

UNIT 8 JAPAN: HISTORICAL CONTEXT— NATIONALISM AND CAPITALISM

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8.0 OBJECTIVES

The objective of this unit is to help you understand the way in which Japan developed its brand of nationalism and capitalism. To this end, the unit focuses attention on historical development of events — political, economic and social — for over a century until the World War II. The unit discusses the process of actual transformation of feudal Japan into a modern successful industrialized nation. After studying this unit, you will be in a position to:

- understand how Japan created **institutions and facilities** congenial to transform its society and economy.
- comprehend meaning and type of Japanese **nationalism**.
- explain how **education** was used to indoctrinate both nationalism and capitalism.

- evaluate the manner in which Japanese **capitalism** was developed despite odds and negative influence.

8.1 INTRODUCTION

Japan, had been in seclusion for centuries. The power of the state were usurped by the hereditary military clique—slogan—and the King was forced to lead a secluded life. Feudalism had been the order of the day. The arrival of the Western ships at the Japanese shore in 1850 s broke the seclusion. Now Japan saw with great astonishment how the West was advanced in all fields of life and civilization. It sparked off Japanese nationalism. Centuries old Shogunate system was discarded. Powers of the Emperor Meiji were restored and the country was modernised within a shortest possible time. Japan borrowed Western technology, strategy of economic development, system of education and the form of the government but adapted them to the age old custom, traditions and civilizations of the country and emerged as the power of the East, capable to compete with the West.

8.2 LAND AND PEOPLE

Japan, also called **Nihon** or **Nippon** in Japanese (meaning origin of sun), is a chain of four large islands — Honshu, Hokkaido, Shikoku and Kyushu — and a large number of smaller ones stretching along the coast of East Asia. Japan is a mountainous country and only about 16 per cent of its land can be used for agriculture. The only mineral available is coal. The threat of earthquake is always present. Japanese rivers are short and swift, limited in their use for transformation but ideal for hydroelectric power generation.

Most areas in Japan receive rains between 60 and 100 inches annually. The seas of Japan are rich fishing grounds. The land area of Japan is 142,300 square miles. A large crop area is devoted to rice, other crops being wheat, barley, naked barley, sweet potatoes, white potatoes, tea and millet.

As of March 1992, the total Japanese population is 124.5 million. The basic Japanese ethnic stock is Mongoloid. Japanese population now is fairly homogeneous. Japanese is the only language spoken in Japan and all Japanese speak Japanese.

It is difficult to generalize Japanese national character. However, a certain common behaviour can be noticed. The Japanese prefer to act as part of a group rather than as an individual, possess a high sense of loyalty to the group and tend to conform nearly to certain uniform standards. The family as a social unit is very important, and often its type is projected on to other groups. Suicide is an accepted form of protest or atonement.

The early Japanese were organised socially and politically in a number of independent clans each of which was ruled by a hereditary leader. Warfare among them became endemic by the end of 15th century. The ambition of each ruler was to attain hegemony over all of Japan. Tokugawa Ieyasu, who controlled one of the largest domains, crushed all his opponents in the battle of Sekigahara in 1600. The rest of the small rulers, in acknowledgement of Ieyasu's power, simply signed an oath of loyalty.

The material basis of Tokugawa power lay in the control of territory that consisted of lands producing about 31 per cent of country's rice. Tokugawa Shogunate also controlled the gold and silver mines, and important urban centres.

The Emperor was the source of all legitimate authority. The nominated regional rulers—**daimyos**—were denied access to him and were kept under watchful eye of Tokugawa governors. (Daimyos were forced to spend several months in the Tokugawa capital and whenever they returned to their domain had to leave their families as hostages. Without permission no daimyo could coin money or contract a marriage, build warships or move troops beyond his borders.)

Historians claim that Japanese conservative social policies brought about a 'return

to feudalism'. Suppression of Christianity and the policy of seclusion are pointed as deliberate attempts to take Japan out of mainstream world history. Despite its seclusion, the Tokugawa age proved to be a period of noticeable cultural and institutional development. Japan strengthened its national and cultural foundations during these years.

While the government remained in the hands of military aristocracy, the Samurai eventually became bureaucratic elite under whose guidance the administration of the country was markedly systematized and rationalized. Under the Tokugawa regime the trend towards urbanization continued; and the economy was for the first time knit into a national entity. In the field of thought, the spread of confucianism affected the spiritual orientation of the entire Japanese people. The growth of educational facilities besides turning a majority people into a literate class provided schooling for the lower classes as well.

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8.3 POLITICAL SYSTEM

Historians have given the name **baku-han** to the Tokugawa political system, indicating that it was based upon the parallel existence of a Shogunate (bakufu) and some 250 daimyo domains (han). The **Shogunate** was a national authority.

The particular form of government which evolved from the baku-han system was unique to Japan. The force of authority that united the system was at the top feudal, as it applied to the relationship between shogun and daimyo. The regime kept alive a dynamic tension between feudal and bureaucratic techniques and between decentralized and centralized authority.

The emperor was the ultimate source of political sanction. Tokugawa policy continued the dual objectives of heightening the prestige of the sovereign while seeking to control him and isolate him from the daimyo. Thus, the Tokugawa treated the emperor and his court with great outward respect, expecting the daimyo to do likewise. Towards the Shogun each daimyo swore a private oath in which he pledged to obey the Shogun's decrees, not to enter into collusion against Shogun. In return, the Shogun considered the daimyo as proprietor of his domain.

The baku-han system provided Japan with a remarkably vigorous and comprehensive administrative system. The government rested upon the simple fact that above the level of the relatively autonomous village and town communities, the military estate had appropriated all superior rights, and administration was entirely in the hands of the Samurai class. As Commander-in-chief of the military class, the Shogun now possessed full powers of government. Therefore, the Tokugawa regime represented the rather unusual case of a civil government administered by a professional military class. Being by profession a military their swords on call. But in peacetime they fulfilled additional tasks as civil or military officials. Tokugawa government behaved also as an extension of military rule in times of peace.

8.3.1 Tokugawa Class Structure

To prevent any change that might undermine their rule, the Tokugawa created a rigid, hereditary class structure — Samurais, farmers, artisans and merchants.

The highest class were the Samurais who constituted about six per cent of the population. From Shogun to the lowest foot soldier belonged to this class. They were not allowed to practise agriculture or to engage in a trade or craft. Rice allowance were their main income. In most domains various offices became hereditary. With the coming of peace, the Samurai were not involved in administration. They were initiated to scholarly pursuits. In due course, the military class also became the intellectuals and bureaucrats.

The vast majority of Japanese belonged to the second ranking class, the farmers. Both landlords and tenants lived in villages. Tenancy varied in different parts of Japan from 25% to more than 50%. Among landlords also the range of holding

Only the landlords had the privilege of participating in the management of village or of sharing the common lands and water rights. The richer of these villagers were better educated and capable of keeping official records. Technically all lands belonged to the emperor, but the landholders only held the right to cultivate. This right could be inherited, bought or sold, and as such ownership for all practical purpose.

The other two classes were artisans and merchants respectively. For convenient reasons they were called towns people. No direct trading between domains was allowed. Osaka became a great market. Modern living style and acquisition of wealth was common and important in urban centres.

8.3.2 The Seclusion Policy

In 1639 the Tokugawa closed Japan to all foreigners excepting the Dutch and the Chinese who were permitted to trade at Nagasaki but under the closest supervision. Later even no Japanese tradesmen allowed to go abroad. While the first measure broke contact with advanced western civilizations, the second measure cut short Japanese chances to expand into East and South-east Asia.

8.3.3 Factors Undermining the Tokugawa Regime

Economic and intellectual developments came about which were responsible eventually for toppling the regime. The Shogunate was not able to prevent change. The Tokugawas were to blame themselves for their economic difficulties. Their policies had caused a large and powerful merchant class to come into existence and had put that class into position to profit from the daimyo. The period of economic expansion and prosperity was coupled with a population that was pressing up to the limit of country's resources. The condition of farmers worsened, thus causing difficulty for the Shogunate and the daimyo to maintain their revenues. To meet these, the Shogunate began to make forced loans from the merchants. Coupled with inflation, daimyo soon fell hopelessly in debt. To ensure extra income, many daimyo established monopolies within their domains on various local products. Both they and the Shogunate cut down the stipends of their Samurai, who then had to turn to the moneylenders. Profiting from all these, the merchants began to raise their status by buying adoption into Samurai families or marrying their daughters to Samurai. They also began to gain control of farm lands and subject the peasant to an illegal rent.

8.3.4 The End of Seclusion

In the early 19th century, the question of Japan's seclusion became important to western maritime nations, particularly to the United States. Though the Shogunate was determined to keep the country closed, the arrival of American warships under the command of Commodore Mathew Calbraith Perry on 8 July 1853 and his warning forced Japan to sign the Treaty of Kanagawa on 31 March, 1854. The terms opened Shimoda and Hakodate. Having yielded to Americans, the Shogunate went on to sign similar agreements with the English in 1854 and the Russians in 1855.

8.3.5 The Fall of Shogunate

The signing of the treaties prompted an outbreak of anti-Shogunate and anti-foreign feeling. (These trouble makers indulged in such activities including arrests, and assassination.) Attacks were made on foreigners by xenophobic Samurai who used as slogans like 'Honour the Emperor', and 'Expel the barbarians'. The Emperor summoned Shogun and daimyo to Kyoto. The Shogunate had weakened its hold on daimyo by virtually abolishing hostage system. Shogun was forced to consent to an imperial order to drive the foreigners out of the country in June 1863. Only a few daimyo obeyed this. Shogun was obliged to agree that in the future the Emperor would invest the daimyo with their domains. Daimyos from Satsuma, Choshu, Echizen among others would act as imperial advisers. In 1866 the Shogun died issueless and was succeeded by Pro-imperial branch (Mito) of Tokugawa member. Beset with such problems as finance, foreign relations, internal revolt, and unable to manage imperial court and daimyo, Shogun resigned finally in

November 1867. The young Emperor Meiji, who had ascended to the throne in February 1867 took over and the course of events since has been called the Meiji Restoration.

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8.4 THE NEW GOVERNMENT

With the direct imperial system being reestablished, Shogun surrendered his holdings. Though pro-Tokugawa forces rebelled against this measure, they were firmly dealt with by the new rulers.

The first few years of Meiji Restoration saw numerous changes in the administrative structure. The senior offices with prestige were divided among the court nobles and daimyo, while the junior offices which involved actual exercise of power were filled by an ambitious and highly capable group of young Samurai. Some of them were — Okubo Toshimichi, Kido Takayoshi, Goto Shiro, Ito Hirobumi, Okuma Shigenobu, Itagaki Taisuke, Soejima Taneyomi, Saigo Takamori, Yamagata Aritomo, Eto Shimpei, and Inoue Kaoru.

8.4.1 Abolition of Daimyo Domains

In 1868 the Central government had under its administrative and fiscal control only the former Tokugawa holdings. In a bid to spread its authority to daimyo domains, in 1869, the daimyo of Satsuma, Choshu, Hizen and Tosa were persuaded to surrender their land registers. To ease possible tensions, daimyo were retained as governors of former domains at a salary equal to half of their old revenues. The Samurai were also provided with pensions. By 1871 domains were abolished and replaced with prefectures administered by central government appointees.

8.4.2 Reforms of the Government

Road barriers were eliminated and freedom of movement was allowed. Every one was given the right to choose his own occupation. The Tokugawa class system was completely eliminated. Equality before law was guaranteed to all. In 1873, a conscription system modelled on that of Germany was instituted. All male over 20 were liable to three years of service. The French military mission which originally helped to organize the army, was later replaced by German advisers. A small navy was brought into being under the guidance of the English.

In 1871 a Department of Education was established and commissioned to create an educational system. By 1900 Japan achieved almost hundred per cent literacy. Private universities were also founded like Keio, Doshisha and Waseda Universities. In early years there was an extensive American influence in the School System. Gradually German practices gained ascendancy. Education was structured not for the individual but for the State.

8.4.3 State and Religion

The Meiji statesmen declared Shinto as an excellent device for focusing the loyalty of the Japanese people upon the Emperor and his government. Shinto had originally been a somewhat primitive combination of nature and ancestor worship. It later developed a Cosmogony. However, major Shinto shrines continued to be officially supported.

Meiji government in its bid to enhance the importance of Shinto, displayed an anti-Buddhist bias. Members of the imperial family were withdrawn from Buddhist orders and Buddhist ceremonies were forbidden within the palace. Much of the Buddhist property was confiscated, some temples were attacked and destroyed. State efforts continued to establish Shinto as a State cult. By 1930s, the State was supporting over 15,000 priests and more than 100,000 shrines. Attendance at these shrines was a test of loyalty to all Japanese.

The educational system was used to indoctrinate the Japanese into the following basic tenets of Shinto cult:

- 1) 'The Emperor is divine because he is the extension in the time of the very bodies and souls of the great divine ancestors of the past, in particular, of the physical and spiritual attributes of the Sun Goddess';
- 2) 'That Japan is under the special guardship of the Gods and thus its soil, people and institutions are unique and superior to all others', and
- 3) 'It is Japan's divine mission to bring the whole world under one roof and extend thus to the rest of humanity the advantage of being ruled by the Emperor'.

8.4.4 Land Tax

The Meiji government continued to collect the traditional rice tax, thus subjecting tax revenue to the fluctuation of rice price. **Fiscal planning became really difficult.** To convert tax collection into money form, in 1872 the government issued certificates of land ownership to those who proved their cultivation rights. With this a system of private ownership of land was established. By means of a formula based on the value of the rice crop produced on the land over a period of time, a capital value was fixed for each piece of land. A 3 per cent of tax was then levied on this value, which became the financial mainstay of Meiji government till 1890s.

These changes brought about certain dissatisfaction among farmers. Forests, meadows and other lands used commonly by villages being taken over by the State, new **tax grabbed** nearly 35-40 per cent of farmer's annual crop. Since tax had to be paid in cash at a definite time, this subjected farmers to sell crop immediately at whatever market price that prevailed. The burden of price fluctuation fell on the farmers. They also disliked the conscription system as well as new tax to support the new primary school system. The outcome was some peasant rebellions in early 1870s. With the high inflation, the government agreed to cut the land tax to two-and-a-half per cent and agreed to accept a part of it in kind.

8.4.5 Economic Changes

The Meiji leaders sought to create a modern military and economy. A reverberatory furnace, shipbuilding yard and an arsenal were already functioning as early as 1860. English cotton spinning machinery and technical instructors were functioning. Yokosuka naval yard was a reality. Besides absorbing the existing plants, added its own strategic enterprises. A number of pilot plants in other fields — cotton spinning, silk reeling, tiles, cement, woollens, and bleaching powder — were established. These were designed both to supply immediate needs and to serve as models for private entrepreneurs. In 1871, a postal and telegraph system was inaugurated. The first rail road was completed in 1893 comprising about 2000 miles of track.

After 1880 it was decided that the State would withdraw from industrial and mining activities, so that most of these enterprises were sold to various private interests at low prices. It was at this time that many of the Zaibatsu families laid foundation for their future great wealth.

The two major problems of these economic activities were — (1) how to concentrate investment capital within the country, and (2) how to secure the necessary foreign exchange to meet the increasing need of imported equipment and technical assistance. Industrial capital in part was secured by agricultural tax and export proceeds of silk, tea and rice. Improved seed strains, land use, better irrigation and drainage resulted in extraordinary increases in agricultural yields. Between 1878-82, and 1888-92, area under cultivation increased by 7 per cent and yield went up by 21 per cent.

Though by 1894 Japan had made substantial progress in industrialization, importance of agriculture still continued. 70 per cent of household continued farming as occupation. 84 per cent of people lived in places under 10,000 population.

Check Your Progress 1

Note: i) Space is given below for your answer.

ii) Check your answer given at the end of the unit.

1) What is Japan called in Japanese?

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2) What are the crops of Japan?

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3) Who were Daimyos?

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4) What is Tokugawa political system called?

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5) Who succeeded in concluding the Treaty of Kanagawa in 1854?

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6) Mention the effects of Tokugawa seclusion policy.

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8.5 NATIONALISM

Nationalism was one of the powerful factors that led to the economic, political and social regeneration of Japan in the late 19th and early 20th centuries. At the end of the Meiji era, Japan had been successfully transformed from a feudal society into a modern nation. A majority of population had a strong sense of patriotism due to the influence of Kokugaku and Mitogaku.

8.5.1 Schools of Thought

Kokugaku was successfully an intellectual and cultural movement. It was to denounce the dominance of the confucianist intellectual tradition and promote in its place the Japanese intellectual tradition derived from a study of the Japanese language and literature. In due course Kokugaku became an active political movement, anti-Buddhist as well and shifted emphasis from Japanese culture to the Japanese nation. Following scholars and their works were important in the movement: Keichu Azari, Kada Azumamaro, Kama Abuchi, Motoori Norinaga, and Hirata Atsutane.

The movement also stressed the importance of the Japanese Emperor. It was said that "one could not be true and loyal Japanese unless one showed proper respect and loyalty to Japanese tradition and the Emperor". Leaders of the Meiji era took this Emperor idea further and made the Imperial Institution the very centre of the political life. The study of Japanese history became compulsory in many schools to produce national pride. Shinto doctrine became central to Japanese thought and behaviour. The Meiji government accorded Shinto the status of State religion.

Mitogaku movement believed that since the political authority had originally belonged to the Emperor and it had been taken away by Minamoto Yoritomo and his successors, it should be restored to the Emperor once again. It also believed that national loyalty was likely to remain divided as long as various domains existed. Thus the Mitogaku called for reverence to the Emperor and thereby Mitogaku contributed to the development of the idea that the Emperor was the focus of unswerving loyalty.

Thus, while Kokugaku opposed confucianism, Mitogaku (appeared to be) a synthesis of Chinese principles with Japanese tradition. Further, while Kokugaku was Japan-centred, Mitogaku was Emperor-centred. Through these schools of thought as also some other schools, a strong sense of national patriotism was promoted.

Meiji period (1868-1912) witnessed Japan's transformation from a feudal society into a modern nation, and from an island country into an imperial power. Japan became a strong and centralized State, a great power that competed with strong European powers, and also transformed itself into an industrial country.

The process of creation of modern Japan was hastened because of:

- a) threat of foreign invasion
- b) problem of national independence and internal unity
- c) European colonial expansion in Asia

The fear of foreign threat became more accentuated when Japan was forced to sign many unequal treaties by which Japan was obliged to give away extra territorial rights to the European powers. Therefore Japan was preoccupied with the question of preserving national independence and promoting internal unity. The Meiji leaders were convinced that national unity could be brought about only by diverting the loyalty of the people to national symbols and by creating a sense of commitment to certain national goals — like certain changes in the economy, politics and social structure of the country.

Slogans like "Fukoku Kyohei" — a rich country and a strong Army — became very important guiding principle and many writings highlighted this. Also it provided justification for institutional changes in the first ten years of Meiji Restoration.

8.5.2 Rise of State

The rise of the State as an absolutely powerful organization in Meiji Japan was one of the results of the acceptance of the ideas of wealth, power and national greatness. In making Japan rich and powerful, sweeping changes came in such areas like armaments, commerce, industry and technology. Japan needed wealth, strength and unity to assert its claim as a modern nation. Therefore, the Meiji leaders were committed to bring about such economic, political and social changes

to realize the above objective. Besides, a uniform administrative system, a legal system, a national currency, a national education system, and a national army were brought in. This also transformed the feudal patriotism of Tokugawa period into modern nationalism.

8.5.3 Military Conscription

Universal military service was introduced because of the uncertain Samurai loyalty to the regime. By bringing both the commoners and the Samurai to a uniform system of training and indoctrination, compulsory military service sought to eliminate sectional differences and to foster the spirit of national unity. Both compulsory schooling and the military conscription were intended to stimulate national consciousness and sustain it at high pitch.

8.5.4 Civilization and Enlightenment

The nature and extent of the Meiji economic changes were determined by long-term objective of catching up with other advanced countries through:

- avoiding economic subordination to the European powers.
- achieving national economic unity, and
- overcoming the disabilities imposed by the tariff autonomy.

Some important measures were taken to remove restrictions from following:

- freedom of occupation
- movement of men and goods from one part of the country to another, and
- rights of residence and private property

8.5.5 Family-State

The 1889 Constitution upheld the traditional position of the Emperor in Japan, which was the culmination of patriotic movement begun by Kokugaku scholars before. Circulation of such ideas became popular as for example: "National politics cannot be divorced from the Imperial house, and that there could be no Japanese State without the Emperor and vice versa". 'Emperor was divine and his position inviolable'.

The idea that Emperor was the head of the State and society got unified into the concept of family-State in 1890. Even school books propagated this idea which got embedded in the national psychology through indoctrination. The concept of family-State depended upon the principle of paternal authority and control, seniority, and status. He was a father figure and subjects were all members of one huge family called Japan. This idea evoked a overwhelming favourable popular response. It made the Emperor the ultimate object of all loyalty. In the due course, this concept was developed into an ideology and became the basis of political indoctrination for the next fifty years or so.

8.5.6 Expansive Nationalism

Though the Meiji leaders attained almost all important goals, yet they could not get the unequal treaties reversed with western countries. Considering this as very important, in the second half of the Meiji period nationalism took turn to become more expansive and aggressive.

Without completely repudiating western ideas, a movement to establish the uniqueness of Japan began. It also advocated Japan's expansion in Asia on the plea that the weaker neighbours of Japan needed its assistance to hold their own against the West. Many disgruntled former Samurai lent support to expansion idea considering it their duty to check the drift towards excessive westernization. They were fanatically attached to Japan's Asian mission.

8.5.7 Education and Nationalism

The education ministry had the power to determine the curricula and prescribe school text-books. Secondary education served the dual purpose of training boys to enter public service and to take up higher studies. Besides general schools,

normal schools were founded and used as an effective means of nationalistic training. The objective of spreading education in the country could be attained effectively only if enough trained teachers were available. Thus, to train such teachers normal schools were established. Normal schools were training ground for patriotic teachers much the same way as primary and middle schools were for training patriotic students.

There was a practice of putting a retired senior officer of the Government or the Army in charge of each normal school. The purpose was to enforce strict military discipline among the students undergoing training. The normal school program eventually lent tremendous support to the system of patriotic indoctrination at the lower levels of educational system. It directly contributed to the birth of a professional class imbued with a strong sense of nationalism.

Tokyo Imperial University, created in 1886, was at the top of the educational system/structure. Theoretically, the academic program of the Imperial University was autonomous though but in practice it was only a centre for the propagation of the political ideology of the State.

The State-centred nationalism had become strongly entrenched by the middle of the Meiji era. The State in fact took over education as an effective sphere to perpetuate nationalism. There was no organised resistance to State interference in education. However, individually some people criticized State interference.

Check Your Progress 2

Note: i) Space is given below for your answer.

ii) Check your answer with the answer given at the end of the unit.

1) What do you mean by nationalism?

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2) Who were the leaders of Kokugaku?

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3) What is Mitogaku?

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4) Why the creation of modern Japan was hastened?

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5) What do you mean by family-State?

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8.6 RISE OF CAPITALISM

From the second half of Meiji era, Japan registered a capitalistic type of economic growth. Educational system had the responsibility of creating a congenial atmosphere for the development of an indigenous capitalist system. Human resources necessary for creating and sustaining such a system were to be supplied by the educational system.

As capitalism advanced, Japan witnessed growth of dissent as manifested in the form of pacifism, socialism and trade unionism. Meiji leaders regarded this as a trend dangerous to the political order and economic system. It was a powerful challenge to nationalism. Spiritual discourse and training of workers and managers were undertaken which would increase the productive capacity of Japan. Leaders desired patriotism to be wedded to technical expertise of various kinds so that Japan might benefit both in material and spiritual terms from dedicated workers in all fields of commerce and industry.

The Meiji leaders used the confucianist values to foster a set of economic virtues like austerity, avoidance of self-indulgence, discipline, enterprise, the pleasure of labour and of patriotic endeavour, the need for mutual aid among rural communities and a sense of individual responsibility. Often these values were reiterated to step up industrial growth as well as to cut addiction to leisure and luxury. Thus came a shift in economic policies of the Meiji government, which could cause industrial revolution without much altering the tradition in society.

8.6.1 Industrialisation

The initial program of industrialization was planned and implemented by the State. Market difficulties prevented merchant class from investing in new ventures. And naturally the State made all important business and growth decisions. When market difficulties were overcome, many of the industrial establishments were transferred to private ownership at relatively concessional rates. Though the State continued to play an important role in economic matters, yet it no longer could take the entire burden. A new generation of executives, managers and entrepreneurs took over such industries as banking, mining, shipping, sugar and textiles. Thereafter the State was free to concentrate on such industries that were vital for national defence like military and heavy industries.

The prejudice attached against commerce and finance from the feudal days was sought to be eliminated. Instead, businessmen were projected as men who served the nation much the same way as political leaders and soldiers.

Industrial production was the basis of national strength and economic independence. The government created such conditions and institutions as were necessary in modern capitalism i.e. a large domestic market to attract private investment, banks, competition, recognition of profit motive and institutionalization of private property. The twin policy that was followed by the State to foster capitalism were: offering various concessions, facilities, and protection. It also exercised certain degree of control on capitalist class in the name of administrative guidance. A beneficiary of this policy, for example was Mitsubishi which was able to set up a shipping line to compete with foreign shipping lines. This company gradually started supplying material and men to difficult but trouble ridden places on government's behalf and made enough profits.

8.6.2 Private Enterprise

Private enterprise was seen as an essential economic activity to fulfil such national

of the capitalist class was provided financial assistance as well as a fostering favourable public opinion. Government successfully convinced the masses that profit was not exploitation but a right reward for capitalist class for its activity in the service of the nation. And there was nothing immoral about expecting and working for profit. The capitalistic process of production was used to increase Japan's international competitiveness. The Meiji State saw to it that capitalism and nationalism remained in harmony. Business enterprises were held in check and prevented from asserting itself and posing a challenge to political authority.

The Meiji leaders visualized both internal and external competition. Internal competition was good as long as it led to excellence. Thus promoting mutual cooperation and assistance to country's benefit was of utmost importance. While internal competition was regulated, the external competition almost took the form of commercial war with Samurai spirit. The aggressive spirit and competitive temper was directed at outside world to realize Japan's objectives.

Regulated capitalism meant good scope for government's interference. The majority of businessmen accepted regulations in larger interest of the nation. Such items as importance of group solidarity, supremacy of the national interest, desirability of paternalistic authority of the State, sacrifices in the larger interest of society were favourably considered in the business circles. Business almost became a patriotic service to the nation and the business leaders eventually got absorbed into power structure.

8.6.3 Other Side of Capitalism

As capitalism advanced further, patriotism was used as a cover for securing greater protection from the State against external competition and internal problems. It was also used to subvert social action which might provide relief to the victims of capitalist system. The business leaders convinced themselves that exploitation — long working hours, low wages — was not bad as long as it benefited the nation as a whole. Indeed no distinction was officially made between the exploiters and the exploited and between capital and labour in Japan. However, it was a fact that ultra nationalists, leftists and others criticized businessmen for being selfish, profit-seeking and exploitative. And, the working class was made to bear the burden of economic growth in the name of nationalism. There was no better way for workers to show their patriotism than to work harder and long hours.

The business leaders considered low wages as necessary to accumulate capital and march ahead in industrialization. Cheap labour was in fact Japan's weapon in its struggle against others, and it was put into effective use in creating further capital. As sailors and soldiers sacrificed in the cause of the nation, in the same way workers were urged to forget their interests to help promote development of industry and production. Thus, capitalism in Japan produced more or less the same results as elsewhere: long working hours, low wages, poor working conditions, employment of girls, dormitory life and so on. Government also failed in adopting any meaningful social welfare and relief policy.

8.6.4 Capital Formation

Mobilizing capital and human resources was one of the Meiji achievements. It also in turn depended on quality of the population and a combination of fiscal, monetary and social policy by the government. Population tended to consume less and save more. Habitually the Japanese conform to discipline and hard work. These were further reinforced by constant indoctrination. Between 1895 and 1914 when Japan achieved real growth, it was able to save between 12 and 17 per cent of its national income and use it for investment. Revenue obtained from agricultural taxes was used in the Meiji era for public projects to cause economic growth like factories, irrigation facilities, railways, schools. In contrast, manufacturing was subsidized.

To encourage voluntary savings, savings bank was opened in every post office. Besides, commercial banks turned very active in rural areas. Private deposits in national banks rose from over Yen 51 million in 1891 to Yen 1307 million in 1907. Postal savings shot up from 19.20 million in 1890 to 51.5 million in 1905. The increase in savings was achieved by cutting down consumption drastically.

Through the modern banking system capital was successfully channelled into the growing industrial sector. This capital came from wealthy merchants and landlords, and also successful exporters of raw silk and tea. Hard currency which had been hoarded out of distrust in the new economic and political system began to circulate again widely.

The benefits of foreign trade began to spread to the rural districts. Money power tickled many unwary men and reduced them to peasant status. However, as far industrialization was concerned they became involved by sending their daughters to spinning mills and by participating in new employment possibilities.

8.6.5 New Business Opportunities

As in business the declaration of freedom of commerce opened opportunities in port cities, opened doors for a new brand of marginal corner-cutting money makers who bought up export goods and made quick kills with currency speculation and armament trading. Its negative impact was that such pillars of merchant wealth as Tenojiya, Kashimaya and Hiranoya went bankrupt. Many merchants were engaged in cotton spinning, railway investments and banking. Also a few pioneered into new areas like sugar refining, machine production and of course foreign trade. Their alertness to profit possibilities kept their wealth increasing.

Early entrepreneurs were restless and marginal men. Due to important change after opening of ports they found their chances in Yokohama and Nagasaki. In Yokohama they bought and sold arms to both sides of Restoration struggle, bought western goods and made lucky start as importers; or even would make good on new opportunities which nobody else realized. In Nagasaki, they encountered western technology notably in ship building. Among these early starters were a few Zaibatsu founders like Yasuda, Okura and Asano; successful export merchants like Otani and Morimura. This group of self-made men whose instinct for money making had driven them move from small to medium and big scale gradually. They knew their worth and tended to rely on no one else. They displayed a tendency towards the one-man boss business. The early upstarts were found in banking, railway building, heavy industry and electricity. Their small scale pioneering made them prone to seek new ways both to benefit themselves and fulfil perfectly the general needs of modernizing economy.

Check Your Progress 3

- Note: i) Use the space below for your answer.
ii) Check your answer with the answer given at the end of the unit.

1) How did Japan promote capitalism?

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2) Name some of successful Meiji business leaders.

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8.7 LET US SUM UP

Japan was the first country in Asia that used education to inculcate nationalistic feelings among its people most successfully to attain goals in economy, politics,

military and society. Japan borrowed from the west whatever it considered would help in modernization of Japan — to enrich its culture, for a better political organization, for greater knowledge of science and technology. Besides, the search for, and exploitation of opportunities for individual advancement were encouraged throughout. While becoming a great power and standing on par with most advanced countries of the West the 'Japaneseness' was preserved. The changes that were introduced after 1868 brought about geographical mobility, exposure to the media of communication, growth of literacy, urbanization, and the growth of modern industry — all of which disturbed and scattered village and family loyalties. And the focus of national loyalty projected thereafter were the Emperor and the State.

Structural content was one source of complexity in that Japan's particular social organization; political structure and cultural patterns were primary determinants of Japanese nationalism. The highest form of nationalism that Japan experienced has been labelled as 'ultra-nationalism'. It is established that modern Japanese nationalism stemmed from the impact of European power in the closing period of Tokugawa era. Japanese nationalism refused to unite with the forces of democracy. Instead, the tendency was to symbolize the State as the direct extension of the primary unit (family or village) in which the individual is submerged i.e. the concept of 'family-State'. Moreover, successive foreign victories and imperial expansion gradually strengthened the national consciousness.

The development of Japanese capitalism was always attained at the sacrifice of agriculture; and the development of industry was always lop-sided, since capitalism developed by the concentration of specially favoured capital allied with State authority. And gradually, this capitalism expanded into colonialism.

8.8 SOME USEFUL BOOKS

- Narasimha Murthy P. A., 1973, *Rise of Modern Nationalism in Japan*, Ashajanak Publications, New Delhi.
- Nobutaka Ike, 1972, *Japanese Politics*, Alfred A.no. P.6, New York.
- Peter Duss, 1976, *Rise of Modern Japan*, Hughton Mifflin Co., Boston.
- Robert E. Ward, 1978, *Japan's Political System*, Printice-Hall Inc., New Jersey.

8.9 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Answers to Check Your Progress 1

- 1) Nippon or Nihon.
- 2) Rice, wheat, barley, tea and millet.
- 3) They were nominated regional rulers during Tokugawa era.
- 4) Baku-han.
- 5) Commadors Perry of United States of America.
- 6) Japan lacked contact with advanced countries of the west and thus remained behind. Since merchants were prevented from moving abroad, Japan could not increase trading chances.

Answers to Check Your Progress 2

- 1) It is one's love for his community, region and nation at large.
- 2) Keichu Azari, Kama Abuchi, Motori Norinaga and others.
- 3) A school of thought that believed in and propagated the restoration of political authority to the Emperor.
- 4) Because there was a threat of foreign invasion, problem of national independence and internal unity and European colonial expansion in Asia.

- 3) A concept that depends upon the principle of paternal authority and control, seniority status; and Emperor at the land.

**Historical Context: Nationalist
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Capitalism**

Answers to Check Your Progress 3

- 1) By creating a large domestic market to attract private investment, banks, competition, recognition of profit motive and institutionalism of private property.
- 2) Lwasaki Yataro, Bodai Toamatsu, Shibusawa Eiichi.