

# MODERNIZATION RECONSIDERED

—with Special Reference to Industrialization—

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## I

A comparison between the process of modernization in Japan after the Meiji Restoration and that of the Western countries is not only interesting as a subject of social scientific study, but would also appear to have a fairly important significance in connection with development policies in the so-called 'developing countries.' But although such a comparison appears at first sight to be comparatively easy, I think I may say that anyone who has had the experience of actually grappling with this task will be all too aware that as soon as one digs down a little deeply a succession of difficult and interrelated problems at once reveals itself and one is frequently at a loss as to how to proceed. Let us consider a few of these problems.

First, there is the problem of the period in the history of the Western countries with which the process of modernization in Japan after the Meiji Restoration should be compared. Taking the case of English history, it is incontestable that one's historical image of the process of modernization in Japan will differ considerably according to whether one chooses to make one's comparison with the period between the establishment of the Tudor monarchy and the Civil War or with the so-called Parliamentary Colbertism period after the Glorious Revolution. Which is the more appropriate comparison? Or are both significant? These are examples of the problems which arise.

But even if we are to leave such problems out of the question for the moment, we will still be faced by a succession of problems such as the following. In the case of the Western countries the historical starting-points of modernization were formed within so-called 'feudal society'—in the broad sense, including what the German historians call the *Ständestaat*—and modern society was begotten out of the process of the disintegration of this society. That is to say, the immediate predecessor of the process of modernization was 'feudal society.' However, is it

permissible for us to take the same view in the case of the modernization of Japan? Even if we take it as certain that the social system which preceded the Meiji Restoration, that is, the society of the Tokugawa Period, may legitimately be brought under the comprehensive concept of 'traditional society,'<sup>1</sup> can we call this society 'feudalism' in the sense in which that term is used of the Middle Ages in western Europe? Looking at the matter from the opposite direction, may we not say that although this society shows some degree of external resemblance to the feudalism of the Middle Ages in western Europe, the truth is that it was a society of a very different kind and should rather be described as being essentially a modified form of Asian Society?<sup>2</sup> Which will be more effective as a method of comparison—to take one's stand on either of these points of view, or again, alternatively, to place the main emphasis on either of these two points of view? That is the kind of question which we must answer. To express it in a little more detail, according to whether we take our stand on either of these points of view (or place the main emphasis on either of these points of view), not only will the aspect of our comparison of the modernization process in Japan and western Europe be, changed but its significance from the point of view of political policy must also inevitably be changed in large measure.

I think that these two may be taken to be the basic problems which we encounter as soon as we attempt to make a *historical comparison* of

<sup>1</sup> The concept of traditional society is certainly indispensable for the purposes of indicating comprehensively the special characteristics of the societies which preceded modernization, but because it is all too comprehensive it alone is not sufficient to allow us to deal with the problem in hand. All manner of stages of development and types are to be found in the societies which may be called 'traditional societies,' and it would appear to be very important for historical studies, as well as in relation to the question of the underdeveloped countries, to lay down in advance in terms of theory these various stages and types—provisionally of course. Among the works which may be considered to be useful aids to this purpose we will mention only Max Weber, *Wirtschaft und Gesellschaft*, IV Aufl., 2 Teil, Kapitel IX, §§4-5.

<sup>2</sup> Thomas C. Smith, *The Agrarian Origins of Modern Japan*, Stanford, Calif., Stanford University Press, 1959, especially Pt. I, 4 (Small Holdings) and Pt. II, 7 (Agricultural Technology), is useful in connexion with this point in providing an impression from the facts. To Japanese eyes, some parts of this excellent book appear to be a little one-sided, and in other respects, too, it may be open to question at some points, but as a work in which the facts are accurately grasped by the eye of a western European the narrative will be found to be extremely interesting in connection with the problems which we are concerned here—although the author does not consciously develop any treatment of these problems. From among the literature in Japanese on this aspect, I would mention Kawashima Takeyoshi 川島武宣, *Nihon Shakai no Kazokuteki Kōsei* 日本社會の家族的構成 (The Familial Structure of Japanese Society), Tokyo, Nihonhyōronsha, 1948.

the modernization process in Japan and western Europe.<sup>1</sup> However, when we level down our theoretical examination of the matter to what may be called the *sociological* task of establishing co-ordinates with which to make our comparison, we may well find ourselves confronted by an assortment of interrelated problems of another order.<sup>2</sup> One such problem, which stands out before us as if to block the way, is the question of *the relation between modernization and industrialization*. Since this question is one which may be considered to have fairly important significance at the present time in relation to the subject of this paper, I propose to outline below the basic problems concerning *the relation between modernization and industrialization*, keeping comparative studies of the modernization process in Japan and western Europe in mind.<sup>3</sup>

## II

If we are to keep the relation between modernization and industrialization accurately in view it would seem to be necessary for us before all else to make as clear as we can, in advance, the semantic content of the two terms 'modernization' and 'industrialization.' Since, however, some very difficult problems lie concealed here,<sup>4</sup> the situation is, as is well known, that the use of these words in academic circles can scarcely be described as uniform.<sup>5</sup> This being the case, I wish to begin by making the following *provisional* definitions of these two terms.

- 1 Connected with these is the further question of the marked differences in geographical conditions and cultural traditions between Japan and western Europe. We cannot for one moment accept that this sort of question is not important, and indeed we believe that there is all the more need to stress their importance. In this paper, however, we have confined the points discussed principally to problems in the field of socio-economic history with the intention of making our argument clearer. The reader is asked to note this.
- 2 I have touched on this question before. For example, see H. Ōtsuka, *Kindai Ōshū Keizai-shi Josetsu* 近代歐洲經濟史序説 (An Introduction to the Economic History of Modern Europe), 2nd ed., Vol. I, Tokyo, Kōbundō, 1947, pp.142-159. (1st ed., Jichōsha, 1944.)
- 3 In Japan this question, in the slightly different form of 'the relation between modernization and commercialization' had already become an important subject of study in the field of economic history by about 1930, from the point of view of elucidating the modernization process in Japan after the Meiji Restoration. For a very simple account, see H. Ōtsuka, "The Market Structure of Rural Industry in the Early Stages of the Development of Modern Capitalism," in *The Second International Conference of Economic History at Aix-en-Provence*, Vol. II, Paris, Mouton, 1965, p. 458 ff.
- 4 A concise indication of these problems is the purpose of this paper.
- 5 In connexion with this point see Note 1 on p. 391.

First, for the purposes of this paper I propose to understand 'modernization' as meaning, roughly, that process in course of which traditional society is disintegrated and modern society (or industrial society) formed out of it. Consequently, we do not, of course, use the term in the sense of a simple break-away (or partial break-away) of individuals from the institutions which have given form to traditional society, but in the sense of the disintegration and re-formation of the whole social system, including its institutions. However, in this matter we find ourselves obliged to add the following two points: 1) Not only are many forms (stages and types) of pre-modern social system included in the very comprehensive term 'traditional society' (as we have noted above), but it is also impossible for there to be uniformity among the forms of social system found in the modern (or industrial) societies which have been formed one after another on the final disintegration of the traditional societies, and so, while our term 'modernization' of course includes '*the transition from feudalism to capitalism*' as found in the modernization process as it occurred in the Western countries, it is a concept with a much wider semantic content than this. 2) Since all traditional societies are social systems which have been built up on the foundation of some form of pre-modern small communities, it follows that our term 'modernization' includes as one of its basic aspects the process of the final disintegration of these small communities, as opposed to a transition from some form of pre-modern community to another.<sup>1</sup> I should like the reader to bear this point particularly in mind.

Next, we would understand the term 'industrialization' as meaning the process in course of which the various sectors of industry come to be carried on as profit-making enterprises (or 'businesses'). *For our present purposes* 'industrialization' is a phenomenon independent of any particular social system, and not only does it mean the tendency for individual productive activities to assume the character of profit-making enterprises and to expand the scale of their business, but also the process by which such phenomena spread throughout the various sectors of

<sup>1</sup> There is wide variation in the basic form of the pre-modern community which forms the foundations for 'traditional society,' depending on the form of the social system in the 'traditional society.' In some cases these communities are tribes or clans, in other cases cities, and in other cases villages etc., and the matter is extremely complicated, but we are probably justified in saying that it is usual in all cases for some type of land tenure of a pre-modern character to form the economic framework. For a detailed treatment of this question see H. Ōtsuka, *Kyōdōtai no Kiso Riron* 共同體の基礎理論 (The Basic Theory of the Pre-modern Community), Tokyo, Iwanami-shoten, 1955. The subject is also touched on in Bert F. Hoselitz and Wilbert E. Moore, *Industrialisation and Society*, UNESCO-Mouton, 1963, Chap. I (by Hoselitz).

industry.<sup>1</sup> Concerning this term, too, we must add the following two points: 1) As is well known, a tendency for manufacturing industry gradually to assume a position of superiority in relation to agriculture is apparent in the process of industrialization, but while we give the fullest importance to the existence of this tendency for our present purposes the term 'industrialization' refers to the phenomenon of the various sectors of industry (including agriculture), headed by the various sectors of manufacturing industry, gradually coming to be carried on as profit-making enterprises (or 'businesses'). This means that in the case of agriculture, too, if agriculture comes to be carried on as a profit-making enterprise we regard this as being 'industrialization.' 2) Since, as we have just noted, industrialization means that various productive activities come to assume the aspect of profit-making enterprises (or 'businesses'), this not only presupposes the existence of money economy (or commerce) but must surely also mean that these developments themselves cannot appear except as manifestations of the enlargement and filling out of the money economy (or commerce). Hereupon, in those cases in which industrialization relates to the natural economy of traditional society *from outside*, we may consider that, at that stage, 'industrialization' exercises the same social effects as 'commercialization.'<sup>2</sup> This is another point which I should like the reader to bear in mind.

Presupposing the above terminology, I now propose to enter a little further into the problems raised previously. In what kind of relation are we to suppose 'modernization' and 'industrialization' to stand? Of course, it is possible to regard these two as being two aspects of the substance of one and the same phenomenon. As we may see from the fact that in Western countries modern society is also called industrial society, this appears at first sight to be correct, bearing in mind the fact

<sup>1</sup> There is also the view that 'industrialization' means a break-away from traditional society. However, if in this instance we interpret a 'break-away' from traditional society as meaning the dissolution of that social system, 'industrialization' comes to have exactly the same meaning as 'modernization' as we have defined it above, and so my presentation of these problems in this paper becomes meaningless. But if we interpret the 'break-away' from traditional society as meaning something like the situation in which the social system is maintained but a partial break-away is carried out by means of the transformation of certain parts of the industrial sector into profit-making enterprises or 'businesses' (the so-called 'dual economy'!), it will be an entirely different story. Further, it would seem that 'industrialization' is fairly frequently used in such a sense as this. Again, it is undoubtedly true that the concept of the industrial output per capita is a very useful tool in calculating the degree of industrialization, but the problems which I propose to raise in this paper do not proceed from this concept.

<sup>2</sup> The meaning of this will become clearer below.

that the Western countries which were the first in world history to attain modernization were also the countries which attained industrialization in its most thoroughgoing forms. But can we, in fact, say such a thing? We may express the point at issue in more detail as follows. Considering that in the Western countries (particularly in England, France, Holland, and the United States of America) the Industrial Revolution—which we may alternatively call the ‘take-off’—was preceded by a structural change in the social system which may be said to have pointed clearly in the direction of modernization, and that this structural change prepared the pre-conditions for the Industrial Revolution, there would appear to be *at least* a prima facie case for saying that modernization of necessity calls industrialization into being and advances with its support. However, may the reverse also be true? This is the question which I wish to raise.

Let us now pose the following question. Can we say that industrialization of necessity calls modernization into being and advances with its support? If we consider the circumstances existing after the occurrence of the structural changes in the social systems of the Western countries which, as we have noted, pointed in the direction of modernization, this would certainly appear to be assertable, at least in these cases. But can we generalize this proposition to cover other countries and other periods of history? To express it in detail, can we say that industrialization has of necessity given rise to modernization and advanced with it hand in hand in these same western European countries during the period which may be designated as that of the ‘traditional society’ which preceded the period which we have just mentioned, and in the traditional societies of other countries? In response to this question I feel that at present I personally must reply in the negative.<sup>1</sup> I now propose to examine these problems a little more closely, bearing in mind the theory of comparative studies of the modernization process in Japan and western Europe.<sup>2</sup>

### III

First we must glance at certain marked characteristics of the modernization process in Japan. I have elsewhere referred to the fact

<sup>1</sup> Compare Note 3 on p. 389.

<sup>2</sup> As regards the process of industrialization in Japan after the Meiji Restoration, we will not undertake a complete survey but will confine ourselves to a brief glance at the special characteristics which appear to be of importance for our present purposes. For this reason we will omit any reference to the vast literature on this subject or the various views held in regard to it.

that in the Bakumatsu period, that is to say, in the final stage of Tokugawa feudal régime,<sup>1</sup> the beginnings of industrialization had already appeared in a socio-economic form which bore marked resemblances to that of Europe at the time when feudal society was about to enter the period of monarchical absolutism.<sup>2</sup> As in western Europe, these beginnings of industrialization had driven wedges into every part of traditional society and had already opened up gaps into which modernization could advance. Under these circumstances the Meiji Restoration broke out in 1868, which was the starting-point of modernization in Japan. However, while it is certainly true that at some points the Meiji Restoration was a great transformation of tradition, or of the social system, when we compare it with the so-called 'bourgeois revolutions' of the Western countries we find that it is of a considerably different historical nature. By this I mean that whereas, as we have noted above, in the case of the bourgeois revolutions of western Europe modernization and industrialization thereafter went hand in hand, promoting each other's progress, in Japan after the Meiji Restoration, as is well known, a certain characteristic alienation between the processes of modernization and industrialization appeared.<sup>3</sup> In Japan after the Restoration industrialization, and in particular certain types of machine-industry, showed marked development, but although Japan even passed through a 'spurt' period which may appropriately be called an Industrial Revolution (or 'take-off') and produced a number of modern large enterprises (in this case, of course, capitalist large enterprises), the agricultural sector and the remainder of manufacturing industry remained almost entirely unaffected by these

<sup>1</sup> As to the question of whether or not the Japanese traditional society preceding the Meiji Restoration may be called a 'feudal society' in the mediaeval western European sense—I personally answer this question in the affirmative—we will not discuss it here because it has no direct connection with the problems with which we are dealing. But see Note 1 on p. 388.

<sup>2</sup> H. Ōtsuka, "The Market Structure of Rural Industry in the Early Stages of the Development of Modern Capitalism," pp. 461-66.

<sup>3</sup> We may note in passing that, while the Meiji Restoration is clearly the starting-point of industrialization in Japan, this fact is one of the reasons why there has been controversy as to whether the Restoration is to be regarded as historically comparable to the establishment of monarchical absolutism in western Europe, or to the so-called 'bourgeois revolutions.' I favour the former of these two views, and one of the reasons for doing so is the fact that, while it is impossible for there to be an exact correspondence between the circumstances of the process of industrialization in Japan after the Meiji Restoration and the circumstances of the process of industrialization in western Europe in the period of monarchical absolutism—not in the period following the so-called bourgeois revolution—the relations between modernization and industrialization would seem to display the same characteristics. I shall say more on this point below.

developments. Thus, when we consider the social system we find that by means of industrialization a number of gaps had been forced open which permitted the advance of modernization, particularly in a wide range of aspects of city life, but in spite of the fact that a partial break-away from traditional institutions was effected by this means the framework of the traditional social system, with its main bases in the agricultural villages, was preserved intact up to the time of the Land Reform and dissolution of monopolies (*zaibatsu*) after the Second World War.

In eliciting these structural characteristics of 'modern society' as it exists in Japan, the first successful borings, as is well known, were made in Yamada Moritarō's 山田盛太郎 work, *Nihon Shihonshugi Bunseki* 日本資本主義分析 (An Analysis of Japanese Capitalism).<sup>1</sup> It is impossible to present an overall account of his closely-reasoned arguments here, but we may express in our own terminology the parts of them which may be considered of greatest importance from the point of view of our present purposes as follows. The industrialization of the post-Restoration period, and in particular the highly developed industrialization of the manufacturing and mining sectors with their main bases in the urban area, appeared in the form of the capitalist enterprise, but this capitalism contrasted with the strong persistence of minute-scale agriculture and traditional social relations (in particular those of semi-feudal land-lordism and the family system) in the agricultural villages, where practically no tendency to industrialization was manifested. *What is more*, in this situation it was not simply a case of these two coexisting over time, but the two were bound together, and supported one another, in a form in which the one considered the other a prior condition for its own persistence—witness the supply of cheap labour from the villages, and the attempts to preserve the traditional social institution which would secure this source of supply—and so it was rather on the foundations provided by the strong persistence of traditional institutions in the agricultural villages that the towering edifice of modern industrial enterprise was raised, and in this way the unique structure of the national economy was produced.<sup>2</sup>

<sup>1</sup> Published in 1934, by Iwanami-shoten, Tokyo.

<sup>2</sup> As we mention below, these views of Yamada's were subjected to fairly severe attacks from certain quarters. In these attacks, the points which would seem to be of the greatest importance are connected precisely with a difference of view between the two sides on the relation between modernization and industrialization. This difference may be expressed in our terminology as follows. While the critics held what may be called the optimistic view that industrialization must always call modernization into being sooner or later, Yamada would appear to have believed that, although industrialization



In line with this, traditional social institutions such as the *oikos* or hereditary form of family enterprise and the hierarchical organization of labour on the basis of seniority cast their shadows even in the modern industrial enterprises, and<sup>1</sup> in particular in mining, and in the textile industry, harsh forms of labour organization which were worthy of the name of semi-servile persisted stubbornly. Yamada gave the name of 'semi-feudal capitalism' to this structural order which supported industrialization in Japan after the Restoration.

As is well known, Yamada's views provoked a wide range of arguments in reply, and some controversy also took place, but nevertheless it would appear that his views, either in a form very close to the original or with some degree of modification, have been accepted by the academic world in the form of the so-called 'dual structure theories' of Japanese socio-economic organization.<sup>2</sup> I feel that now, at least, it is necessary to explain a little more fully the unique structural characteristics of the industrialization process in Japan since the Restoration, but for reasons of space we will press on with the task of reducing to some semblance of order the question of the relation between modernization and industrialization, keeping the above-mentioned facts in mind.

As we have already pointed out, it appears that we may say that

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certainly does call modernization into being, it is possible for industrialization to combine with traditional forces and stand in the way of the thorough dissolution of traditional society and for industrialization in turn to come to a halt within the limits thus prescribed, depending on the structure of the social system of the country in question and its position in world history. We may perhaps say that at some points Yamada's conception of the ambivalence of industrialization was defective, but even so, the correctness of his view was shown after the Second World War by the results of the Land Reform, the dissolution of monopolies, the negation of the traditional family system, etc. Only after this change in the social system, a change which clearly pointed in the direction of modernization, had been carried out, was a beginning made to industrialization on a nation-wide scale, including the agricultural villages and the medium and smaller enterprises in the cities. This is shown by the economic conditions in Japan during the period of the so-called 'higher economic growth.'

<sup>1</sup> In connection with this, see also the interesting paper on the social origins of Japanese industrialists by T. C. Smith, "Landlord's Sons in the Business Elite," in *Economic Development and Cultural Change*, Vol. IX, No. 1, Pt. 2 (October, 1960). In Japanese see the paper "Kindai Shihonshugi Hattatsu-shi ni okeru Shōgyō no Chii 近代資本主義發達史における商業の地位" in H. Ōtsuka, *Kindai Shihonshugi no Keifu 近代資本主義の系譜* (The Genealogy of Modern Capitalism), Tokyo, Kōbundō, 1947.

<sup>2</sup> In these so-called 'dual structure theories' it sometimes happens that the problems treated diverge somewhat from the problems with which we are concerned here, and among those who take a 'dual structure theory' view of Japanese socio-economic organization there are some who hold the 'optimistic' view mentioned in note 2 on p. 394. However, the views expressed in the text are not confined to myself, nor does there seem much reason to doubt their correctness.

modernization of necessity calls industrialization into being and advances with its support—and, consequently, that in so far as this is the case industrialization pushes modernization forwards—but when we consider the possibility of generalizing the reverse proposition—that industrialization of necessity calls modernization into being and advances with its support—we must acknowledge that it is clear that this is extremely doubtful. We say this because we have reason to believe that the process of industrialization in Japan up to the Second World War, of which we have given a brief account above, shows that industrialization stood in what we may call an ambivalent relation to modernization, that in some circumstances it supported and advanced modernization but in other circumstances entered into association with the institutions of traditional society to prevent thoroughgoing modernization, and that in so far as this was so industrialization, too, was obliged to come to a halt. Well, then, was phenomenon of industrialization exercising such an ambivalent effect entirely absent in the processes of industrialization which took place in the countries of western Europe? I do not think so. Leaving aside the period after the bourgeois revolutions in which the *social system* had been clearly modernized, I believe that in the period before this, that is to say, in the period in which traditional social institutions remained firmly rooted and in which the social system as a whole was constructed in a manner which would permit us to call it ‘traditional society,’ it would indeed seem to be the case that there is evidence of industrialization having exercised an ambivalent effect on modernization, just as in Japan after the Restoration. Let us glance very briefly at these matters.

#### IV

In the case of the Western countries, the emergence of monarchical absolutism (or of the so-called ‘modern state’) was preceded in every country by the beginnings of industrialization in the form of industries of a half-agricultural and half-industrial character carried on in the rural areas.<sup>1</sup> The development of this rural industry drove wedges of mod-

<sup>1</sup> I have already mentioned the fact that similar developments took place in Japan, albeit with differences of degree, towards the end of the Tokugawa period. For a general survey of the history of rural industries in the countries of western Europe, see, with reference to the problems dealt with in this paper, Hermann Kellenbenz, “Ländliches Gewerbe und bauerliches Unternehmertum in West-Europa vom Spätmittelalter bis ins XVIII Jahrhundert,” in *The Second International Conference of Economic History at Aix-en-Provence*, Vol. II, Paris, Mouton, 1965, especially pp. 382-418.

ernization into the foundations of the traditional societies, as, for example, by the break-up of the manor and the enclosures in England. After the beginning of the period of monarchical absolutism, in spite of repeated prohibitions of rural industries marked growth took place in resistance to these policies, in the background of which lay the material interests of traditional society, and in such countries as England and France they were eventually liberated from the bonds of traditional society by the so-called bourgeois revolutions. Later, for example in 18th-century England, which may be considered to have undergone the smoothest course of development, rural industries burst into full flower and not only promoted the process of industrialization but produced, at the points at which they coalesced, the beginnings of the new urban centres of manufacturing industry (for example, Manchester and Birmingham) and so, I believe, may be said to have provided the spring-board for the Industrial Revolution.<sup>1</sup> If we confine our attention to the process of industrialization of this kind, there would seem to be no impediment to our considering industrialization to have certainly gone hand in hand with modernization and to have promoted modernization as it advanced. But even in the cases of the Western countries which eventually carried out Industrial Revolutions (or 'take-offs') in their own way when we look at the periods preceding the so-called bourgeois revolutions, we find that we can scarcely consider industrialization always to have pointed in the direction of modernization, and to have promoted modernization, in the same way as it did in England after the Glorious Revolution. At this point we must consider another sort of instance.

Even under monarchical absolutism there was a period in England and France in which a marked development of industrialization took place in the textile and mining industries (its core being especially located in the latter), these industries forming chains which seem to have been separate from the development of industrialization in the form of rural industries which we have mentioned above. As is well known, it was J. U. Nef who provided a historical elucidation of this phenomenon, naming it the 'early industrial revolution.'<sup>2</sup> His views are particularly

<sup>1</sup> On this point some hold the view that the process of industrialization in Holland is an exception, but at least in the light of such studies as Z-W. Sneller, "La naissance de l'industrie rurale dans les Pays-Bas aux XVII<sup>e</sup> et XVIII<sup>e</sup> siècles," *Annales d'histoire économique et sociales*, Vol. I, No. 2, (1929), this would not appear to be the case at all.

<sup>2</sup> John U. Nef, *Industry and Government in France and England, 1540-1640*, Great Seal Books, Ithaca, Cornell University Press, 1957. As an excellent study of earlier date I would add Hermann Levy, *Monopole, Kartelle und Trusts in der Geschichte und Gegenwart der englischen Industrie*, II Aufl., Jena, Gustav Fischer, 1927, Erster Abschnitt.

instructive to us in connection with our present purpose, since, according to them, we are obliged to say that *it was possible* for there to have been an industrialization spurt which might fittingly be called an industrial revolution (or 'take-off') within the traditional society of the period preceding the bourgeois revolution and, what is more, in association with the institutions which supported the traditional society. Whereas the industrialization process of the kind which we have described above, which developed in the form of rural industries which drove wedges of modernization right into traditional society, was far from receiving the paternal blessing of traditional privilege but on the contrary exhibited throughout a posture of head-on opposition to it, the industrialization process of this kind was of a markedly different nature in regard to this point. The industrial enterprises of the kind which undertook the 'early industrial revolution' were in general covered by the institutions of traditional society or by privileges—the privileges appertaining to village communities and urban guilds, the privileges appertaining to feudal lords and royal houses in respect to forest lands, mines, etc.—and in particular by patents of monopoly, and it was on this basis that these industries became established.<sup>1</sup> It is of course true that there were possibilities of many intermediate forms between these two kinds of industrialization, as well as relations of mutual transition, and that 'early industrial revolution' though it was, traditional privileges in themselves did not provoke the industrialization spurt, nor was there a complete absence of friction between the industrial enterprises which undertook this revolution and the absolute monarchies. However, considering the *broad lines of development*, I feel we may say that in the case of the 'early industrial revolution' the industrialization spurt developed in the midst of the traditional order of society, and, what is more, in association with the institutions of that order, and consequently that these two had established a relation of symbiosis. It is this very fact which is the important point for us in connection with our present purpose. By this I mean that, in these two kinds of industrialization we have two entities which, although both equally 'industrialization,' are directly opposed to one another in respect to their relation to modernization, as in the antithesis which

<sup>1</sup> In conformity with this, as is well known, the men who undertook these industrial enterprises belonged to that stratum of society which had access to the enjoyment of the privileges of traditional society. For example, see J. U. Nef, pp. 141-148. In connection with this point see also T. C. Smith, "Landlord's Sons in the Business Elite," in which it is argued that the central figures in the industrialization of Japan after the Meiji Restoration originated among the landlords, the traditional privileged stratum of society.

Max Weber called 'the antithesis between two types of capitalistic behaviour' (*der Gegensatz der beiden Arten kapitalistischer Gebarung*).<sup>1</sup> That is to say, the one stood on the side of the maintenance of the order of traditional society, while the other stood on the side of its dissolution, that is to say, on the side of modernization. It was for this very reason that later, in the course of structural change in the social system which followed upon the bourgeois revolutions, these privileged industrial enterprises were either destroyed or fell into dissolution on being deprived of their privileges, and we may say that where they survived in one form or another they were preserved as inheritances left by the old order within a stream of industrialization which was of a different kind.<sup>2</sup>

## V

In the above we have attempted an all too brief sketch of the relation between modernization and industrialization, keeping in mind the problems of comparative studies of the modernization process in Japan and western Europe. It is of course at once clear that on all points it is altogether inadequate to the magnitude of the subject.<sup>3</sup> Nevertheless, I think that the problems which I propose to discuss will already be clear to some extent. The main point may be expressed thus. When industrialization advances within traditional society the relation between *industrialization* and *modernization* may be described, for our present purposes, as being ambivalent. It is of course certainly true that industrialization possesses the aspect of supporting and promoting modernization and that, in this way, the two advance hand in hand, but I feel that we are forced to recognize at the same time that industrialization may possess a reverse

<sup>1</sup> M. Weber, "Die protestantische Ethik und der 'Geist' des Kapitalismus," in *Gesammelte Aufsätze zur Religionssoziologie*, Bd. I, Tübingen, J. C. B. Mohr (Paul Siebek), 1923, p. 202. Besides the above see also his *Staatssoziologie*, hrsg. von J. Winckelmann, Berlin, Duncker und Humblot, 1956, pp. 24-26.

<sup>2</sup> Besides H. Levy's above-cited work, see the interesting elucidation in his *Der Wirtschaftsliberalismus in England*, Jena, Gustav Fischer, 1928, and Paul Mantoux, *The Industrial Revolution in the Eighteenth Century*, trans. by Vernon, London, Jonathan Cape, 1928, Introduction to the 1st edition.

<sup>3</sup> I wish to repeat my assertion that the above is altogether too brief and inadequate an account when considered with reference to historical facts, the history of the study of this subject, or my explanation of my total vision of these problems. However, an adequate account of these matters would require a great deal of space, in addition to which, as I explained at the beginning of the paper, such a thing is completely absent from the aims, or at least the immediate aims, of this paper.

aspect, an aspect in which it forms relations of symbiosis with the institutions of traditional society and if anything operates in the direction of seeking to maintain the traditional social system. It is of course true that, even in this latter case, industrialization will undoubtedly drive wedges into the traditional order of society to some degree, that it will cause individuals to break away from traditional institutions, and that in so far as it does so it will produce gaps in the social order into which modernization can advance. Nor is this all, for, as we have shown above, in certain circumstances it is even possible for it to produce an industrial spurt worthy of the name of an *industrial revolution* (or 'take-off') within the framework of the traditional order of society. This fact is of extreme importance. In spite of this, however, industrialization of this kind, carried out within the framework of the traditional order of society, will not only stand, in the last analysis, on the side of the maintenance of the established order, but will even operate in the direction of preserving, rather than dissolving, the traditional institutions which provide foundations which are indispensable to it, and as a result will halt modernization—and consequently also industrialization itself—within these definite limits. This is the circumstance to which I wish to draw attention.

However, if it be granted that my *provisional* generalization has more or less hit the mark, we must expect to be at once confronted by the following problems. When *industrialization* gets under way within the framework of the traditional order of society, under what conditions does it advance hand in hand with *modernization* and under what conditions does it do the reverse, and form relations of symbiosis with the institutions of traditional society which result in barring the advance of *modernization*? To put it in other words, what kind of circumstance determines the direction which industrialization will take in relation to modernization? These are the problems which now confront us. My intention in this paper was to do no more than to show clearly wherein the points of the problems consist from the point of view of an Asian social scientist. Hence, if the above brief sketch has made clear to some extent wherein it consists—and this is what I desire—then my intentions may be taken to have been realized. However, I feel that I might devote a little space at the end of this paper to a very brief statement of my views of the future prospects for studies in this field, in the hope that they may be of some use in arriving at answers to these problems. I also hope that in some small measure they will serve to set forth the content of these problems a little more concretely.

What are the circumstances which determine the direction in which industrialization shall operate when it gets under way within the framework of a traditional society? This question is of course one which has very widespread connexions and in examining it it is also necessary to keep within one's field of vision the various cultural fields with which it is connected,<sup>1</sup> but, as I made clear at the beginning of this paper, it is my intention to limit my field of vision for the present purpose to the province of socio-economic history. Looking back, then, on the history of studies of this subject with these problems in mind, we can recall two or three statements of views which are very rich in suggestions. In considering these, however, we shall have to make a slight change in the problem with which we are dealing, namely, 'the relation between modernization and industrialization,' and shall have to regard it as the problem of 'the relation between modernization and commercialization (or, the development of money economy).' That there will be nothing fundamentally objectionable in doing so, at least in the present instance, will be clear from what we have said above.<sup>2</sup>

We recall first the general propositions put forward by E. A. Kosminsky as the results of his researches in the rural economy of England in the thirteenth century.<sup>3</sup> Kosminsky says that in the lord's economy the development of exchange led in the direction of a reversion to predial services, and, consequently, to a reorganization of the manorial system, while in contrast to this in the peasant economy the development of exchange (including rural industries) led in the direction of a transition to money rents, and, consequently, to the dissolution of the manorial system, and we may reformulate this for consideration in connection with our present problems in the following terms. Under circumstances in which the privileged ruling stratum in traditional society (in particular the landlord stratum) themselves enter the money economy, the money economy will operate, if anything, in the direction of maintaining established traditional institutions, while in contrast to this, under circumstances in which the peasants and other non-privileged labouring commoners themselves directly enter the money economy the reverse effect will be

<sup>1</sup> I believe that besides the socio-economic circumstances it is necessary also to bring fully within one's field of vision at least the political, cultural (especially religious), and racial circumstances.

<sup>2</sup> See p. 391.

<sup>3</sup> E. A. Kosminsky, "Services and Money Rents in the Thirteenth Century," *The Economic History Review*, Vol. V, No. 2 (1935). Also in connexion with this point see M. M. Postan, "The Fifteenth Century," *The Economic History Review*, Vol. IX, No. 2 (1939).

produced, and the traditional institutions will be dissolved and exchange will operate in the direction of promoting modernization. These views of Kosminsky's are of the greatest interest, and have taught us much.<sup>1</sup> However, we cannot but feel that they do not provide a full answer to the problem which we are considering. We say this because of the undeniable fact that there still remain the questions of under what circumstances the privileged ruling stratum enter the money economy, and under what circumstances the non-privileged labouring commoners enter the money economy, as well as the question of the role performed by urban handicrafts on these occasions.

We are next reminded of the views of Max Weber which form one of the principal subjects of his last lecture, *Economic History*,<sup>2</sup> and which run through the whole narrative of that work. It is of course true that in the case of the relation between modernization and money economy, as in other matters, his explanation is pluralistic, and consequently is not susceptible of being summarized simply, but if we limit our field of vision for the moment to the province of socio-economic history we may perhaps express his views as follows. The ultimate question consists in the relation between the pre-modern small communities which form the foundations of traditional society (their basic form being sometimes that of the tribe, sometimes that of the city, and sometimes that of the village) and the development of the money economy. Weber holds that, in contrast to the case in which money economy develops on the foundations of a division of labour established among communities (which, while transforming certain aspects of the community rather serves to strengthen it and consequently operates in the direction of maintaining the traditional order of society) in the case in which money economy develops on the foundations of a division of labour which begins with a division of labour within the community and grows first to a division of labour within localities and later to a division of labour among localities, the money economy operates in the direction of the dissolution of the communal institutions and the whole order of traditional society which is built on the foundation which they provide.<sup>1</sup>

1 For example, the significance of proposals for land reform or the nurturing of an industrial middle class, which are frequently made in connection with the economic development of countries which are on the road to development, will be made clear by them.

2 See M. Weber, *Wirtschaftsgeschichte. Abriss der universalen Sozial und Wirtschaftsgeschichte*, aus den nachgelassenen Vorlesungen, hrsg. von S. Hellmann und M. Palyi, München u. Leipzig, Duncker und Humblot, 1923, especially pp. 90 ff., 115-127, 174 ff.



I think that if we replace the words 'money economy' in this proposition with the word 'industrialization—'and, as we have suggested above, Weber himself does this to some extent—we will find it very instructive in providing us with a basic answer to the question of the relation between modernization and industrialization.<sup>2</sup> At the least, I feel most sincerely that considerable value may attach to a careful re-examination of Weber's views at the present moment, considering them in relation to the theory of modernization and the theory of industrialization.

<sup>1</sup> For example, he conceives the growth of the Indian caste system, which embodies the attributes of conservatism to an incomparable degree, as consisting in an inter-tribal division of labour (*die interethnische Arbeitsteilung*), in which the element of conservatism was doubled by means of racial discrimination and the Hindu religion. This view is worthy of note. See M. Weber, "Hinduismus und Buddhismus," in *Gesammelte Aufsätze zur Religionssoziologie*, Tübingen, J. C. B. Mohr (Paul Siebeck), 1923, pp. 122-133.

<sup>2</sup> If this view is correct we should be able to say the following. When industrialization is undertaken in countries which possess a traditional society, if this industrialization is carried forward in the form of a money economy of the kind which develops on the foundation of an *inter-regional* division of labour, the many problems which will arise in traditional society will remain basically unsolved, and by a reverse process will be aggravated, leading inevitably to the frustration of the industrialization process itself.