

Scientific Research on Priority Areas

# Comparative Studies on East Asia

東アジア比較研究

September 1989 **NEWSLETTER**

Number 2

## How to Understand the 'Confucian Culture Area'

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(Emeritus Professor,  
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As is widely known, the word 'Asia' was derived from 'AÇu' of the ancient Assyrian language (from around 1400 B.C.). 'AÇu' referred to such countries east of Mesopotamia as Persia or India. At that time, they could not imagine a particular integrated culture or civilization as being in the region. Likewise, "Ereb" (Europe) vaguely denoted those areas located in the direction of the setting sun in Mesopotamia, i.e., a vast western tract of land including Syria and Israel. But when Assyria conquered the Middle East in the 8th century B.C., "Ereb" came to mean the Balkan Peninsula.

'Orient' and 'Occident' were originally Latin words referring to the Eastern Roman Empire and the Western Roman Empire respectively, though needless to say that these spheres under Roman control changed with the various ups and downs of rule.

The 'East' and 'West' are the names put up by the Chinese. In the 14th century, they virtually halved *Nanhai* (South Seas), the region south of China, and began to call Java, Borneo and the Philippines 'the East' and Indochina, India and the others 'the West.' Japan was not included in 'the East' because it was a part of *Tonghai* (East Seas), to which also belonged Korea and Ryukyu (now Taiwan). [There were totally four regions for the Chinese in those days -- *Tonghai* (East Seas), *Hsiyü* (Western Region), *Peiti* (Northern

Nations) and *Nanhai* (South Seas).] However, this definition of the East and West described in a 14th-century literary work *Tào i chih lüeh* (島夷志略) was altered to a great extent under the Ming and Ching dynasties partly because of the visits by the Europeans.

Such an introduction may be too long, but this can be ascribed to an intention to respond to such a naïve question as to whether the so-called Confucian Culture Area exists or not. It can be said at any rate that delimiting a region never occurs in vain. In Europe, for example, Germany, France and England had to call for the awakening of the Europeans and the exclusion of non-European forces (referred to as 'Asia' collectively) when they felt a crisis occurring in Europe. At that time, the Turks overwhelmed Constantinople, the capital of the Eastern Roman Empire, and swept over the Balkans, reaching the Vienna Castle, while the Arabians occupied the area from Africa's northern coast to the Iberian Peninsula. In this way, the appearance was given that all areas east to the Pyrenees were inhabited by Asians. This situation, however, changed before long. Europeans began to reign over the world and many non-European countries were turned into colonies. Regions were consequently subdivided in accordance with the classifications of the ruling powers and all of 'Asia,'

'Africa,' 'America,' etc. became mere geographical labels symbolizing nothing. Although Tenshin Okakura said that Asia was 'one,' there was never such a definitive delimitation on the globe.

In his work *The age of the Asian Culture Area*, Prof. Leon Vandermeersch sees the Confucian spirit of communality as the source of energy for the economic growth of Japan and other countries of the Confucian Culture Area. It can hardly be conceived, however, that the Cultural Revolution of China, the enthusiasm of the North Korean government for reunification, the South Korean effort for economic development, and ASEAN's anticolonialism are all related to the Confucian renaissance. However, his idea cannot be considered logical if one thinks of the role that Yushima Shrine played in Japan.

Greece, the Roman Empire, and the other world powers in the past collapsed after they played a certain historical role. The British Empire may favorably compare with the Roman Empire in the volume of heritage, but it has already been the subject of history. Today the primary concern of the world is directed to the future course of the two suffering superpowers (the United States and the Soviet Union). Herein lies the reason why the Confucian Culture Area has been drawing people's attention recently. Nobody would try to reestablish 'Confucianism' or 'Taoism' itself. All the people in this area seem to hold the capabilities for making the best use of originality or creativity, for they have managed in the past to build up a unique civilization. Those countries at the same time can be likened to old Roman colonies in the sense that both have acquired their independence after long rule by Europeans. What is to be examined practically is the question of whether the Confucian Cultural Area can be a new savior of civilization -- as Spain or Portugal succeeded in establishing that great empire after Arabian rule -- under the circumstances where the United States and the Soviet Union have been confronting each other.

### Outline of the Joint Research

#### **“Comparative Studies on the Economic and Social Development and Modernization in East Asia”**

Economic and social development in East Asian countries or the West Pacific Region is being watched with keen interest in the international community of today. It is no exaggeration to say that the global center has been moving to the East Asian Area. It is a matter of great importance that whether NICs' remarkable growth shall persist or not in this situation.

Meanwhile, People's Republic of China has presented the new national goal called “Four Modernizations” denouncing Mao Ze-dong's model. Its evolution is very meaningful. Also of great importance is the future modernization of North Korea and Vietnam—China's surrounding socialist countries.

At any rate, economic and social development in East Asia indicates that the former modernization theories and socialism theory would be overtaken by reality. On the other hand, it proposes a subject for investigation if we can detect the possibilities of modernization and industrialization in the framework of the “Confucian Cultural Area.” It is indispensable for academic and policy scientific aims to work out comparative studies in East Asia and investigate the theoretical model by wide-ranging scientific group research. Our research will be performed as a joint interdisciplinary project to clear up these problems.

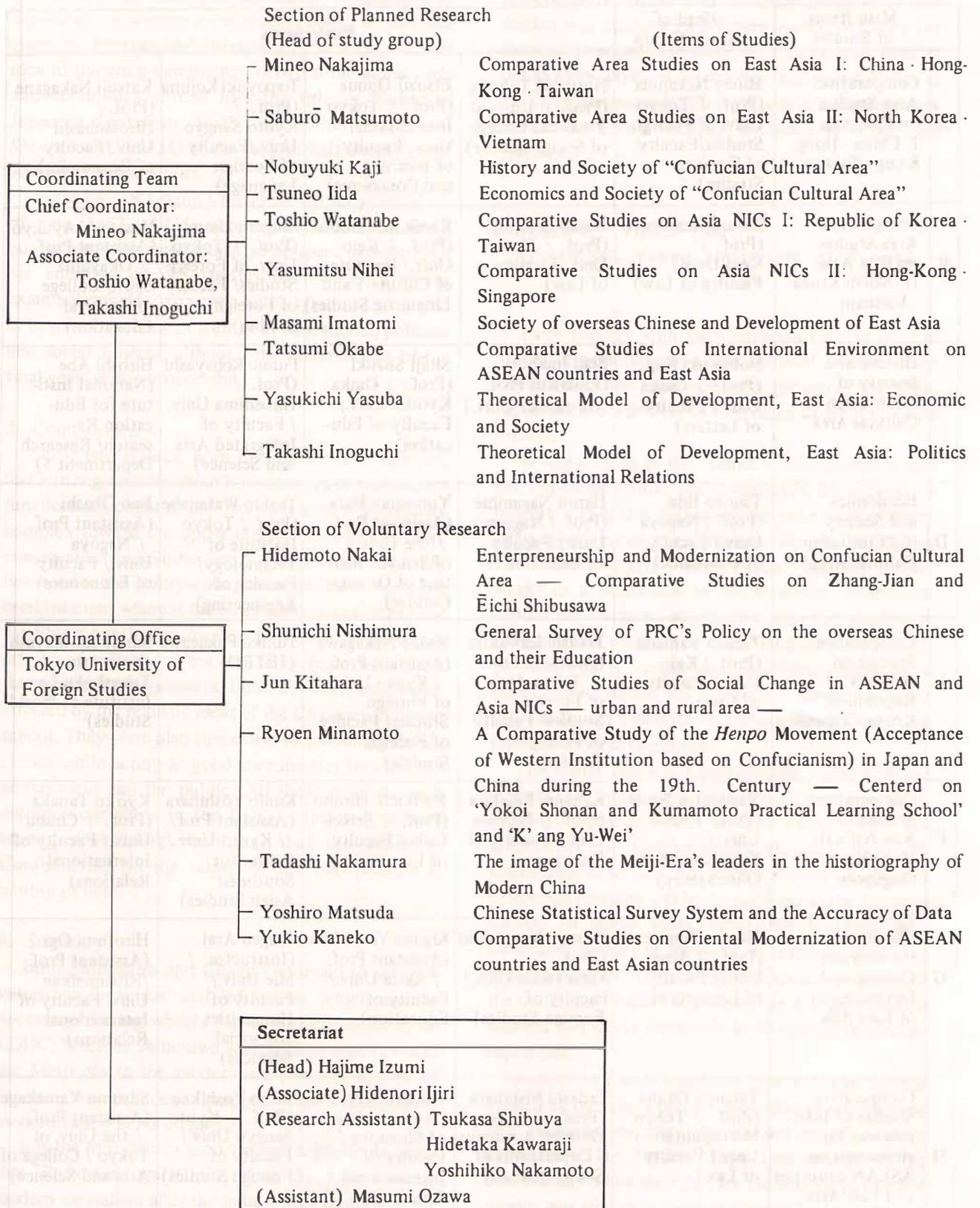
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#### Fiscal 1988 Budgetary Allocation for “Planned Research” and “Voluntary Research”

<b>“Planned Research”</b>	
Coordinating Team	¥ 10,700,000
Each Study Group	¥ 4,900,000 × 10
	= 49,000,000
Subtotal	¥ 59,700,000
<b>“Voluntary Research”</b>	
7 groups	¥ 17,500,000
<b>Total</b>	<b>¥ 77,200,000</b>

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## Organization of the Studies (Fiscal 1988)



List of Participants in Studies (1988)

Main Items of Studies		Head of Study Group	Participants			
A	Comparative Area Studies on East Asia I: China · Hong-Kong · Taiwan	Mineo Nakajima (Prof. / Tokyo Univ. of Foreign Studies/Faculty of Foreign Studies)	Noriyuki Tokuda (Prof. / Univ. of Tsukuba/ College of Social Science)	Etsuzō Onoue (Prof. / Tokyo International Univ./Faculty of Business and Commerce)	Tomoyuki Kojima (Prof. / Kyoto Sangyo Univ./Faculty of Foreign Language)	Katsuji Nakagane (Prof. / Hitotsubashi Univ./Faculty of Economics)
B	Comparative Area Studies on East Asia II: North Korea · Vietnam	Saburō Matsumoto (Prof. / Keio Univ./ Faculty of Law)	Masao Okonogi (Prof. / Keio Univ./Faculty of Law)	Kunie Kawamoto (Prof. / Keio Univ./ Institute of Culture-1 and Linguistic Studies)	Shigeru Usami (Prof. / Tokyo Univ. of Foreign Studies/ Faculty of Foreign Studies)	Masatoshi Ayukyo (Assistant Prof. / Okayama Univ./ College of General Education)
C	History and Society of "Confucian Cultural Area"	Nobuyuki Kaji (Prof. / Osaka Univ./ Faculty of Letters)	Seiji Imahori (Emeritus Prof. /Hiroshima Univ.)	Shūji Suzuki (Prof. / Osaka Kyoiku Univ./ Faculty of Education)	Fumio Kobayashi (Prof. / Hiroshima Univ. / Faculty of Integrated Arts and Science)	Hiroshi Abe (National Institute for Education Research/ Research Department 5)
D	Economics and Society of "Confucian Cultural Area"	Tsuneo Iida (Prof. / Nagoya Univ./ Faculty of Economic)	Haruo Nagamine (Prof. / Nagoya Univ./ Faculty of Economics)	Yonosuke Hara (Assistant Prof. / the Univ. of Tokyo/ Institute of Oriental Culture)	Toshio Watanabe (Prof. / Tokyo Institute of Technology/ Faculty of Engineering)	Isao Ohashi (Assistant Prof. / Nagoya Univ./ Faculty of Economics)
E	Comparative Studies on Asia NICs I: Republic of Korea · Taiwan	Tatsuo Yamada (Prof. / Keio Univ./ Faculty of Law)	Takashi Kawakita (Assistant Prof. / Tokyo Univ. of Foreign Studies/ Faculty of Foreign Studies)	Masao Nakagawa (Assistant Prof. / Kyoto Univ. of Foreign Studies/ Faculty of Foreign Studies)	Yukiko Fukagawa (JETRO)	Sumio Kuribayashi (Instructor / Takushoku Univ./ Institute of World Studies)
F	Comparative Studies on Asia NICs II: Hong-Kong · Singapore	Yasumitsu Nihei (Prof. / Keio Univ. / Keio Economic Observatory)	Kazuma Egashira (Prof. / Nippon Univ./ Faculty of Commerce)	Ryōkichi Hirono (Prof. / Seikei Univ./ Faculty of Economics)	Kunio Yoshihara (Assistant Prof. / Kyoto Univ./ Center for Southeast Asian Studies)	Kyōko Tanaka (Prof. / Chubu Univ./ Faculty of International Relations)
G	Society of the overseas Chinese and Development of East Asia	Masami Imatomi (Prof. / Toyo Univ./ Faculty of Literature)	Tetsuya Yamamoto (Prof. / Kitakyushu Univ./ Faculty of Foreign Studies)	Kiyomi Yamashita (Assistant Prof. / Akita Univ./ Faculty of Education)	Shigeo Arai (Instructor / Mie Univ./ Faculty of Humanities and social Sciences)	Hirofumi Ogi (Assistant Prof. / Ritsumeikan Univ. Faculty of International Relations)
H	Comparative Studies of International Environment on ASEAN countries and East Asia	Tatsumi Okabe (Prof. / Tokyo Metropolitan Univ./ Faculty of Law)	Tadashi Nishihara (Prof. / National Defense Academy / Department of Social Science)	Kazuko Mōri (Prof. / Univ. of Shizuoka / Faculty of International Relations)	Yōko Yoshikawa (Prof. / Kyoto Sangyo Univ./ Faculty of Foreign Studies)	Susumu Yamakage (Assistant Prof. / the Univ. of Tokyo / College of Arts and Science)

Main Items of Studies		Head of Study Group	Participants			
I	Theoretical Model of Development on East Asia : Economics and Society	Yasukichi Yasuba (Prof. / Osaka Univ./ Faculty of Economics)	Yutaka Kōsai (Director of Japan Economic Research Center)	Takashi Konami (Prof. / Tokyo Univ. of Foreign Studies / Faculty of Foreign Studies)	Ryōshin Minami (Prof. / Hitotsubashi Univ. / Institute to Economic Research)	Kuniko Inoguchi (Assistant Prof. / Sophia Univ./ Faculty of Law)
J	Theoretical Model of Development on East Asia : Politics and International Relations	Takashi Inoguchi (Prof. / the Univ. of Tokyo / Institute of Oriental Culture)	Masaya Shiraishi (Assistant Prof. / Yokohama City Univ./ Faculty of Liberal Arts and Science)	Hajime Izumi (Assistant Prof. / Univ. of Shizuoka/Faculty of International Relations)	Masatake Wakabayashi (Assistant Prof. / the Univ. of Tokyo / College of Arts and Science)	Akihiko Tanaka (Assistant Prof. / the Univ. of Tokyo / College of Arts and Science)

[Section of Voluntary Research]

- ★ Entrepreneurship and Modernization on Confucian Cultural Area — Comparative Studies on Zhang-Jian and Ēichi Shibusawa:

Hidemoto Nakai (Hokkaido Univ./ Faculty of Letters)

- ★ General Survey of the PRC's Policy on the overseas Chinese and their Education:

Shunichi Nishimura <Head> (Tokyo Gakugei Univ./ Center for Education of Children Overseas); Keiji Ishikawa (Yamanashi Univ./ Faculty of Education); Sadahiko Mizoguchi (Seitoku Junior College of Nutrition); Masahiro Sera (Meiji Gakuin Univ./ Faculty of Literature); Zhong Qing-han (Bunka Women's Univ.); Duan Bai-lin (Asia Culture Research Institute); Otohiko Mikasa (Tokyo Gakugei Univ./ Faculty of Education); (Hōichi Tsuchimochi (Toyo Eiwa Junior College); Setsuo Nishino (The Univ. of Tokyo/ Faculty of Education); Hideo Kakinuma (Tokyo Metropolitan Univ./ Faculty of Social Sciences and Humanities), Takuzo Minagawa (Kanagawa Prefectural College of Nursing and Technology); Heizo Kobayashi (Kagoshima Univ./ Faculty of Education); Atsuko Shinbo (Kyoto Univ. /Research Institute for Humanistic Studies, Documentation Center for Oriental Studies)

- ★ Comparative Studies of Social Change in ASEAN and Asia NICs — urban and rural area — :

Jun Kitahara <Head> (Kobe Univ./Faculty of Letters) Toshio Tasaka (Osaka Univ. of Economics and Law /Faculty of Economics); Hideki Takizawa (Konan Univ./Faculty Economics)

- ★ A Comparative Study of the *Henpo* Movement (Acceptance of Western Institution based on

Confucianism) in Japan and China during the 19th. Century — Centerd on 'Yokoi Shonan and Kumamoto Practical Learning School' and 'K' ang Yu-Wei'

Ryoen Minamoto <Head> (International Christian Univ./ Graduate School Division of Comparative Culture); W.M. Steel (International Christian Univ./ College of Liberal Arts); Saburo Hanatachi (Kumamoto Univ./ Faculty of Education); Yoshinobu Sakade (Kansai Univ./ Faculty of Letters)

- ★ The image of the Meiji-Era's leaders in the historiography of Modern China

Tadashi Nakamura (Tokyo Gakugei Univ./ Faculty of Education) F

- ★ Chinese Statistical Survey System and the Accuracy of Data

Yoshiro Matsuda <Head> (Hitotsubashi Univ./ Institute of Economic Research); Toshiyuki Mizoguchi (Hitotsubashi Univ./Institute of Economic Research); Takeshi Hamashita (the Univ. of Tokyo/ Institute of Oriental Culture); Toshio Tajima (the Univ. of Tokyo/ Institute of Social Science)

- ★ Comparative Studies on Oriental Modernization of ASEAN countries and East Asian countries

Yukio Kaneko <Head> (Hiroshima Univ. of Economics/ Faculty of Economics); Shoichi Yamashita (Hiroshima Univ./ Faculty of Economics); Sachi Kataoka (Hiroshima Univ. of Economics/ Faculty of Economics); Hiroshi Atsumo (Hiroshima Univ. of Economics/ Faculty of Economics); Koichi Nidaira (Hiroshima Univ. of Economics/ Faculty of Economics); Tau I-min (Hiroshima Univ. of Economics/ Faculty of Economics)

## Second Plenary Meeting Held in Oiso

The second plenary meeting in our joint research project, "Comparative Studies on the Economic and Social Development and Modernization in East Asia" (Comparative Studies on East Asia, for short), took place at the Oiso Prince Hotel on September 16-18, 1988. About 100 participants gathered, including the concerned researchers, guest speakers, observers, etc.

Special guests invited from abroad were Assistant Prof. Wang Jia-hua of Nankai University, China; Prof. Kim Il Gon of Pusan University, South Korea; Mr. L. Deliusin of the Oriental Study Institute of the Soviet Academy of Sciences; and Associate Prof. John Fincher of Australian National University (who concurrently was a visiting research fellow at Institute for the Study of Languages and Cultures of Asia and Africa, the Tokyo University of Foreign Studies).

Also such honorable guests from Japanese institutions as Prof. Kinichiro Toba (Waseda University), Prof. Toshio Kawabe (Tokyo International University), Mr. Shunzo Arai (Manager of Institute for Basic Research of International Relations) and Mr. Tadataka Isakoda (Head of Research Aid Division of the Science and International Affairs Bureau of the Ministry of Education, Science and Culture) were in attendance and all made presentations in support of the project.

The plenary meeting as a whole was aimed at confirming the researchers' deepened interest in the themes of their studies. Fortunately, all the reporters presented piercing observations backed by profound insights. Free and active discussions followed.

Our important task for now is to find the best way to draw a fruitful conclusion to the joint research project from the results of the individual studies.

Given below is an outline of the plenary meeting compiled by the secretariat.

### Program of the Second Plenary Meeting

1. Date           September 16-18, 1988
2. Place         Oiso Prince Hotel
3. Schedule

#### Sept. 16 (Fri.)

- |             |                                                                                                                                      |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------|
| 13:00-14:00 | Check-in                                                                                                                             |
| 14:30-15:10 | Opening Ceremony<br>Opening address: Mineo Nakajima<br>(Tokyo Univ. of Foreign Studies)<br>Congratulatory remarks by guests from the |

15:10-16:40

Ministry of Education, Science and Culture

Keynote Reports  
Chairman: Saburo Matsumoto (Keio Univ.)  
"Thought of Confucianism and the Society of Japan Today" Wang Chia-hua (Associate Prof., Nankai Univ., China)

"Confucian Ethics and Capitalism in South Korea"  
Kim Il Gon (Prof., Pusan Univ., South Korea)

16:40-17:00

Coffee Break

17:00-17:40

Follow-up Commentaries  
Ryoen Minamoto (ICU)  
Noriyuki Tokuda (Univ. of Tsukuba, Group A)

Discussions

18:00-20:00

Dinner

20:00-22:00

Session (1)

ONE ASPECT OF COMPARATIVE STUDIES ON EAST ASIA  
Chairman: Yasukichi Yasuba (Osaka Univ.)

(20:00-20:40)

Report 1  
"Economic Development, System and Culture - A Comparison between Two Economies"  
Katsuji Nakagane (Hitotsubashi Univ., Group A)

(20:40-21:20)

Report 2  
"Formation of North Korean Communism"  
Masao Okonogi (Keio Univ., Group B)

(21:20-21:30)

Commentary 1  
L. Deliusin (Head of China Section, Oriental Institute, Soviet Science Academy)

(21:30-21:40)

Commentary 2  
Masaya Shiraishi (Yokohama City Univ., Group J)

(21:40-22:00)

Discussions

#### Sept. 17 (Sat.)

09:00-11:00

Session (2)  
HISTORY AND FUTURE OF THE CONFUCIAN CULTURE AREA  
Chairman: Tsuneo Iida (Nagoya Univ.)

- (09:00-09:40) Report 1  
"Essense of Confucianism"  
Nobuyuki Kaji (Osaka Univ.,  
Group C)
- (09:40-10:20) Report 2  
"Saemaul Movement and the  
Growth of South Korean Society"  
Haruo Nagamine (Nagoya Univ.,  
Group D)
- (10:20-10:30) Commentary 1  
Kim Il Gon (Pusan Univ., South  
Korea)
- (10:30-10:40) Commentary 2  
Hiroshi Furuta (Shimonoseki City  
Univ.)
- (10:40-11:00) Discussions
- 11:00-11:15 Coffec Break
- 11:15-13:15 Session (3)  
COMPARATIVE STUDIES ON  
ASIAN NIC'S  
Chairman: Tsuneo Iida (Nagoya  
Univ.)
- (11:15-11:55) Report 1  
" 'Japanese-style Management'  
Transfer to East Asian Countries"  
Takashi Kawakita (Tokyo Univ. of  
Foreign Studies, Group E)
- (11:55-12:35) Report 2  
"Growth of Hongkong and  
Singapore and Their Traditional  
Traits"  
Kazuma Egashira (Nihon Univ.,  
Group F)
- (12:35-12:45) Commentary 1  
John Fincher (Australian National  
Univ.)
- (12:45-12:55) Commentary 2  
Discussant: Isao Ohashi (Nagoya  
Univ., Group D)
- (12:55-13:15) Discussions
- 13:15-14:30 Lunch
- 14:30-15:30 Third summarization-staff meeting
- 16:00-18:00 Session (4)  
DEVELOPMENT MODEL IN  
EAST ASIA  
Chairman: Takashi Inouguchi  
(Univ. of Tokyo)
- (16:00-16:40) Report 1  
"Automobile Industry in China —  
Its Structure and Technology"  
Ryoshin Minami (Hitotubashi  
Univ., Group I)
- (16:40-17:20) Report 2  
"Empirical Review of China's  
'Characteristic Socialist  
Modernization"  
Satoshi Amako (Ryukyu Univ.,  
Group J)
- (17:20-17:30) Commentary 1  
Tomoyuki Kojima (Kyoto Sangyo  
Univ., Group A)
- (17:30-17:40) Commentary 2  
Sumio Kuribayashi (Takushoku  
Univ., Group E)
- (17:40-18:00) Discussions
- 18:30-20:30 Dinner & Social Gathering
- Sept. 18 (Sun.)**
- 09:00-11:00 Session (5)  
EAST ASIA, OVERSEAS  
CHINESE SOCIETY, AND  
SOUTHEAST ASIA  
Chairman: Tatsumi Okabe (Tokyo  
Metropolitan Univ.)
- (09:00-09:40) Report 1  
"Changes in Overseas Chinese  
Mentality — An Analysis through  
Literature"  
Masami Imatomi (Toyo Univ.,  
Group G)
- (09:40-10:20) Report 2  
"International 'Large Circular Flow'  
Strategy of China"  
Kazuko  
Mouri (Univ. of Shizuoka, Group  
H)
- (10:20-10:30) Commentary 1  
Kiyomi Yamashita (Akita Univ.,  
Group G)
- (10:30-10:40) Commentary 2  
Takeshi Hamashita (Univ. of  
Tokyo, Voluntary Research  
Section)
- (10:40-11:00) Discussions
- 11:30-13:00 Lunch
- 13:00-14:30 Session (6)  
MODERNIZATION AND EAST  
ASIA  
Chairman: Mineo Nakajima (Tokyo  
Univ. of Foreign Studies)

- (13:00-13.40) Report  
 "Entrepreneurship and Modernization in the Confucian Culture Area - A Comparative Study on Zhang Jian and Eiichi Shibusawa"  
 Hidemoto Nakai (Hokkaido Univ., Voluntary Research Section)
- (13:40-13.50) Commentary 1  
 Yukio Cho (President, Tokyo Univ. of Foreign Studies)
- (13:50-14:00) Commentary 2  
 Wang Chia-hua (Nankai Univ., China)
- (14:00-14:30) Discussions
- 14:30-15:00 Summary: Takashi Inoueguchi (Univ. of Tokyo)

§ Keynote Report §

### Thought of Confucianism and the Society of Japan Today

Wang Chia-hua

(Associate Professor, Historical Research Institute, Nankai University, China)

#### 1. Views on 'Confucian Capitalism'

It is the general trend these days to see the economic growth of Japan, NICs (South Korea, Taiwan, Hong Kong and Singapore) and other East Asian countries in the eyes of 'Confucian capitalism' or 'East Asian-style industrial civilization,' for they have many things in common in their cultures.

The views of Chinese scholars on 'Confucian capitalism' largely fall into the following divisions: (1) The 'All-out Reconstruction' theory argues that, although the cultural system of China needs to be reconstructed to fit the current modernizing society, the Confucian cultural legacy stands out as subsidiary within that system. (2) The 'Western Structure/Chinese Function' theory assumes 'modernization' to be the 'structure' (framework) and 'nationalization' to be the 'function' (operation). (3) The 'Confucian Renaissance' or 'Third Phase of Confucian Development' theory (by new Confucian scholars) stresses that the principles of Confucianism do not run counter to 'democracy' or 'science.'

Pao Tzun-shin on the contrary has raised many questions upon these interpretations of 'Confucian capitalism' in line with 'institutionalist' and 'culturalist' theories, asserting that they are not empirical conclusions but merely logical deductions by their proponents.

#### 2. 'One-million Followers' of Confucius and Mencius

In Japan today, Confucianism is rather one object of humanistic studies. However, part of Confucian morals and values has so deeply penetrated in the Japanese mind that it forms the core of their etiquette and sentiment. This is very clear from the fact that the ideas of Confucianism are often used as a guide to the respectful behavior of child for father or of wife for husband and, what is more worthy of note, to the way of carrying out political and business administrations.

#### 3. Japan's 'Vertically-structured' Society and Confucian Morals

There are two major factors that allow the Confucian ethics to exist in Japanese society while exerting a large influence on the modern life of the people. The first factor relates to the 'lag' of their mental culture. Whereas material culture is apt to change rapidly, mental culture can rarely keep pace with it, so that the changes in the Japanese moral sense and ethno-psychological sentiments, which are partly based on Confucian ethics as mentioned above, have fallen behind. Secondly, what is said in part of the Confucian moral code matches the unique social structure of contemporary Japan. [Prof. Chie Nakane's "Human Relations in a Vertically-structured Society" explicates this Japanese-particular social structure.] Those values and virtues that are supporting the 'vertically-structured society,' where man-to-man relations are given top priority, cannot be found in the individualistic Western ethics, and only traditional ethics centered on Confucian morality can meet the need of the 'vertically-structured society.' The influence of Confucianism, therefore, will not be completely lost as long as the 'vertically-structured society' persists in Japan.

§ Keynote Report §

### Confucian Ethics and Capitalism in South Korea

Kim Il Gon

(Professor, Pusan University, South Korea)

The question of congruence between Confucian culture and the capitalist economy has been inviting a number of arguments these days. It can be said that, compared with the individualistic cultures of Western countries, the Confucian States generally emphasize the harmony in, and the sense of belonging to a group. But the exact traits of this group-oriented culture vary with the country. For example, there is a considerable

distinction between South Korea and Japan although both belong to the Confucian Culture Area. Described below is an analysis of the Confucian cultural legacy in South Korea.

### 1. Puritan Ethics and Confucianism

Christianity and Confucianism are common in that both advocate love for men and emphasize the ethics for one to live humanely. But they differ greatly in terms of the presence/absence of God and their concern with political affairs. According to Max Weber, the ethics of Protestantism are characterized by (a) the authorization of the profit-seeking mind and behavior, (b) consecration of professionalism, (c) diligent and economical life style, etc. These features, however, are not particular to Puritans, for they are also rated high in the Confucian countries of today.

### 2. Basic Principles of Confucianism and the Confucian Ethics

Confucianism was inherently political-minded, since it idealizes such a ruler who tries to develop his personality until he can influence the people by his virtues. These political ideas of the Confucianism were embodied in Article 8, Code 3 of the Confucian scriptures *Daxue* (University). It can also be said that the base of Confucian ethics theoretically lies in 'sexuality' i.e., stabilizing the center of the mind and keeping this stability under good self-control. As far as the 'three codes/five ethics' are concerned, the relationship between parent and child (filiation) is regarded as more important than those between lord and vassal, husband and wife, senior and junior, and a man and his friend.

### 3. Confucian Ethics 'Living' in Economic Order

The success of economic development in the Confucian countries may probably come from the good congruity of Confucian ethics with the mechanism of economic development. Speaking in line with the prescribed three categories of economic units, the framework of economic development comprises (a) economic order in politics [economic development policy or administrative system for economic management]. (b) economic order in business [recognition of an enterprise, being a functional organization, to be as 'equally-fated community' in which members hold a common sense of values and share the same fate], and (c) economic order in the household [life pattern of thinking highly of education and paying respect to ceremonial occasions, etc.].

### 4. Spirit of the South Korean Capitalism

What enabled South Korean economy to grow seems to relate to the morals maintained among the South Koreans, or the spirit supporting the fundamental life of the people.

In the classical economist system of values, 'production' is connected to diligence, 'circulation' to honesty, 'consumption' to thrift, and 'distribution' to charity. This theory is also applied in South Korea, except that the last one (consumption) is combined with 'symbiosis'. Moreover, the classical school rated the ethos of independence and self-support highly, setting the primary goal at pursuing the public good through the utilitarian principles. In South Korea, however, the ethos turns into 'mutual aid/symbiosis' (mutualism) aimed at economic growth through communality or sense of belonging to a group.

The desirable economic order for South Koreans, which will give rise to healthy economic growth in the future is in terms of an individual making the best use of the Confucian legacy of production=diligence, circulation=sincerity, consumption=optimum demand, and distribution=mutualism and in terms of a member of society pursuing the realization of production=cooperation, circulation=justice, consumption=rationality, and distribution=impartiality.

### 5. Conclusion

The individualistic cultural tendency to pursue the highest rationality and efficiency in contemporary society apparently contains some problems. Respect for humanity and morality in human relations must always be retained.

### Discussant: Ryoen Minamoto (International Christian University)

There are largely three patterns of modernization. (1) The West European countries, for example, found chances for modernization within themselves. (2) Japan, South Korea and China failed, for some reason, to start modernization by themselves until they came in contact with pattern-1 countries, despite their gifted potentialities for modernization. (3) Asian-African countries began to challenge modernization only after they acquired independence in the post-war period.

It should be noted regarding the pattern-2 countries that they could not proceed to modern except through the mediums of traditional culture. Confucianism was typical of such mediums. This Confucianism is more positive toward social and political affairs than any other religions in Asia.

My remarks on Prof. Kim's report are: (1) whether any relations can be found between education and economic growth; (2) the Western concept of charity has not found general acceptance in South Korea and naturally they replaced it with 'mutualism'; (3) blood relations or the 'family group' are closely linked with economic development; (4) although there are many Christians in South Korea, their actual behavior and mentality are those of Confucianists; and (5) whether Confucian ethics are incompatible with science and technology.

As for Prof. Wang's report: (1) Confucianism worked negatively on the modernization in China, but in Japan it acted as a substitute for the mental civilization which had fallen behind material civilization; (2) universal ethics are likely to remain despite the drastic change in appearance, but Japan may not be totally defined as a vertically-structured society; and (3) Confucian ethics include those civilization philosophies that handle relations between 'whole' and 'part' on a large scale and those ideas will provide the basis for considering the highly technologized society of today. Such a severe criticism of the defective points of Confucianism is required to keep the Confucian virtues alive together with the modern ethics of the Western world.

**Discussant: Noriyuki Tokuda**  
(Professor, University of Tsukuba)

The Western theory of modernization was shaped on the basis of Max Weber's ideas that modernization can be caused by the West alone although it came to admit the success of Japan as an exception. It was therefore a daring attempt to bind the Confucian Culture Area to the progress of modernization in East Asia, and many criticisms are emerging against this.

(1) It is true that modernization does not spontaneously evolve from Confucianism itself. (2) The process of modernization is so multi-faceted that explications from the point of cultural and mental structures can only enlighten part of it. (3) Even if a certain set of conditions bringing about economic growth were found somewhere in the Confucian tradition, it would be doubtful whether these conditions would be diachronically and synchronically universal. (4) Confucianism of course contains some elements unaccommodating to modernization, and China's modern and contemporary history represent a passage in the negation of its traditional cultures including Confucianism. (5) Confucian thought is accommodating only up to a certain stage of modernization, that is, the Confucian tradition comes to weaken when a

society has somewhat matured. (6) The lag of mental culture versus material culture may not be a phenomenon of Confucianism alone.

(7) The theory of a 'vertically-structured society' is an inference with much abstractness and is poor in empirical proof. (8) It is inappropriate to put too much emphasis on what is called 'Japanese traits.' (9) The Confucian Culture Area is deeply interlocked with a 'mobilizational authoritarian polity.' (10) Cultural arguments cannot elaborately explain the behavior of human beings. (11) It can rather be said that the thinner the Confucian touch becomes, the further modernization advances. (12) Speaking in the context of modernization theory. East Asia may be still in a transitional period, and may not have passed through all the developmental stages of the West.

## Session (1)

### Economic Development, System and Culture – A Comparison between Two Economies –

**Katsuji Nakagane**  
(Professor, Hitotsubashi University)

1. Economic performance denotes one type of important reference data for a comparison between economic systems. For example, such questions as the difference of the economic growth rate or price increase rate between capitalist and socialist economies used to be taken into the agenda of discussion and these comparisons often led to an ideological dispute. But there were several attempts by Bergson and other Western researchers to make truly academic comparative studies on the two economic systems. In the case of Bergson, he compared the productivity growth rates of the Comecon members with those of the OECD members and quantitatively 'proved' that, although both economies were almost equal in terms of simple average productivity growth, the socialist economy falls behind the capitalist economy as far as they are in the same stage of development because the productivity growth rate generally decreases with the progress of economic development.

2. It was Pryor who has vigorously attempted such comparative studies in recent years. He also compared Comecon and OECD to see if there are any significant differences between the two economic system with respect to growth rate, productivity, income distribution, etc. His major finding was that, since no significant difference could be recognized in any aspect

of economic performance, the difference in economic development level is rather a significant 'explaining' variable.

3. What then can explain those 'residuals' that are not clarified by the economic system or 'economic development'? The solution is likely to be organized into (a) environmental factors, such as nature, politics or culture, and (b) policy-making factors, that is, how and what adequate policies the State set up in good time. Of the former, the relation between culture (or culture area) and economic performance is particularly important, if the latter is neglected due to the difficulties in measuring adequateness.

4. Since those environment factors are closely related to each other, it is difficult to determine how much every one of them has exactly contributed to economic performance. In the Marxist orthodoxy, economic growth (productive force) determines the system (relations of production) and both together (economic base or substructure) determines politics and culture (superstructure). Now that the reality is not so simple as this, it is much better to understand that these three factors collaborately act on economic performance while one defines another. In the light of our subject matter, the questions to be inquired are (a) how the culture has been operating on, or receiving influence from, the economic growth or the system in East Asia, (b) whether socialism has functioned positively in economic development, or how it has been altered by culture, (c) how all these three factors have characterized the economic performance of East Asia as against the other areas, etc.

5. It is therefore necessary to try some statistical analysis of the effects of the three factors in different aspects of economic performance and with that outcome as a clue, rearrange the source materials and arguments for looking at the interrelations between economic development, system and culture, while making reference to the studies of Adelman and other scholars. To carry out this analysis efficiently, it is suggested to set all areas in the world as the targets of comparison, and the growth rate, labor productivity increase rate, price increase rate, and investment rate as the major reference items for performance.

## Formation of North Korean Communism

Masao Okonogi

(Professor, Keio University)

### (1) Significance of *Juche* (Chuché)

The political thought *juche* (self-reliance) appeared for the first time in North Korea when Kim Il-sung delivered a speech on December 28, 1955 under the title of "For Sweeping Away the Dogmatism and Formalism in the Ideological Activities and Establishing "*Juche*." What he emphasized there was the need of selectively and creatively applying the principles of revolution or the experience of struggles of other nations to meet reality in North Korea, not adopting them mechanically. In other words, Kim Il-sung started an effort to become a single authority on ideological interpretation at home by speaking out on *juche*.

### (2) Intra-party Conflicts of 1945–57

Kim's movement as above was ascribed to the two challenges that some party members made against his leadership, inspired by the international trend of 'de-Stalinization' at that time and by the experience of a certain external government (Moscow). The first of the intra-party conflicts occurred in 1945–55 in the aftermath of Malenkov's new economic policy of stressing consumer goods, and the second in 1956–57 in line with Khrushchev's theory of integrated economy and rejection of the personality cult. In his later statement Kim mentioned these two events as follows: "The anti-establishment groups had challenged the 'policy of self-reliant national economy' of North Korea with 'external forces at their back'." He also defined the first one as an 'anti-dogmatist struggle' and the second as an 'anti-revisionist struggle.'

### (3) Prototype of the North Korean Communism

Since both challenges against Kim Il-sung had emerged in response to the 'de-Stalinization' movement overseas, the First Five-Year Plan, dating from 1957 to 1960, basically followed the Stalinist model of economy, not only to restrict the growth of such moves inside the country, but to attain a 'self-concluding' economic system dependent on heavy industry, by utilizing all sorts of internal resources to the utmost. With this, cooperative farm management or 'agricultural partnership' was rapidly formulated. Moreover, after the 1954–57 intra-party conflicts were collectively prescribed to be an 'intensive class struggle,' a growing tide of 'socialist revolution' and the 'dictatorship of the proletariat' came to be declared in North Korea. Kim Il-sung's anti-Japanese partisan

activities were propagandized as a 'revolutionary tradition' with emphasis placed on his 'one and only' legitimacy. All these were meant to represent the birth of a 'new Stalin.'

(4) Hard-line Policies toward the United States and South Korea

Although the capitalist and socialist blocs started to grope for a peaceful coexistence and North Korea by itself showed signs of synchronization with this movement, the 'North-South coexistence' has never been approved. Even after an agreement on armistice, the North continued the effort to strengthen its 'democratic bases' in waiting for the revolutionary situation to mature on the Korean Peninsula. The April 1960 massive demonstrations spearheaded by students (the so-called 'student revolution') and the May 1961 military coup led by Major-General Park Chung Hee were received (by the North) as a sign of growth of such a situation, along with the subsequent success of the Cuban Revolution. The North Korean 'four major military lines' announced in December 1962 therefore represent a policy of 'parallel-going national defense and economy' to prepare for the coming 'revolutionary event' on the initiative of North Korea.

**Discussant: L. Deliusin**  
(Head of China Section, Oriental Study Institute, Soviet Science Academy)

The comment below centers on the *perestroika* of the Soviet Union and the Chinese Revolution.

These two are equal in that they originated in the intention to search for a way of attaining prosperity within the bounds of socialism.

The Soviet Union once officially declared that the State was the 'vanguard' of mankind, but today it admits frankly and openly that many problems lie ahead. In other words, the new socialist leaders in recent years — Gorbachev for the Soviet Union and Deng Xiaoping for China — have been taking a relatively realistic approach toward socialism, conceiving of it as something attainable through a number of practices, instead of in term of the idealistic or utopian interpretations of the past.

An example of this approach is the experimental introduction of 'contract' and 'lease' into the agricultural sectors of the Soviet Union, or the appearance of the rank of 'manager' being approved in the Soviet and Chinese societies.

The programs of *perestroika* under Gorbachev's leadership will after all proceed into a political reform, across the boundary of economic reform. At that time

the question of the relationship between the 'party' and the 'government' will give rise to a controversy as has been pointed out by Prof. Nakagane.

**Discussant: Masaya Shiraishi**  
(Assistant Professor,  
Yokohama City University)

My intended approaches for comparative studies on East Asia are as follows:

- (1) Establish a framework common to Japan and NICs.
- (2) Make a comparative analysis between the role of traditional culture and that of institutionalized (artificial) culture.
- (3) Review the effects of international environment on the domestic society.

As for (1), Japan and other Asian countries in the prewar days can be regarded as 'combat groups' respectively, because they were characterized by: (a) the clarity of the objectives of the 'whole'; (b) the consistency of the interests of the group with those of the individuals; (c) the existence of formal egalitarianism together with a hierarchy determined by professional and working ability; and (d) the highest priority on job performance.

These economically 'closed' and 'self-concluding' societies have been formed by agriculturalism.

As for (2), the high economic growth of Japan and the 'miracle' of the NICs has occurred because the character of their societies (the 'soldier-patterned' feature) was congenial with the 'open' or 'market' model of economy, and this process of harmonization between the two depends on the degree of accommodation between the Confucian culture and the institutionalized culture.

As to (3), even a 'soldier-patterned' society cannot expect any progress of development unless it is operated on positively by the external environment. The remarkable growth of Japan as well as the NICs is exactly the result of the positive influence of the international environment.

## Session (2)

### Essence of Confucianism

Nobuyuki Kaji

(Professor, Osaka University)

The essence of Confucianism consists of moral/intellectual education and religious belief.

'Moral/Intellectual education' means the code (discipline or rules) concerning politics, systems, families, etc., based on the etiquette and customs of the community. If one says 'Confucianism,' he normally implies this educational aspect, i.e., ethics or a moral code.

It, however, also refers to a religious life although this fact is little known among the people. They rather have misunderstood that Confucianism bears no relationship to religion.

The major reason for this misunderstanding lies in the dogmatic assessment by religious scholars that a religion believing in only one supreme existence (monotheism such as Christianity) is the best. Many intellectuals, therefore, do not consider the polytheism or ancestor worship often seen in Asia legitimate religion.

However, the definition of 'religion' is not unique. In my view it is 'something explaining death' to man. Confucianism, as a religion, intends to solve the fear of death by a virtual revival of the dead, that is, by calling back his 'soul' (man's substance) into this world.

After the termination of one's physical life, he becomes a virtual existence floating in the air, but he can be revived in this world (as another person) if a certain set of religious rites is carried out for calling his soul. This idea is not unfamiliar since it has been maintained somehow in various areas of the world from long ago.

Confucianists, however, combined this belief in the immortality of the 'soul' with social etiquette to form a theoretical system. In other words, they connected the 'soul-calling revivification ritual' to 'ancestor worship' in order to use the latter as the spiritual backbone of the family. In the theory of Buddhism, any ritual for calling a man's soul is impossible except in the period between his physical death and birth (seven or sevenfold days, e.g., 49 days in Japan) because the soul (his substance) continues to reincarnate everlastingly (until salvation from the bondage of this world). It is merely an adaptation from Confucian etiquette that Buddhists hold a rite for calling the soul on the anniversaries of a person's death.

The State is, in that Confucian way of thinking, a collection of ancestor-worship groups maintaining the soul-calling revivification ritual. It is organized on the basis of giving priority to the etiquette and customs of the community rather than the law.

If Confucianism tells only an ethical theory — the moral/intellectual education code — it should have become obsolete as modern or contemporary society grew. But because it contains a religion at its base that conforms to the sentiment of Northeast Asian peoples (Japanese, Koreans, Chinese, etc.), it will not lose power easily.

For example, the views of the South Korean and Japanese governments (unknown about China) that do not authorize 'brain death' legally on account of the respect for public sentiment are largely related to the concept of ancestor worship and soul-calling revivification ritual. In addition, as the wishes for 'virtual revival after death' indicate, Confucianism regards this living world as 'pleasure' ('sufferings' in Buddhism or 'sin life' in Christianity). The appreciation of five-sensual pleasures in this world directs the people's primary concern toward concrete objects rather than abstract universal items, making them strongly interested in the material world, not the spiritual world. This, needless to say, appears as the ambition for profits in this lifetime.

As a result of the two-thousand year propagation of Confucianism, its values have settled deeply into the people's life. For example the Confucianism, which initially had rested within an agricultural society where people could obtain an income a few times a year, sees 'thrift' and 'diligence' to be important matters. It was critical of the commercial economy, regarding agriculture as primary and commerce as secondary. These thrifty and diligent mentalities do not easily change even if the agriculture-centered industrial structure is altered. Also in Confucianism, 'culture is an object opposed to Nature — it is the virtues and senses developed through the ethical, social and religious influence of Confucian moral/intellectual teachings.. This process of development is the real 'education' and the culture is the result of that 'education.' In other words, Confucianism puts emphasis on a man-made (artificial) world, in which morals come to the top and Man precedes Nature. Therefore, a component of such a world feels no resistance to use industry (a typical artificial constitution) as a means to control Nature and form an industrialized society. Apart from moral education, the central Confucian school in modern times, headed by *Chu-tzu*, conducted training for 'positivistic thinking' where 'reaching an object' step by step is rated highly. In the last years of the Tokugawa shogunate (*Bakufu*)

and in the Meiji era, the intellectuals who were strongly affected by these empirical Confucian ideas, not only accepted the modern natural science of the West promptly, but mastered in due course the 'principles of causality' of that science for examining things. So, 'physics' initially was translated as *Kakubutsu-gaku* (studies to 'reach objects').

## Confucian Values and the *Saemaul* Movement Movement in South Korea

### — A Case Study on Relations between Traditional Legacy and 'Grass Roots' Development —

Haruo Nagamine

(Professor, Nagoya University)

#### 1. Purpose of Study

This study is intended to analyze the role that the Confucian intellectual legacy played in the *Saemaul* Movement of South Korea. The concept of 'capacitation,' once advocated by the United Nations, is therefore touched upon below as the paradigm to set the framework of the study.

#### 2. Development Process

Development consists of four stages: (a) finding the problems, (b) setting of development goals, (c) execution of projected measures, and (d) achievement. If the resulting achievement comes below the projected goal due to unexpected factors, or a new problem arises at the stage of achievement, development will make another round.

#### 3. Subject of Development

Development basically targets (a) the government, governmental organizations and big enterprises, which hold a large number of resources and strong power and are supposed to engage in development from the comprehensive viewpoint [Subject A], and (b) the public, public groups, small enterprises, and nongovernmental organizations (NGOs), which are poor in funds and techniques but know well of the realities of local community and are expected to form the nucleus of developmental forces on account of their number [Subject B].

According to past experience, tight mutual cooperation between the two is the key to the advancement of development.

#### 4. Mandatory Items for the Two Subjects

The things with which the two subjects should be furnished by development are (a) funds and resources, (b) skills/technologies, (c) organizations/systems, (d) sense of values, and (e) information. According to past experience, an intellectual legacy such as Confucian morals relates closely to the growth of the sense of values and the establishment of organizations/systems (i.e., practices in a group of people and their management).

#### 5. 'Capacitation'

A group of people always makes an error in the process of managing development. So, in order to push the development forward, the abilities of Subjects A and B to detect and adjust that error — the problem solving capacity — must be strengthened by, speaking in accordance with the above paradigm, (a) giving opportunities for experience in managing development, (b) learning from the accumulation of that experience (to maintain continuity), (c) enhancing and sophisticating the 'mandatory items' through learning from these experiences.

#### 6. Confucian Legacy

As many has said, the 'Confucian legacy' is (a) diligence and discipline, (b) orderly control (system/order) and obedience, (c) respect for knowledge or education, (d) family-centered pattern of behavior or thinking, (e) thrift, (f) flexibility and adaptability, etc. There was a case under the Yi dynasty, however, where Confucian morals became a bottleneck to the advancement of the society. Therefore, the society which is highly capable for development ('capacitated') can be said to hold the 'ability to select' only what it needs from the Confucian intellectual legacy.

#### 7. Experience of *Saemaul*

At an early stage of the *Saemaul* (New Village) Movement, the government attempted many efforts 'relevant' to the above-mentioned paradigm (capacitation). It did (a) make an impressive appeal by extracting three morals (diligence, self-support and cooperation) from the Confucian legacy, (b) exclude the conservative or unenterprising control of elders, while revitalizing the traditional decision-making practices in the villages, (c) monitor the exact level of 'on-the-spot' (grass-root) development to inductively shape a policy which can fit reality, (d) reallocate the existing funds in the way to conform with the decisions of farmers (not make a new appropriation for the movement) in order to deeper their trust on the government as well as to maintain the financial base of the movement, and (e) spend much time on the introduction of and talks concerning experience during leadership; training so

that the people engaged in the movement could share what they learned.

**Discussant: Kim Il Gon**  
(Professor, Pusan University, South Korea)

Prof. Kaji's remark that Confucianism has become the principles of family, politics and State on the basis of ancestor worship aligned with the soul-calling revivification ritual is important. It is also true that Confucianism has an aspect of a this-worldly religion. It is of interest that Confucianism tells little about life after the death, although the Buddhist scriptures include detailed explanations of hell and paradise. The ancestor worship of Confucianism is therefore rather irrelevant to the afterworld. Notice of this irrelevance has probably brought about the general estimation of the positiveness of Confucianism about this world.

Speaking of the *Saemaul* Movement touched upon by Prof. Nagamine reminds me of a training program I experienced when I was a dean of the university. An interesting point of this training was that university staff like me and the women and girls of rural villages who are almost illiterate were educated together for one week. The curriculum of the program was mostly made up of talks by *Saemaul* Movement leaders on their successful activities but the talks of the hard-earned experiences of villagers appealed much to the intellectuals who had never devoted themselves to muscular work. The program looked as if it were intended to leave a strong impression like stage effects. Apart from the efforts to remove the 'fence' between the intellectuals and non-intellectuals, such innovative techniques as giving respect to the voluntariness (autonomy) of farmers or designating young leaders irrespectively of traditional customs were applied. Since the *Saemaul* Movement was also implemented as a nationwide project for promoting direct investment by the labor force, the marks it has left on the economic field are unmeasurable both in number and degree.

**Discussant: Hiroshi Furuta**  
(Shimonoseki City University)

From the standpoint of my speciality, the acceptance and transition of the *Chu-tzu* Confucian theories, the 'family' (known as the 'blood relation') has a very special meaning in traditional Korean society. It is a religious, patrilineal 'consanguine family' where no one can adopt his child from another 'family'. He must select one younger than himself from the other 'family'

members (relatives/kinsmen). This system, intended for retaining the 'blood' of the 'family' for transmission from one generation to another, leads to a genealogy (family tree) being written to clarify the order of generations. It is in South Korea that this tradition is strictly observed even today. The same family system has already become obsolete in China and, in Japan, the inheritance of the 'house' (family name or position as *paterfamilias*) is more important than the maintenance of the 'blood.'

The traditional Korean society can therefore be likened to a collection of religious cells, where people carry out the rituals/ceremonies of their 'families' rather than the festivals/carnivals in a community. In this society a sort of factional conflict occurs frequently if such traditional features as above function negatively, and emphasis on mutualism appears if they act positively. Under the 500-year reign of the Yi dynasty, ideological controversy raised its head from time to time around the orthodoxy of Confucianism, but this was actually a round of competitions between 'families' for a small number of official posts.

If one combines those 'inter-family' disputes with the traditional 'patrilinear' family system, he would derive a good picture of the succession issue or other political conflicts in North Korea these days. That tradition on the contrary seems to have been working favorably in the case of South Korea, because there is an impression that a network of mutualism, equivalent to what is called 'perfect virtue' (*benevolence/charity*) in Confucianism, is expanding and contributing greatly to the growth of the country. The Confucian tradition lingers in two ways — good and bad ways for the people.

### Session (3)

#### 'Japanese-style Management' Transfer to East Asian Countries

**Takashi Kawakita**  
(Assistant Professor, Tokyo University  
of Foreign Studies)

##### 1. Significance of the Study

This report explains the current circumstances, and the terms, of the transfer of 'Japanese-style management methods' toward East Asian countries, according to the comparisons between the recent cases of transfers toward them and toward other countries. The final conclusion of the comparative study, of course, can hardly be reached because there are differences between

the domestic situations of East Asian countries and between enterprises, and moreover those East Asian countries are in the process of development. But, reviewing this transfer is important in the light of (a) changes in the international strategies of Japanese enterprises due to the appreciation of the *yen* against the dollar (generally a change from the vertical to the horizontal division-of-labor, and from the concentration of production activities in East Asia to expansion into other areas), (b) changes in the economic development strategies of East Asian countries (owing mainly to the awareness of the deadlock of socialist economy), (c) changes in the corporate policy in the Western industrial countries (partial application of Japanese-style management), and (9) reconstruction of the 'growth-employment' model.

## 2. Japanese-style Management

There is the need to define the 'Japanese-style management methods' first. They are the 'employment practices in Japan' in a narrow sense of word, but comprehensively they mean the system of making decisions with the opinions of on-the-job workers taken into account, the compressed structure of hierarchies and subdivisions, tight communications, etc. Some of these features are probably not unique to Japan, for the current management techniques of Japanese businesses apparently have been formed after the war. It is therefore necessary to trace the path of that formation in order to discriminate between peculiar and universal characteristics. The question of how to define and measure 'management techniques transfer' is also important, as well as distinguishing between 'local capitalization' and 'localization.' Differences between the concept of 'success' of Japanese-affiliated businesses and that of local businesses must be noted in this context, because people tend to mix the values of these two successes.

## 3. Problems and Conditions of 'Japanese-style Management' Transfer

These are the deductions from my survey: (1) The feature of 'long-term stable employment' is subject to labor market conditions and is negatively affected by redeployment of labor at elite levels (e.g., company A in Singapore), medium elite levels (e.g., company B in Thailand), and general-workers level (company D in Taiwan). It is also affected by in-house education, and this education sometimes settles favorably (company E in Taiwan) but in other cases causes the need or desire for more suitable assignments (company F in Singapore).

(2) Though it is not yet entirely explicated as to the effects of the 'seniority system' on the growth, level of

skill and elderly control, these effects are often impeded by the 'restrained localization' policies of the local governments. (3) In-house labor-management relations' can hardly be fostered in a country where transverse unions exist (Malaysia) or where policies for restricting such unions have failed (South Korea). (4) The formation of 'participating labor groups' fails due to transverse connections (China). (5) Whether to introduce the 'in-house education' system is often determined by the type of technology to be assimilated or fostered. (6) The 'earnest will to work' (morale) is difficult to discriminate from forced voluntariness. (7) The 'minor hierarchicalization with continuity' is hard if a country once was a British colony and/or is made up of different ethnical peoples. (8) 'Tight communications' might also be divided into units of financial-group communications.

## 4. Conclusion: Summarization of Transfer Conditions

Speaking in line with the Confucian Culture Area theory, religious, commercial and vocational mentalities seem to form behavioral ethics which have many congruencies with Confucianism, provided that the origins of *samurai* feudalistic, agricultural, commercial, and vocational nature of 'Japanese management' lie in a sort of religious mind. However, there are differences within East Asian countries, particularly on account of gaps of industrial development. It is not my intention to discuss the impossibility of 'management techniques transfer' by emphasizing these differences — only to prompt researchers to investigate those differences and similarities that condition the acceptance and accompanying alteration of the techniques. 'Simple focussing' arguments and 'staged-development' theories are risky along with cultural fatalism.

## Growth of Hong Kong and Singapore and Their Traditional Traits

Kazuma Egashira

(Professor, Nihon University)

### (1) Aims

Unlike other developing countries, Hong Kong and Singapore among the Asian NICs witnessed high economic growth and increased industrial sophistication throughout the 1960s and 1970s. Although their economic growth slowed down with the worldwide recession in the early 1980s, it recovered in the later years to as high a level as required to show steady progress in the sophistication of industrial structures.

Their higher economic growth and modernization — higher than the other two NICs — was a result of common economic and social factors on one hand and to peculiarities, on the other hand, which failed to be gifted to South Korea and Taiwan.

As a result of these similarities and peculiarities, especially those related to structural and political factors, this study was designed to grasp in a interdisciplinary manner the social value systems and physical frameworks of the governments, enterprises and labor organizations which took realistic responses toward development. These points have also been reviewed from the angle of the Confucian Culture Area.

### (2) New Aspect of Hong Kong-Chinese Relations

What became a new impetus for the growth of the Hong Kong economy was the 'coastal development strategy' of Zhao Ziyang, designed to combine the ongoing industrial structure adjustment of Japan (or another) with the low-wage labor force of the coastal areas in China in order to facilitate the 'opening' programs for national economic growth. Enterprises of Hong Kong had already started expanding from the Chu Chiang (Pearl River) delta to other areas, of which some are affiliated with Japanese and Taiwanese investors. A draft Basic Law for the future Hong Kong Special Administrative Region, announced in April, 1988, suggested several options for the Hong Kong business sectors, though anxiety remains since the final draft will be promulgated in 1990.

The influence of Chinese politics and the integration of internal societies will one way or the other proceed in Hong Kong, and the result of these processes will determine how much the original character of Hong Kong can remain.

### (3) Traditional Characters of Overseas Chinese, Their Economy, and Society

The economies and societies of Hong Kong and Singapore are deeply tinged with Overseas Chinese colors, although everything cannot be packed together in a Confucian tradition. They should rather be viewed as Chinese guild-like structures, in which Confucian views of wealth; Taoist code as folklore religious belief; commercial economy under a feudal dynasty; and the 'consanguine family' (blood relation) and 'conjugal family' are reflected in a complicated way. Socialist China these days has become unable to neglect the strength of these legacies, and it is all the more impossible for Hongkong. Further study is awaited on how they will affect the growth of these economies.

**Discussant: John Fincher**  
(Associate Professor, Australian National University)

Based on all the foregoing arguments, I would like to raise three questions.

The first question is what are the similarities between Japan and NICs (including the coastal areas of China where remarkable progress is seen). The second question is about the relations between their rapid economic growth and Confucianism. Max Weber found there a negative correlation, while Herman Kahn pointed out a positive one.

By practical approaches, you could see various aspects of the rapid economic growth. For example, correlation is unlikely between Confucianism and industrialization in the steelmaking sectors, but on the other hand a positive correlation may appear at the early state of commercialization. The Confucian ethics may also act positively in the process of classic industrialization. They probably have something connected to the difference between classic and modern industrialization.

We tend to pay attention only to the initial phase of industrialization, but we need to note the relationship between deindustrialization and Confucianism. Correlation with Confucian ethics is positive if elementary and secondary education is of importance, and is negative if direct participation of women in the society is more important.

A new and third question to be presented here is the relationship of rapid economic growth with the mobilization system at war time (World War II, Chinese civil war, or class struggle). It would be very interesting to make a comparative study between prewar Europe and postwar Asia, and moreover between these two and Gorbachev's Soviet Union.

**Discussant: Isao Ohashi**  
(Associate Professor, Nagoya University)

The eight factors presented by Prof. Kawakita must be considered by applying them separately to individual countries, because a country in itself is a 'self-concluding' existence.

The word 'Japanese-style' should also be examined because they after all have been interpreted it by following the concept of the 'three divine tools.' Since we are focusing on East Asia, it is rather a roundabout way to use this word, which were defined in contrast with the word 'Western.'

The eight elements making up the most critical point of the argument may have been unsatisfactorily considered. For example, redeployment of labor, morale of workers, etc. are the results of in house education, seniority system, etc. and are probably 'explained' variables.

'Japanese-style management' has been talked about in terms of large enterprises of the country. Local enterprise, which run with less capital and manpower, should rather be compared with medium and small enterprises in Japan.

A little more attention is also required to the systemic framework within which each enterprise is placed (such as overtime allowance, rules for dismissal, etc.).

There is a wish for Prof. Egashira to explain the reason why he said East Asian workers are not independent or autonomous.

#### Session (4)

### Automobile Industry in China —Its Structure and Technology —

Ryoshin Minami  
(Professor, Hitotsubashi University)

Automobile production of China has reached 450,000, the next number in Asia to the 600,000 of South Korea. But its products are far from those of developed industrial countries in terms of quality and design. The famous *Chiehfang*-model trucks continued to be manufactured for 30 years until the new CA141 appeared in 1987. Production efficiency is also very low. Assembly-process labor productivity is 80 cars/year-man at Ti-i (第一), the First 'Rolling Stock' (Automobile) Plant in Chanchun, and 25 cars/year-man at *Tientsin* Automobile, — generally a fifth of 377 cars/year-man at the Tokyo Plant of Mitsubishi. The poor quality and low productivity of China's auto industry derive from many factors, of which undeveloped industrial organization and low-level technology are touched upon below.

Undeveloped Industrial Organization — lack of division-of-labor and inter-enterprise cooperation systems:

(1) A large plant takes one continuous operation from parts production to assembly (60–70% as the in-house manufacturing rate of *Ti-i*) and this leads to striking uneconomy.

(2) Production facilities are scattered in too many areas to take advantage of mass production. (There are 151 assembly plants in the country. And only 5 out of 29 provinces, cities and autonomous are not related to the automobile production.)

#### Technology Transfer and its Conditions

There are three patterns of technology transfer: (a) knockdown by joint venture (e.g., VW and *Shanghai*, AMC and Beijing Jeap, Isuzu and Chungking Automobile, or Peugeot and Canton Automobile), (b) technological tie-up (*Daihatsu* and *Tianjin-qi*), and (c) development of 'mixed blood' models through introduction and combination of various technologies (*Chiehfang* of *Toi-i*, and *Tongfeng* (East wind) of *Ti-erh*, the Second 'Rolling Stock' Plant).

These methods naturally have both merits and demerits. In the case of (a), cars like in industrial countries can be produced but their parts are mostly imported. As for (b), full domestic production of parts is easy to achieve since management is in the hands of the Chinese, but performance and quality of produced cars are low owing to halfway technological education and poor parts quality. Method (c) enables complete domestic production but the cars are not good in performance and quality.

Two preconditions are required for smooth progress in technology transfer.

(1) Growth of related industries: Because of the unsatisfactory development of related industries, large automobile manufacturers have to produce parts by themselves. This makes corporate management complicated, retarding the advancement of technology. Minor factories, which have little part-manufacturing capacity, find difficulty in receiving constant deliveries of parts and this results in their extremely low operating rate. They have to buy a large number of parts at one time in order to raise the operating rate, and this results in heavy financial burdens. Even if they can manage good inventory control, their products remain poor in performance and quality due to parts much below international standards.

(2) Research and development in auto industry: The third pattern of technology transfer premises R&D at home. The success of 'mixed car' development by *Ti-i* and *Ti-erh* was because of their holding large research annexes (*Changchun* Automobile Research Institute under China Automotive Industry Corporation, and Technology Center respectively). The other majority auto manufacturers are extremely weak in R&D.

## Conclusion

The above features of automobile industry in China are also applicable to other sectors. The lack of inter-enterprise division-of-labor systems, small-sized production owing to locational dispersion, immature parts manufacturing sectors (which causes the need for in-house part production and large inventory, besides low-quality products), and unsatisfactory digestion of introduced technologies ascribed to insufficient R&D are seen almost everywhere in the Chinese industry. This probably keeps China away from remarkable technological development. [Technology progressed at 1.2% in 1980–84, a fifth of the production growth rate and a third of the productivity growth rate.]

## Empirical Review of China's 'Characteristic Socialist Modernization'

Satoru Amako

(Professor, Ryukyu University)

It is not easy to have the whole picture of contemporary China through the socioscientific approach alone. It may be the word 'modernization' itself that symbolizes the severe situation in which China stands these days. To understand this modernization correctly, we must investigate and digest several important points to find out the characteristic features of the movement — the points such as the circumstances before China shifted into gear toward modernization, the measures it selected for the goal, the beginnings of modernization to today, and the social goal it has been heading for. China itself expresses today's modernization as 'characteristic socialist modernization.' This study is to examine the realities of China based on my two-year experience of stay in China.

### (Summary of Study)

1. Features of the recent 'turning' years: Challenges for a structural change of the society
2. References by Chinese leadership to 'the nation's characteristic socialist modernization'
3. Structural features of the Chinese society: Structured 'four large gaps' — (a) urban vs rural areas, (b) elite vs mass, (c) established systems/institutionalization vs 'noninstitutionalism,' and (d) preference for politics rather than economy ('normalized' at 'low' living standard)
4. Features of future modernization estimated from the signs of diversification and the 'unfluid' and 'non-institutionalistic' elements

5. Roles of 'socialism' and 'the party' at the current stage of modernization: 'Adjustment ideology' and 'integrating function'

China has to realize and solve all these problems in order to be modernized, but 'modernness' itself is an extremely vague idea.

Discussant: Tomoyuki Kojima

(Professor, Kyoto Sangyo University)

Japan and NICs, which have Confucian cultural traditions, saw remarkable modernization. One may feel the irony of history after the reports by Profs. Minami and Amako, for modernization is most delayed in China where Confucianism was born.

It is a question of great concern whether the industrial problems pointed on by Prof. Minami would be solved by improvement measures of the Chinese government.

Prof. Amako first presented his concept of 'modernization,' then the designs of China's modernization policy, and his interpretation of Chinese-style modernization.

The 'modernization' concept he described seems to agree with what Max Weber called 'westernization,' for which two ideas, 'individualism' and 'establishment of ego,' are mandatory.

As for the second point — the need of China to remove the 'four large gaps' against the modernization — I would like to ask whether this need has been felt by China or inferred by Prof. Amako.

In respect to the third point, China's characteristic modernization seems to date back to the Chung-ti Hsi-yung ("Chinese learning as the fundamental structure, Western learning for practical use") movement at the Opium War, not from the 1960s.

Discussant: Sumio Kuribayashi

(Lecturer, Takushoku University)

This is an outline of economic figure comparisons to indicate what China has so far obtained in the reforms embarked in 1978.

The average economic growth rate was about 6% before 1978, of which 43% was a consequence of labor increase and 57% by labor productivity.

Since 1978, economy has continued to grow at 8.7%, in terms of labor increase and 63% in terms of labor productivity.

Labor productivity certainly keeps on going up in the statistics since 1978, but this improvement owes

much to the remarkable upgrading in agricultural labor productivity. Industrial labor productivity, which was 52% before 1978, has come down to 30%.

This implies that the industry of China contains some problems.

Those of the automobile industry exemplified by Prof. Minami after all are the issues of national economic planning and market restructuring, that is, the lack of division-of-labor/cooperation systems between enterprises and immature industrial technologies.

Prof. Minami's study is pioneering in the sense that it has depicted the outcome of China's experimental economic plan and market reorganization through the realities of the automobile industry.

## Session (5)

### Changes in Overseas Chinese Mentality — An Analysis through Literature —

Masami Imatomi  
(Professor, Toyo University)

When reviewing modernization in the Southeast Asian countries, no one can neglect the existence of the Overseas Chinese and their societies. Overseas Chinese societies were formed, not only because of their activeness in the commercial spheres, but due to the mentalities set up in their culture, language, religion, history, etc. Studies of their literary works and movements are effective for understanding their mentalities, since a number of source materials are available in this area. There are reportedly more than 16 million Overseas Chinese in Southeast Asia, and each of their societies is, so to speak, a collection of all classes of 'warriors, farmers, artisans and tradesmen.'

The people of these societies, however, have different mentalities since the countries they live have different environments and situations. However, they are all a minority within the society of a country and they tend to show the mentalities and behavior patterns common to all minority groups. A good many of Overseas Chinese writers, for example, sympathize with the 'black power' movement in the United States and refer to it often in discussing the problems of their own societies.

In a complex society in general, the majority group standing at the top (establishment or mainstreamers) takes various measures to control the minorities arbitrarily but the minority groups themselves respond one way or another in order to protect their rights and

dignities. These minorities eventually come to strive for the establishment, maintenance, and expansion of their identities based on language, culture, religion, and history. Those Chinese people in Southeast Asia, who once called themselves 'Overseas Chinese' voluntarily, were welcomed as quality labor by the authorities of their suzerains. They played the role of intermediary between colonists and natives, partly engaging in minor commercial businesses. However, their descendants of today reject being called 'Overseas Chinese' and just use the word 'Chinese.' This is because under the postwar circumstances those Chinese were forced to change themselves, even with regard to their inherited mentalities, in order to survive as the minority in a complex society. Their spiritual base as Overseas Chinese was lost and it became inconvenient for them to continue being 'Overseas Chinese'. There were a considerable number behind the end of the appellation of background factors. Overseas Chinese and the use of the name of 'Chinese' or 'Chinese people.' These changes in their mentalities will appear as some shifts in their various activity fields.

In Malaysia and Singapore, there is a history of Chinese literature or Chinese-language education for more than 60 years. There literary and educational movements have played the role of displaying and cultivating the ideas of the Chinese people in the two countries. (The term 'Malay Chinese literature' originally pointed to the Chinese literature on the Malay Peninsula. But since the split of Malaya, the word 'Malaysian' or 'Singaporean' is often used instead of 'Malay' to discriminate the two Chinese literatures, and in that case both together are called Singaporean/Malaysian Chinese literature.)

Malay Chinese literature, developed under the influence of the May Fourth Movement in 1919, was said to be a branch of the New Chinese Literature movement. But today, after 60 years, those original and local-color works, in which things about the people or societies at home are described, have become the orthodox Malay Chinese literature. Since this literature was Overseas Chinese at its outset, there were many difficulties in the path until it turned to bear originality and take root. For example, people underwent complicated and torturous internal struggles to stop identifying themselves with, or harboring nostalgia for the fatherland and to move toward real settlement in the country where they were born. These workings of their mind came to be reflected in their literature. The path of their changing mentalities also followed that of the modernization of their societies. This change probably have benefited the development at the national level.

Details on the mental changes in the Chinese societies are given in the following order, centering around the literary movements:

- (1) Chinese life and literature in the early 19th century
- (2) May Fourth Movement and Malay Chinese literature
- (3) Path of the growth of Malay Chinese literature
- (4) Conflicts between China-oriented and local-oriented schools or the anti-Japanese war literature
- (5) Conflicts between Overseas Chinese literature and local-colored original literature at the postwar time
- (6) Differences between Malaysian and Singaporean Chinese literatures
- (7) Relations between Malay Chinese literature movement, Chinese-language education, and Confucian ideology

It is clear that the typical traits of Oversea Chinese have been lost among the Chinese peoples of Malaysia and Singapore. They are spiritually getting more and more independent of China. These two Chinese societies, however, will begin to bear separate characters in the future because of the difference of their environmental conditions.

### **International 'Large Circular Flow' Strategy of China**

**Kazuko Mouri**

(Professor, University of Shizuoka)

1. At the beginning of 1988 the Chinese leadership embarked on a Strategy for International 'Large Circular Flow of Economic System' (known as Coastal Areas Development Strategy) to accelerate the opening of its 200-million populated coastal areas as export bases. China's development strategy toward the 21st century is organized into three stages (according to an academic source) — (a) labor-intensive production and export of its products centered around the coastal areas (5–7 years), (2) expansion of inner-area products toward international markets to prepare for capital-intensive production (5–7 years), and (3) growth of capital- and technology-intensive industries to create a high value added from the existing foreign currency reserve (from 2000 onward). The major point of this 'Large Circular Flow' Strategy lies in "transferring 200-million excessive agricultural laborers to nonagricultural sectors within the 'large circular flow of economic system' (international economic system)."

2. With this new initiative, China will become more open — much more wider than in 1984, the first year of the open policy. It probably has recognized for the first time that it is a 'resourceless' country with excess labor. To overcome these severe natural conditions, China has integrated all ideas concerning such policies as internationalization, economic reconstruction/development, and rural and urban reforms, not executing them separately as in the past. Behind this new drive, a huge excess of labor has surfaced along with the process of rural development, and there is the 'favorable' economic environment of its Asian neighbors (Japan and NICs) whose economies have already entered the industrial adjustment state.

3. However, China has to encounter many difficulties before this initiative comes to work smoothly and exerts the expected influence. For example, the village or town enterprises (*xiangzhen qiye*) which China considers as the central power of its export strategy cannot carry out its allocated role without sufficient capital and substructure. Do these village/town enterprises have the capacity for receiving excess labor and can they really send market internationally competitive products? The question must also be raised as to the impact ASEAN and other countries will receive by the export strategy of China. Although the new development strategy is patterned after South Korea and Taiwan, a doubt exists whether they can provide a good precedent for the growth of a 1,000-million populated, gigantic developing country as China. At any rate China has to keep on zigzagging, looking for a way to reach the goal of domestic reforms and internationalization.

**Discussant: Kiyomi Yamashita**

(Assistant Professor, Akita University)

The subject of my study is how the life pattern of Chinese has changed from the human geographical point of view, especially the processes of formation and transition of Chinatowns. Chinese people in Southeast Asia used to settle down in groups in accordance with their dialects. However, this custom of dialect-based inhabitation is no longer seen in Singapore due to the appearance of tall apartment houses and condominiums, mixing the people regardless of ethnic descent.

Here are the following four points to be asked of Prof. Imatomi about his interesting report on the changes of Chinese societies based on Malay Chinese literature:

- 1 Writers of the Malay Chinese literature
- 2 Media through which their literary works are released
- 3 Readers of these works
- 4 Any relations between the South Sea University old boys and the Malay Chinese literature

As to Prof. Mouri's report:

1 A considerable regional economic gap is seen even in Fujian or Guangdong, the old homes of Chinese people overseas. In the special economic zones such as Shenzhen, illegal money changers hang around on the street to obtain Hong Kong dollars or Foreign Exchange Certificates (*waihui duihuanquan*), but inner areas FECs are sometimes rejected as being 'real money.' Does this tell us something about China's confused economic conditions these days?

2 Although the number of Chinese students in Japan is increasing these days, part of them have come here to 'earn money' in fact. Is this owing to the new economic policy of China for transferring its excess labor force?

**Discussant: Takeshi Hamashita**  
(University of Tokyo)

The history and current situation of 'Overseas Chinese remittance' is my specialty. Prof. Imatomi's unique report has brought into focus the identity of Overseas Chinese from such a national angle as Malay Chinese literature. Thinking of overseas Chinese remittance in the local level, Prof. Imatomi's additional comments are required on (1) the strength of connection between Huanan (South China) and Southeast Asia (2) relations between Chinese societies and intellectuals, and (3) the interpretation of the fact that in Chinese schools in Southeast Asia *The Analects of Confucius* is taught in English.

Then suppose China can be seen as the center in the history of other Asian countries, cannot Japan or the NIEs, which have achieved the highest industrialization among the peripheral countries, assume its central role in the future? As for the modernization of China, on the other hand, it may not follow the exact path that the NIEs have taken.

Since China was established in 1949, it continues to frequently switch priorities between the so-called public and private sectors. Emphasis began to put on private sectors from 1979, so the village/town enterprises constitute only 10% (70 million in manpower) of the whole industry these days. However, the government has started quite recently to share part

of its capitalistic management with these enterprises, aiming to raise their rate to 30% by 1990 in order to create an additional capacity for a 200–250 million labor force. How does Prof. Mouri understand the contradiction between this movement and the other socialist policies?

**Session (6)**

### **Entrepreneurship and Modernization in the Confucian Culture Area**

— **Comparative Studies on Chang Chieng  
and Eiichi Shibusawa** —

**Hidemoto Nakai**  
(Hokkaido University)

#### 1. Confucian Culture Area

The way of thinking of China as 'main' and all other countries as 'foreign' (China orientation) and the system of each 'foreign country' sending envoys to the Chinese Court with gifts were the structural bases of the Confucian Culture Area in the past. This basic framework, however, collapsed from the 19th to early 20th century and Japan became conspicuous among 'foreign countries' supported by growing military and economic power bases. After World War II they inclined toward political multipolarization and Japan rose to the top in Asia economically. During that 1 1/2-century period of turmoil under Western impact, only Japan and China tried modernization within the area, but a great difference appeared in what they could obtain in terms of modernization. This study is intended to analyze the reasons for the difference by comparing two typical entrepreneurs of the two countries.

For China, 'science and democracy' were the evils of Western ideological orthodoxy which were trespassing on its territories. It therefore designed to negate Confucian ideas, its own traditional theory, and at the same time introduce Marxism, a heterodoxy of Western thinkings. In contrast, Japan selected the way to eclecticism, merging Western philosophies and sciences with its tradition.

#### 2. Introduction to the Two Entrepreneurs

The life of Eiichi Shibusawa may be divided into three epochs. The first epoch (*Tempo 11 – Meiji 6*, or 1840–73) is characterized by a rise from the farmer to the warriors class and the big influence of Confucianism. He came to speak to *Sonno-Jyoi* ('reverenceloyalty' toward the Emperor accompanied by 'exclusionism' toward foreign countries). Although

he got a position in the Tokugawa feudal government, *bakufu*, he joined the new Meiji government after the fall of Tokugawa (1868) at the Meiji Restoration. During the second period (*Meiji 66-42* or 1873–1909) he not only ran about 500 businesses but engaged in organizations/projects for education, social welfare and charities, international friendship promotion, etc. His idea of pursuing congruency between the moral code and economics earned him the title of 'father of Japanese capitalism.' In the last period (*Meiji 42 – Showa 6* or 1909–31) he devoted himself mainly to the social and public affairs.

In the case of Chang Ching the earlier years of his lifetime (1853 – 1926) were dedicated to becoming a bureaucrat or an intellectual, so he spent two-thirds of his energies on the studies of past government examinations. He, however, acted vigorously later on in business circles as well as in educational, political and social spheres, although the undertakings of his final years were unsuccessful.

### 3. Comparisons

These two figures, born into the class of farmers, had a strong concern about how warriors or bureaucrats /intellectuals ought to act, feeling a kind of inferiority complex toward the upper classes. Zhang was more conservative than Shibusawa, for the former inherently belonged to the gentry-entrepreneur classes among the establishment whereas the latter came out of one of the wealthiest families managing the internal and external affairs of villages. This fact may have led to the scarceness of his followers. Both, however, were much affected by the realistic ideas of the *Chu-tzu* Confucian school. They were also successful in spinning industry circles while acting as good coordinators between the government and the public. All these coincide with entrepreneurships in the LDDCs (least developed among developing countries), but the depth of Confucianism in the minds of the two persons is worthy of note.

### 4. Summary

Both Shibusawa and Chang continued to set high values on 'business' and 'education' which are the necessary 'driving wheels' for the modernization of an LDDC. Whereas Shibusawa was indebted much even in the Meiji era to the modernized political system of Japan. Chang had to grapple with the political modernization in his country.

It is the Max Weber model which explains the roles that 'Protestant spirit' played in the formation of modern capitalism after the industrial revolution in the Western world but a different development model is required for the LDDCs. Shibusawa combined (a)

nationalism inspired by Confucian realists, (b) economic rationalities (practical aspects of Confucianism, plus pragmatism, plus commercial education), and (c) Confucian ethics and profit-making tendencies. He further made a drastic change in his own thinkings to challenge a different reading of Confucian theories. In addition to these, by a turnaround from an old to a new political system he could give full play to his entrepreneurships. Zhang's lack of followers may have come from no attempt to change the Confucian paradigm.

**Discussant: Yukio Cho**

**(President, Tokyo University of Foreign Studies)**

Keen concern with the Confucian Culture Area is aimed at understanding the spiritual or subjective conditions of the rapid economic growth of the NIEs, especially the workings of Confucian traditions on that growth.

Weber's thesis in the "Ethics of Protestantism and the Capitalist Spirit" has generalized the process of modern capitalism formation by means of modern-rationalistic social organizations. He also defined in "Confucianism and Protestantism" that the former works as a bottleneck to the formation of modern capitalism because of its this worldly tendency. Shibusawa, however, who had Confucian morals as his personal basis could not have succeeded as a businessman unless his Confucian theoretical basis exhibited some characteristics which conformed to the tenets of modern capitalism.

The actual status of Confucianism varies with the country. In Japan such intellectuals as Sorai Ogyu developed practical and modern ideas within the framework of Confucianism through the self-rearrangement of the Chinese classics. The influence of Confucian morality can be sensed even in the Japanese society of these years. Character building in a Confucian manner of speaking, is fostering oneself in order to conform to the vertical relationship system or the traditional "Pietät" sentiment, but it is questionable whether this works negatively to the growth of modern capitalism.

Weber says with emphasis that a feudal system backed by the ruler's private ownership of land, people and finances impedes the formation of modern capitalism. He further says that things differ substantially when the ruler, for the sake of power and wealth, has started to carry out rational administration through a specialized bureaucracy. In the last years of the *Bakufu*, pressures from imperialist countries

overseas invoked high tensions within the feudal system itself, which tended to be influenced by the arbitrary will of the ruler. Then the ruler himself was forced to shift his political and economic concerns as a result of the overseas trade and the outflux of gold from his country. On account of these changes, a new group of bureaucrats emerged, particularly in the Southern and Western domains (such as Satsuma, Choshu and Tosa) to form of the rationalistic intellectual elites to be promoted regardless of class or family background. Thus, rational management or administrative legitimacy was pursued.

Nevertheless, the ethical legacy of Confucianism itself remained. Shibusawa considered Confucianism neither to be a religion nor a public administration. He talked as follows. "I do not know of Christianity or Buddhism. However, in order to establish a new management or society I would like to build a spiritual backbone of a business society on the Confucian basics I have learned since my childhood." This statement shows how he viewed Confucianism.

**Discussant: Wang Chia-hua**  
(Assistant Professor, Nankai University,  
China)

Shibusawa made a large contribution to reforming the Confucian ethics and connecting it with modern capitalism. Confucius said, "Seeking after profits is a natural desire of men, but it must be done in the right way and by the right means," considering the 'right way' to be the 'profits of the nation.' In this logic, it is right to develop the economy for national benefits and this is what one must do in earnest.

The idea of high agriculture versus lowly commerce, or too much preference for 'virtues' over 'profits' is disadvantageous to developing a modern capitalist economy, and for modernization it is necessary to overcome the concept of 'mercenary and humble' merchants and set up a moral code adaptable to modern economic development either (a) by accepting the moral sense of Western capitalism entirely or (b) by reviewing/reinterpreting the traditional moral code of a nation. The former method tends to be negated by resistance from the existing ruling classes. Shibusawa succeeded by taking the latter option. His interpretation of "*The Analects of Confucius and the 'Soroban'*" was easy to understand for the Japanese people. There was, on the contrary, only the thought of 'nationalist framework, western application' on the part of Chang Chieng. What had brought about this difference between the two? Why did the Confucian paradigm of the Chinese fail to change?

## Summary of Session

**Takashi Inouguchi**

(Assistant Professor, University of Tokyo)

In order to "rethink" East Asia, the following questions need to be raised at the end of this 3-day heated discussion:

- 1 What allowed East Asian economies to grow as much as today?
- 2 How should we look at the recent climate of democratization in the region?
- 3 What does the political and economic growth of the region mean at the national or international level?

As to 1, these models may be supposed: (a) market model (bargaining model), (b) guided model (authoritarian model), and (c) network model.

In East Asia what relations were established between the government and business circles in order to facilitate the growth of the national economy? What role did the State play in the growth of the national economy, or what are the differences between those instruments that individual governments took to foster enterprises? Precise and systematic analyses are required on these points.

With respect to 2, there are some scholars who explain the East Asian politics as a variation of Confucianism. The moves toward democratization in these ten-odd years, however, cannot be clarified by Confucian culture alone. Confucianism may rather be irrelevant to democratization since it includes an authoritarian definition of socio-hierarchy. Concrete views have not yet been formed on the presence or absence of such correlations.

Speaking of 3, all of the countries in East Asia have such miserable histories of war, invasion poverty, etc., but they are gaining confidence as their economies grow. They are trying to find out their identities in these histories. Have they already moved toward regional integration or cooperation like Europe and the United States? What repercussions would their efforts create in the world in the future?

Thus various national and international factors can be considered regarding the political and economic growth of East Asia. It is difficult to connect culture and politics directly without concrete understanding of environmental advantages or historical traits. It is necessary for us to handle culture carefully in constructing an argument.

Sessions were successful if evaluated separately, since active discussions had been held among the participants. However, it should have been better to set

a definite framework of comparison in order to reach more integral conclusions. At the same time, a certain mechanism was wished for to clarify the concepts which are used and for integrating/deepening the contents of discussions.

#### Concluding Remarks by Chief Research Coordinator

**Mineo Nakajima**  
(Professor, Tokyo University of Foreign Studies)

Provided that the first plenary meeting last year was a gathering to present a problem, this second meeting has been one 'for examining where to find a key' to the problem.

There are two types of approaches to the question of East Asian economic growth — through the existing political sciences and economics, or through politico-cultural entrances. The majority prefer the former approach, an analysis of systematic factors. However, something which is unable to be explicated by the conventional political and economic approaches lies in the East Asian growth. It may not be an exaggeration to say that the fundamentals of the social science are being questioned.

Meanwhile, there is a defect in the latter that many tend to explain by cultural theories. So a mid-going and higher stance from which both extents can be looked is desirable — for example, non-disciplinary and traverse "regional studies" that can enhance the existing social science, in which systemic 'negative actors (or force)' and cultural 'positive actors (or force)' could be grasped at the same time. Since each group is fortunately made up of experts of various fields, the results of such interdisciplinary integration will be fruitful.

"Comparative study" also does not have to be a comparison between nations. It rather ought to check every subject of study from multiple viewpoints, including politics, economics, history, society, etc. Those regional researchers who concentrate on local analyses tend to lack global and regional views. This type of scholars need to expand their intellectual horizons to look at things more widely. They also must acquire an appropriate knowledge of the methodology of 'comparative studies.' The dynamism of East Asian development is demanding that they do so.

For each group I would like to expect such results that can endure until at least the early 21st century. These results of our research project are supposed to be

published four years from now in a series. Within this context, a 'loosely-coupled solidarity' of researchers is desired, along with intercrossing between groups or between planned and invited sections — to allow for criticizing one another within the same sphere of specialization or across the boundaries of concern.

There is no need to put a final conclusion in haste on the question, 'Confucianism and Modernization,' as if we were forced to reply 'yes' or 'no.' Progress in learning and knowledge can only be seen after a number of free discussions like '*baihua qifang, baijia zhengming*' (letting a hundred flowers blossom and a hundred schools of thought contend). Eiichi Shibusawa's *The Analects of Confucius and the 'Soroban'* should be the best as a common reference book for those cooperative studies among the researchers.

#### Closing Address

**Toshio Watanabe**  
(Professor, Tokyo Institute of Technology)

LDDCs in general is inspired to grow by the industrialism which has reached these countries. Therefore, the occurrence of a developmental gap between them depends on whether they have introduced that industrialism or not (termed 'installation of industrialism'). In this context the 'key' to their growth is the presence or absence of the 'social capabilities' for accepting the industrialism, that is, the level of their preparedness for linking the modern attributes with the conventional elements smoothly.

The cultural essence in Confucianism sometimes results in a progress in development and sometimes prevents development. However, there are too many other factors that may trigger modernization or development in a country to find any direct relation between Confucianism and modernization.

Only it can be suspected that, once a society is beginning to show growth, elements of Confucian culture might work toward further advances. A government-guided economic system (where bureaucracy is very influential), tradition of government official recruitment through examination, biased educationalism, natural subordination to established social orders, etc. seem to be favorable for economic growth.

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