quite unconsciously, implemented a perfect protective trade policy. It was, therefore, thanks to the isolation of the Tokugawa period that the Meiji government was able to enforce its policies in pursuit

of national wealth and strong armed forces so soon after its seizure of power. (pp. 59–60).

Morishima's argument, however, is not in accord with historical facts. The industrial products of which the Western countries could make a boast around the 1630s when Japan closed her country were woolen textiles and guns. The Europeans' attempt to dispose of their woolen textiles in India, Southeast Asia and in the Far East—especially China and Japan—where cold climates in winter were thought to favor the sale of woolen cloth, proved to be unsuccessful. This was partly because Asian countries had abundant cotton, hemp, and silk fabrics which were much cheaper than the woolen textiles brought from Europe.

What about guns? These were brought to Tanegashima Island in southern Japan around 1543 by the Portuguese. The Japanese quickly mastered the technique of making guns and "They had fought battles in the late sixteenth century using more guns than any European country possessed." (Noel Perrin, *Giving Up the Gun*, 1979, p.4.) Moreover, Japan improved the matchlock and produced the flintlock. "There is also a possibility that the flintlock principle was brought back from Japan by Portuguese navigators, the Japanese having long used flint and steel mechanical lighters." (ibid., p.70.)

In addition to the above, Japan was then a "have" country, for it was blessed with natural resources, including woods and forests, iron sand, gold, silver, and copper. Annual exports of Japanese gold and silver alone are estimated to have amounted to 30 to 40% of world production. It is, therefore, too hasty to conclude that Japanese industrial resources and technology were inferior to those of the West at the time Japan took up its isolationist policy. We must, therefore, seek another explanation for Japan's seclusionism, which lasted for 250 years of the Tokugawa period (1603–1867).

Open system vs. closed system

There is an interesting question which has been overlooked so far. The question is: What were the economic conditions that enabled the Japanese to sustain their

livelihood even when isolation was forced on them? This question is important because for more than two centuries preceding her isolation, Japan had vigorously traded with various countries, meaning that Japan, far from being self-sufficient, had to depend on overseas trade for survival.

Try to imagine what would result if today's Japanese government should decide to adopt an isolationist policy in utter disregard of the country's dependence on foreign trade for survival. Should the government dare attempt it, the economy would collapse. However, there is no evidence to show that the Japanese economy plunged into chaos as a consequence of the seclusionist policy declared in the 1630s. No proper explanation for this has been advanced so far.

In order to contrast the historical course of Japan to that of the West, I should like to take Britain as representative of the West. As far as overseas trade with the East Indies was concerned, there were similarities between Britain's and Japan's relations with the region in and after the 16th century; both exported bullion (chiefly silver) and imported Oriental products such as pepper, spices, various drugs, tea, coffee, sugar, silk goods, cotton textiles, indigo, dyes, porcelain, saltpeter, etc. Through this trade relationship a demand structure for Oriental goods was gradually built up in Britain and Japan. But eventually both countries decreased their deep involvement in transactions with the East Indies.

The fact that both Britain and Japan gradually became less dependent on Oriental products was not unrelated to the fact that they formed two contrasting socio-economic systems: Japan taking the path toward isolation, or a closed system, while Britain took the path toward establishing the open-system Atlantic economies.

Japan, in the course of time, succeeded in transplanting to her own soil most of the products imported from the East Indies, thus gradually eliminating the comparative advantage held by her trading partners—not the advantage the Western countries held over Japan as Morishima assumed, but that which the other Asian countries had against her.

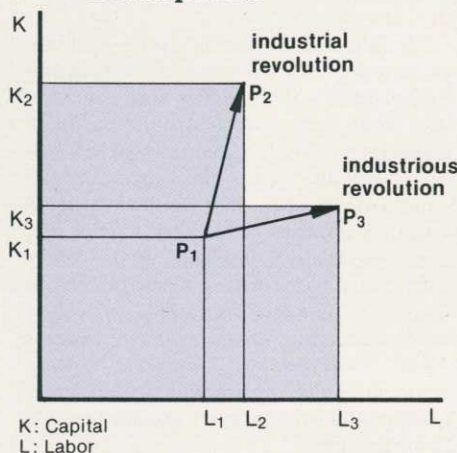
On the other hand, Britain, not blessed

with climatic conditions that allowed the transplantation of Oriental products to her own soil (even if feasible, the cost would have been enormous), had no alternative but to continue to import them. Britain succeeded in reducing the comparative advantages held by the East Indies over her finally by building up the commercial empire encompassing the Atlantic Ocean. With a few exceptions such as tea, which continued to be imported from the East, sugar, coffee and rice, for example, were successfully transplanted to the New World, and in the case of Indian cotton, the indigenous cotton plant was found there.

The main reason why Britain and Japan had to reduce the import of Oriental products was obvious: how to curtail the outflow of enormous amounts of bullion to the East Indies. To understand this, it is sufficient to remember the lengthy debates on mercantilism in the case of Britain. In Japan, too, various measures were taken to control the outflow of bullion such as minting *tokuchugin* or silver money for export use only. But the final solution to the single-package problem of reducing imports of Oriental goods and stemming the outflow of bullion to the East Indies was achieved by Britain established a capital-intensive economy to substitute for Oriental goods in the Atlantic rim sphere, while Japan developed a labor-intensive economy to substitute for them within her own soil. Akira Hayami succinctly summarized their differences, noting that while Britain accomplished the Industrial Revolution, Japan underwent an industrious revolution. The difference between the two revolutions lay in the differing emphases placed on the two factors of production: capital and labor. (See Figure 2.)

As a result, a marked difference appeared between Britain and Japan in the scale of their economies. But there were unmistakable similarities in the products they began to use, such as cotton textiles, sugar, tea, and silk fabrics. Among others, cotton was the most important item, for in the West, in the course of time, cotton became a key commodity in the "triangular trade" linking the Atlantic economies led by Great Britain, and in the Far East, cotton became the most important item of the merchandise economy in isolat-

Fig. 2 Two Types of Economic Developments



tionist Japan. So, the case of cotton will now be taken up to explain in more detail the contrast between Britain's and Japan's economic histories.

Spread of cotton to west- and eastward

Cotton had been grown in India from several thousands of years before Christ, and for a long time India monopolized the product. Cotton goods eventually served as the axis around which the shift of the complex set of products from medieval type to modern type took place. By the time Europeans and Japanese launched out into the East Indies, cotton textiles were being used by the people of East Africa, the Middle East and South and Southeast Asia, not only as clothing material but also as a means of exchange. Over the years from the Middle Ages to the recent past, as trade began between the East Indies and the two extremities of Eurasia, cotton products found their way from India to the west and the east via various routes.

The spread of Indian cotton to the west was triggered by the so-called "Arab Agricultural Revolution" (A.M. Watson) which took place during the period of 700 to 1100. At the heart of the revolution was the introduction of many new crops into Arab territory. One of these crops was cotton, which spread across Egypt to North Africa, Spain, southern Italy and Sicily. The commercial contact between

the East and the West as a consequence of the Crusades brought large quantities of cotton into Europe.

The dramatic expansion of European cotton imports was closely related to the growth of handicraft cotton textile production (mostly fustian: the mixed fabric of cotton weft and linen warp). But there were at least three factors which prevented the medieval cotton (fustian) industry from developing further. Firstly, climatic conditions precluded the introduction of cotton cultivation into Europe except in the southern area. Secondly, constant wars and particularly the Thirty Years War dealt a serious blow to the fustian industry. Thirdly, the importation of Indian exotic textiles into Europe brought about decisive damage to the industry.

It was only after inexpensive high-quality Indian cotton textiles were brought to Europe from India that Europeans really became acquainted with pure cotton textiles. Europeans, who used to wear apparel made of heavy woolen fabrics, were charmed by the beautiful thin cotton cloth from India, which people described as "a web of woven air." Cotton cloth, which unlike woolen fabrics could be washed easily, and whose price was very cheap, was treasured by Europeans, with the result that an enormous demand was generated. In 1708 Defoe could write that "Almost everything that used to be wool and silk, relating either to the dress of the women or the furniture of our houses, was supplied by the Indian trade." It became a pressing national task for European countries to cope with the mounting import of thin cotton textiles from India.

In Britain, Parliament twice passed the Calico Act in 1700 and 1720 to ban Indian calicoes. These prohibition acts forced the East India Company to engage in the re-export business, which contributed to the establishment of markets for cotton textiles in three continents bordering the Atlantic Ocean. In order to produce in Europe a "substitute" for the thin Indian cotton textiles, fine yarn was necessary. The prospect for producing this in Europe came finally when the cotton plant, whose staple was thin and long, was discovered in the New World and the mule spinning machine capable of spinning fine yarn was invented by Samuel Crompton in 1779. (The cotton with a long staple found in

	Raw cotton	Cotton yarn	Cotton cloth
The Western type	Long-stapled cotton	Fine yarn	Thin and light texture
The Far Eastern type	Short-stapled cotton	Thick yarn	Thick and heavy texture

the New World was a different species from the one grown in the Old World or Asia. The cross-breeding of these two resulted in sterility. This was discovered in 1928 by the Russian genetic biologist Zaitzev.) In this way, the New World, which produced the raw material, Britain, which provided technology and the Atlantic rim sphere (Europe, America and the African continent), which constituted the market, were linked.

As regards the eastward movement of cotton, it was around the 14th to 16th centuries that cotton cultivation spread to China, Korea and Japan. China was the first among these three countries into which cotton was introduced. During Marco Polo's stay in China in the period 1271–1292, he observed that the people's clothing was made of silk. A century after Marco Polo, the use of cotton became universal. Cotton seed was transplanted to the Korean soil in 1364 when Mun Ikku-jun was sent as a Korean envoy to China and brought the seed back with him. And the cotton seed finally reached Japan in the course of the 16th century. Although China is close to India, the reason it took so many years for cotton cultivation to reach China (and Korea and Japan) was that it was quite difficult to develop a species that could withstand the cold winter of the temperate zone of the Far East, for cotton was intrinsically a tropical plant. When cotton was successfully transplanted to the Far Eastern countries, a new variety of cotton came into being whose Latin name is *Gossypium arboreum race sinense*. This *sinense* cotton, featuring the shortest and thickest fiber in the world, was grown only in China, Korea, Japan and Taiwan. This kind of cotton was suitable for spinning thick yarn, and the woven products of this yarn became greatly treasured throughout the Far East. Eventually it became commonplace for the people of China, Korea and Japan to clothe themselves in

the soft and slightly humid warmth of thick cotton cloth.

Through the process described above, cotton industries making products of contrasting quality, outlined in the table shown above, were established in Europe and in the Far East.

Becoming familiar with cotton textiles, which was an Indian monopoly for a long time, Europeans and Far Eastern people came to regard it as one of the essentials of life, and subsequently succeeded in becoming self-sufficient in cotton textiles. But there was a contrast in the process of becoming self-sufficient, with Europe becoming so within the open system of the Atlantic economic sphere and the Far East becoming self sufficient inside a closed economic system marked by seclusion.

It is a well-known fact that Britain took the initiative among the Western countries in promoting cotton and eventually developed the most powerful cotton industry in the world. In the Far East, the cotton industry underwent different courses in China, Korea and Japan. The cotton industry of Japan became far more advanced than that of China and Korea. In China it did not develop smoothly because cotton competed with cereals for land whereas the arable average remained the same, and also because non-economic constraints prevented technical improvement. In the case of Korea, cotton fabric was used as currency, and it therefore constituted an important source of revenue for the government. Accordingly, crushing taxes were imposed on cotton fabrics, and this hindered progress in cotton cultivation.

In contrast to China and Korea, the cultivation of cotton and the cotton industry achieved astonishing progress in Japan, chiefly in the five provinces around Osaka and in the area along the coast of the Seto Inland Sea, and reached its highest level during the economic development of the Tokugawa period. From the standpoint of

the economic history of cotton in the West and in the East, the relative advantages of Britain in West Europe and of modern Japan in the Far East were comparable.

This outline of the case of cotton is an example which endorses the argument that various products originating in the Indian region found their way into the West and the East. If this is kept in mind, the following becomes understandable.

After Japan awakened from her long period of seclusion and opened her ports in the 1850s, her major imports from the West were cotton fabrics and sugar. In those days Japan was already producing these two products. But this fact was regarded as a mere coincidence, though unfortunate for the traditional sugar and cotton industries of Japan, which was seen as an underdeveloped country. On the other hand, the major items of Japanese export, that is, things in demand by Europeans, were raw silk and tea. The "coincidence" that Japan had raw silk and tea was regarded as fortunate for the country because she was able to earn foreign exchange from their export. However, this was not really a coincidence. The reason that Japan had internationally demanded commodities will be clear when a study is made of the origin of those products. All these products once existed in Asia and had their origin in what K.N. Chaudhuri called "The Trading World of Asia," in which Japan and Europe were late-comer participants.

If the merchandise society built up in the Atlantic rim sphere under Britain's leadership were to be called the modern world economy, the society of the recent past created within a secluded country may well be called a miniature of the world economy, when seen only in terms of its products.

Economic prosperity through peace

The society under the national seclusion was, for sure, a society of firmly established social status. At the same time, as Akira Hayami put it, it was the "age of formation and establishment of economic society." In other words, concerning the process of economic history from the Middle Ages to the recent past, the difference between Japan and Europe—particu-

larly Britain, which was the central Western power—should no longer be regarded in terms of a difference in the stage of economic development, but in terms of a parallel development of economic society in which there was a difference in the ways Japan and Europe responded to the problem of the outflow of bullion which they faced in common.

The historian G. Barraclough, in his book *Turning Points in World History* (1977), expresses surprise at the fact that just at the same time that Europe headed for expansion the countries of the Far East shut themselves up in clam-like seclusion. What stands out strikingly between Europe, which expanded the scale of its activities to the New World, and Japan, which confined its economic activities to small islands, are the differences rather than similarities as rational economic societies. I shall conclude this article with a comment on the differences.

This relates to the problem of armaments and the economy, and more broadly to the problem of peace and war.

The formation of the Tokugawa society in Japan began with the "abandonment of the gun." The significance of the abandonment of the gun was probably greater than the significance of the introduction of the gun into Japan. It is often said that world history is the history of war. The history of war, at the same time, is the history of the development of arms, which is closely related to progress in technology. In the course of man's long history, the development of technology (tools) has been a continuous forward process. The development of technology and tools was always accompanied by the development of the technology and weapons for slaughtering humans. This seemed to be a process which goes only forward and never backward.

There was an exception, however. The exception was Japan. Through the international exchange which Japan had promoted during the Warring Period (1477–1568), Japan imported guns, which represented the cream of Western science and technology. She also mastered gun-making techniques, and eventually became the world's leading possessor of guns. Guns were extensively employed during the invasion of Korea by Toyotomi Hideyoshi, one of the powerful warrior lords

of the 16th century. As society developed, however, guns were discarded, a move which was a return to the society of the sword. Whatever the political motive for rejecting the gun, the result was a retrogression in the technique of killing man. This historical fact seems to give a hint for resolving the contemporary dilemma over nuclear weapons, which are a symbol of the glorious progress of science and technology achieved by man and, at the same time, a symbol of the potential destruction of mankind.

By opting for seclusion, Japan, in contrast to Europe, in a way, opted for peace through the abandonment of the gun. While Japan enjoyed a period of stability and peace in seclusion, Europe went through an endless series of wars within the "Modern World System." Anyone who reads *General View of World History—the Various Eras of the Recent Past*, which the distinguished German historian Leopold von Ranke wrote in the middle of the 19th century when Europe established its hegemony over the world, will realize from the author's fascinating account that Europe's modern history was a history of one war after another. Thus a characteristic feature of the "Modern World System" is that it combines economic development and war in a single package.

The arrival of Commodore Perry's Black Ships in Japan signaled another Japanese encounter with this "Modern World System," after a lapse of 250 years' seclusion. Having to cope with a new form of international exchange, Japan carried out the Meiji Restoration in order to abandon the old and adopt the new, and made "national prosperity and military power" her slogan. It can be said that woven skillfully into this slogan is the essence of the "Modern World System," which views "economic power and military power" as a single package.

Having succeeded in attaining the slogan's target of "national prosperity and military power," Japan joined the modern Western system and scored victories in the Sino-Japanese War (1894–5), the Russo-Japanese War (1904–5) and World War I. But finally, Japan suffered a devastating defeat in World War II. Once again, Japan renounced arms. Her earlier rejection of the gun was the result of a positive international exchange. But the renuncia-

tion of armaments this time was the result of a negative international exchange: war. The first case led to the establishment of the Tokugawa economic society, while the second case led to Japan's high economic growth. Without design, both were cases of opting for peace.

In order to preclude misunderstanding, I wish to make it clear here that the above argument is not for the purpose of extolling national seclusionism or isolationism. In this age of "Our Planet," it would be anachronistic to talk about the significance of seclusionism. What we need today is to think about the necessity of approaching problems from a global standpoint, on a global scale.

However, an analogy might be found between the fact that the earth is all that we have been given. Seclusionism clearly predicates the existence of a limit called the national border. The earth, too, has a limited existence. The earth's resources are limited and scarce. The "Modern World System" views the world as eternal and as an object for conquest in which the strong win over the weak and the fittest survive, as expressed in the Darwinian theory of natural selection. But there is also much to learn from the view, as expressed in the so-called principle of "habitat segregation" advanced by Kinji Imanishi, that looks upon the world in terms of a totality called the earth and espouses co-existence and co-prosperity rather than struggle between living creatures. With the world becoming increasingly interdependent, the peace ideal of "harmony within the whole," which is at the root of the Japanese-developed Imanishi theory of evolution, is essential and something Japan would like the world to know more than its cars, TV sets and tape recorders. ●

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