

[Surveys]

# The International History of Japanese Economic Thought and Policy, 1945–2000

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**Abstract:**

Studies of Japanese economic policy and economic thought have long been bedeviled by the idea that Japanese capitalism is not only different from Western capitalism but is also deviant. The idea that Japan's political economy is abnormal is incredibly persistent, despite the fact that empirical research reconfirms that, while institutions matter, (1) they have changed enormously over the last century in Japan as elsewhere and (2) Western political economies differ greatly among themselves.

The idea of Japanese deviance has deep roots in both Japanese and American analyses of Japan. Japanese economic thought since the 1920s has explored the idea that the Japanese modern economy is somehow deformed, while postwar American theorizing about national economic development first accepted, then rejected this idea, and then accepted it again in the early 1980s. Meanwhile, social-scientific studies have provided sophisticated methodologies for directly comparing the Japanese economy to other developed economies. Their joint conclusion is that, while differing institutional patterns are important in all nations, Japan is far less different than popularly believed, in part because many "Japanese" institutional patterns were selectively borrowed and adapted from elsewhere. Nonetheless, these findings do not stop assertions of Japanese deviance, which are unlikely to change until five principles are accepted: (1) both wartime and postwar developments were crucial to creating the contemporary Japanese economy, (2) institutions in Japan as elsewhere are always contested, (3) all national economic development occurs within a global intellectual and institutional context, (4) on many indices, the United States rather than Japan is the outlier, (5) careful comparative work often disproves assertions of Japanese difference.

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