

History of Economics in Japan: A Form of Social Science

Aiko Ikeo, Waseda University

This paper aims to make a critical survey of the history of economics (HE) in Japan. First of all, a strong HE society exists in Japan. The questionnaire-based surveys reveal that there is no single standard in HE education at the tertiary level. There are several aims of HE education at the undergraduate level. Those works respected by Japanese HE scholars are widely diversified. It focuses on the virtuous circle of 'flowery and elegant style of works initiating similar works' on HE in Japan, which was conveyed by monographs rather than journal articles from one generation to the next.

Education

At high school level, standard textbooks on politics and economy (*seiji keizai*) includes at least an hour class on HE. It usually introduces the three major economists and their main works, namely, Adam Smith and his *Wealth of Nations* (1776), Karl Marx and his *Das Kapital* (1867-94), and John Maynard Keynes and his *The General Theory of Employment, Interest and Money* (1936). These works are placed in a historical context and are recognized as results of a specific economic stage after the capitalist production system began to evolve. Some discuss David Ricardo's comparative advantage theory of production cost. High school students naturally get the impression that economics was born in Britain in the eighteenth century, was critically assessed by a German scholar in the nineteenth century, and was introduced into Japan in the mid- nineteenth century.

At the undergraduate level in Japan, HE is usually taught in departments of economics and sometimes in departments of commerce. HE is compulsory for economics students at some universities. HE is taught to the first or second year students as a sort of introduction to economics. It is expected that students will learn economic ideas and economic history, and will get a general idea of what economics is. In the lectures, Western canonical authors are invariably included whereas Japanese thinkers are not necessarily covered. Negishi (1997: 3) suggests that the main body of contemporary economic theories has been so formalized that it may look very distant to the students. Therefore, it is important for students to experience what earlier economists have gone through by trial and error.

HE is also taught to third or fourth year students reflecting some of the research conducted by the professor teaching the course. Some larger departments of economics, which have relatively large faculties, provide classes on the history of Japanese economic thought and the history of social thought as well as HE. In classes of HE at this level, the majority of professors aim to teach students multiple points of view on economic issues and make them understand that there is more than one solution for each economic problem

(Pluralism). For example, if there are many jobless people in a city, theoretically there are four or more solutions. (1) Emigration should be recommended in the case of excess population (Neo-Malthusian view). (2) Keynesian fiscal policy is needed in the case of demand deficiency. (3) The capitalist production system should be abolished if a reserved army is necessary for the system. There should be a better, different socialist system than those which existed in the former USSR and East Europe. (4) Structural reforms, including those in financial and construction sectors, are needed if growth-oriented policies do not work as used to do. Although this example is a little too formal, the majority of HE scholars are critical of mainstream economics because it is too formal and is theoretically built up without paying any attention to cultural or historical elements.

At the undergraduate level, HE is occasionally taught by economists who do not belong to the JSHET. They usually do not think of themselves as historians of economic thought. At the same time, some scholars who *are* members of JSHET do not teach HE at their universities, but rather an introduction to, or outline of, economics at departments of education, law, science and engineering. In some cases HE is not regarded as a specialist field but as a general field which can be taught by those economists who are interested in theoretical works by earlier economists.

There are a few graduate schools of economics and commerce which have professors of HE and graduate students who are eager to make a special study of HE. Probably there is none which has a formal training course for HE. Considerable changes in economics education (involving HE) took place in the mid-1990s. In the process of negotiation with the Ministry of Education and Science, several universities decided to place more weight on graduate rather than undergraduate education. Graduate schools began to expand their student intakes in 1994 and this resulted in their sending out an increasing number of young people into the job market in 1999.

Young scholars of HE are advised to present their papers to seminars and conferences held outside their universities and encouraged to submit their revised papers to refereed journals. Some occasionally come from remote areas to seminars held in large cities with many universities like Tokyo, Kyoto, Osaka and Kobe to get stimuli from recent papers by active historians of economics. They may learn something from the meetings of a number of active study groups on a variety of themes. Such activities are announced on the JSHET mailing list and reported on its voluntarily maintained Web site.

However, HE scholars of the older generation are demanding and some of their guidance is the opposite of that given to students of economics in general. They lament the students' lack of bibliographical skill and poor command of European languages other than English. They pointed out that young scholars tend to choose easy topics for journal articles. However, the young feel that it is hard to get a job if they choose a minor topic or economist for their paper, because it is hard to demonstrate their teaching ability in job applications. As a result, many papers on earlier economists listed above as the name of study groups are published. Those who study either a minor economist or a broader theme

feel that it is hard to get relevant advice to improve their papers.

It is noteworthy that HE was compulsory at many departments of economics. This fact is surely related to another fact that HE was one of the subjects in the civil service examinations until recently. Prior to WWII, HE was important for many students who was studying the principles of economics and economic theory. In the period after 1945, HE was important because it alleviated the Japanese parochialism in economic research and served like a Western study.

The Society for the History of Economic Thought, Japan

The Japanese Society for the History of Economic Thought (JSHET) had 846 members in June 2001 and is the largest of its kind in the world. It was the nineteenth largest among 54 member associations of the Union of National Economics Associations in Japan (UNEAJ) in 2000. JSHET was established in April 1950 with 123 initial members for the purposes of; (1) promoting the study of the history of economics and social thought, and (2) fostering domestic and international exchange for its members. When it celebrated its fiftieth anniversary in 2000, JSHET held a number of commemorative events and made some changes in its regular societal activities.

JSHET holds an annual two-day nationwide meeting. Over the last decade, its Program Committee has organized plenary symposium sessions or parallel forum sessions on specific themes. Since 1994 these sessions have been held bi-annually. A mailing list nicknamed 'SHET' was launched in 1996. It was officially approved at the 1996 General Assembly. JSHET has published four books and a dictionary on HE in Japanese, and helped publish two books in English. Two further volumes in English are underway. Especially, *A Dictionary of the History of Economic Thought* (2000) was the result of intensive societal efforts during the celebration of its fiftieth anniversary. It seems that JSHET publications aims to contribute to Japanese academy in a visible manner because many historians of economics tend to publish their papers to their university journals. JSHET has edited its history at commemorative occasions and made it available for members in 1961, 1980 and 2000. (Cf. Comparison with HES and ESHET activities.)

After years of discussion about publication in English, JSHET chose a book form rather than the establishment of a journal on HE, and picked the history of Japanese economic thought as the theme for the first book. The editorial committee then decided to focus on 'Economic Thought and Modernization in Japan', which became the title of the book. The committee believed that this subject was very important not only for Japanese but also for those in developing and developed countries who were interested in the relationship between the modernization process and the development of economic thought in Japan (Sugihara and Tanaka eds 1998: ix-x). Actually 'modernization' is the most favorite topic for Japanese historians of Japanese economic thought. The second book *The German Historical School: The Historical and Ethical Approach to Economics* (2000)

was edited by Yuichi Shionoya.

The last but not the least important activity of JSJET is the publication since 1963 of *The Annals of the Society for the History of Economic Thought*. The formal name is *Keizaigakushigakkai Nenpo*. *The Annals* carries refereed articles submitted by members (in Japanese or English); commissioned papers, surveys, book reviews, and communications (in Japanese). It introduced a referee system in 1989 and any member can submit a paper to *The Annals*. It was decided in the 2000 General Assembly that *The Annals* should accept submissions from non-members (together with a publication fee) and to issue semiannually in 2001 even though the name *The Annals* has not been changed as yet. Issue Number 38 of *The Annals* (2000) featured special articles written by eminent Japanese historians of economics looking back over their own academic history, as requested by the editorial committee.

The Works Respected by Japanese Historians of Economics

It is well known that HE has a strong tradition in Japan. There seems to be a virtuous circle of 'fine works on HE initiating other fine works on HE'. By 'fine works' I mean those respected by historians of economics. In expectation of finding a wide variety of works respected by Japanese historians of economic thought, I decided to distribute a questionnaire on HE in Japan (see Appendix). Based on the answers from 55 scholars, I am in a position to list the works respected by Japanese scholars.

[1] Noboru Kobayashi's *Keizaigakushi Chosakushu* (Complete Works on the History of Economics, 1976-89), 11 volumes, is respected by five scholars. Another three list one of his books respectively, namely *Jushoshugi Shuenki Kenkyu* (A Study of the Ending of Mercantilism, 1955), *Kokufuron Taikei no Seiritsu* (The Establishment of the System of the Wealth of Nations, 1973), and *Furidorihhi Risuto no Seisanryokuron* (Productivity Theory of Friedrich List, 1948).

[2] Yoshihiko Uchida's *Keizaigaku no Seitan* (The Birth of Economics, 1953) is respected by five. Another two list his *Shihonron no Sekai* (The World of Das Kapital, 1966) and *Shakai Ninshiki no Ayumi* (Steps of Social Recognitions, 1971) respectively.

[3] Karl Marx's *Theorien uber den Mehrwert* (Theories of Surplus-value, 1905-10) is respected by five.

[4] J. A. Schumpeter's *History of Economic Analysis* (1954) is respected by four. One lists his *Epochen der Dogmen- und Methodengeschichte* (Economic Doctrine and Method: A Historical Sketch, 1914)

[5] Eiichi Sugimoto's *Kindai Keizaigaku no Kaimei* (New Lights upon Economics, two volumes, 1950) is respected by three, and his *Kindai Keizaigakushi* (The History of Modern Economics, 1953) by three.

[6] Kiyooki Hirata's *Keizai Kagaku no Sozo* (The Creation of Economic Science: Tableau economique and the French Revolution, 1965) is respected by three.

As mentioned, Noboru Kobayashi (1916-) contributed his retrospective essay on relativization of Smith's *Wealth of Nations* (1776) in HE to *The Annals* in 2000. From Kobayashi (2000), we can learn that in Japan there was a vibrant controversy on the position of Smith (1776) in HE. On the one hand, Marxian economists such as Yoshihiko Uchida (1913-1989), tend to regard Smith (1776) as the first book in political economy. On the other hand, Kobayashi made a special study of British mercantilism, Adam Smith, and Friedrich List from around 1940 on, and came to recognize James Steuart as another creator of political economy. This controversy promoted the study in Japan of Adam Smith and his contemporaries as well as the Scottish enlightenment.

Uchida's study of Smith (1776) and its historical position in HE, which resulted in Uchida (1953), was supported by the Grant-in-Aid of Scientific Research of the former Ministry of Education. Contrary to Kobayashi, Uchida symbolized Smith (1776) delivering the birth of political economy. Kiyoaki Hirata (1922-1995) made a special study of French economic thought and various versions of Quesnay's *tableau economique*, which depicted an economy as a zigzag system of monetary expenditure among farmers, landlords and workmen. Eiichi Sugimoto (1901-1952) started as a non-Marxian economist and followed the line of studies of Marshallian early econometrics by estimating the demand elasticity of rice but later thought that economics should be based upon an objective theory like the labor theory of value rather than a subjective theory of consumer behavior based on utility maximization.

It is noteworthy that Kobayashi, Uchida and Hirata are all known as elegant writers. They deeply impressed readers, especially at the time of original publication. Their readers were subsequently drawn into the world of Western classical economics literature and started to read the originals themselves and made the first steps toward becoming historians of economics. Without doubt their fine Japanese works attracted the scholars of the next generation, who are now leading JSHET members.

However, the works published by scholars of the previous generation, such as Zenya Takashima (1904-90) and Seiichiro Takahashi (1884-1982), were not included in the list at all, although those historians of economics respected by active scholars openly acknowledged their debt to their predecessors. It may be said that respected works by Japanese scholars change from one generation to the next. There has been a virtuous circle in HE Japan.

Appendix

After a few months of preparation, I placed the questions on my Web site and posted to the JSHET mailing list the announcement of my research project for the HOPE-Duke conference (April 2001) and the URL of my questionnaire. Then by e-mail I sent the questions to people I knew and asked them to respond to my questions and send me their syllabi. I also asked them for permission to put their answers on my Web site at Waseda

University. I thought it a good way to increase the answers from my busy colleagues. With reference to the answers which I had received by e-mail, I mailed my questions to those scholars who might not use the Internet.

The Questionnaire on the History of Economics (HE) in Japan (from July to December 2000) <Research> Could you list the books or articles of HE which you respect, along with the reasons? <Graduate Education> Could you list the problems which Japan's graduate schools may have in training for HE? <Undergraduate Education> 1. (1) What is/are the name(s) of the class(es) relating to HE in your department? (2) What year students can take the class? (3) Is the class compulsory or not? (4) How many students are enrolled in the class? 2. What is the purposes of the classes on HE? 3. Is the history of Japanese economic thought taught in your department or university? Is there such a class? Or is it included in a class on HE or other? <Respondents> Could you give me the name of the scholars to whom I should send this questionnaire by normal mail (instead of by email)? <Publication> 1. May I quote your answers in my conference paper? May I note your name when I quote your statements? 2. May I place your answers with minimal formal corrections on my Web site at Waseda University for the next two years? Thank you for your cooperation. <<http://faculty.web.waseda.ac.jp/aikoikeo/hetjapan/>>

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