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THE ORIGINS OF CAPITALISM IN JAPAN, CHINA AND THE WEST:

THE WORK OF NORMAN JACOBS.[1]

The reasons for the emergence of capitalism have long intrigued scholars and engaged the attention of many of the most eminent of social thinkers, from Adam Smith through to Ernest Gellner. The lengthiest attempt by any historian to chart and explain the development of capitalism lies in the massive five-volume work of Fernand Braudel. Yet there is something curious about Braudel's attempt to solve this ultimate puzzle. He has woven a marvellous tapestry to show **what** happened. Yet, in the more than 3300 pages of text, there is a revealing absence of any serious discussion of **why** it happened (Braudel 1972,1981-4). This failure to provide any satisfactory explanation of the reasons for the phenomenon he describes led to a rather unusual aside towards the end of one of his volumes.

Towards the end of **Wheels of Commerce**, Braudel spends some eight pages summarizing the ideas of Norman Jacobs, an author whose work is now little known (1983: 585-594). This is by far the longest passage devoted to a specific author. Thus, in a set of works by Braudel which encompasses many of the greatest thinkers, Marx, Weber, Sombart, Pirenne and others, a small book by a relatively unknown author is given pride of place. Braudel himself notes the oddity of what he is doing and apologises for it: "Before turning to the second explanation suggested...I should like to open a long parenthesis and I hope a useful one, inspired by Norman Jacobs' book **The Origin of Modern Capitalism and Eastern Asia**, published in Hong Kong in 1958" (1983: 585).

The other most ambitious attempt to solve the Weberian problem of the origins of a peculiar civilization in western Europe, is that of E.L.Jones in **The European Miracle**. In this work he also makes a long aside, this time concerning the deviant case of Japan. Jones notes the remarkable similarities in the development of capitalism in Europe and Japan. He suggests that "One might almost list characteristics of the Tokugawa economy as if speaking of some country in Europe, and only at the end add, 'by the way, this was Japan'." Jones's views are clearly based on the work of Norman Jacobs, whose thesis he briefly summarizes. Jones ends with an often quoted conclusion which dramatically accepts Jacobs' central argument: "Indeed, in certain respects Japan was as 'European' as if it had been towed away and anchored off the Isle of Wight" (1981: 159). Yet having noted this peculiar exception to his central thesis, Jones then abruptly decides that "We must leave these speculations aside" and concentrate on a binary opposition between Europe on the one hand, and China, India and Islam on the other. (1981: 159).

If two such wide-ranging but different thinkers have found the work of this relatively obscure author so stimulating, it would seem worth looking a little more closely at the book by Norman Jacobs and its

contribution to the largest question in the social sciences, namely the reasons for the origins of industrial capitalism. In the following sections I would like to expound, in a critical way, some of Jacobs' arguments, though only a few of the theories contained in a very compressed and rich work can be dealt with. Since my interest is primarily in the contrasts of Japan, China and western Europe, I shall deal exclusively with Jacobs book **The Origin of Modern Capitalism and Eastern Asia**. It is important to note that some of these ideas have been developed further in the articles and books listed in the bibliography at the end of this article. [2]

THE METHOD

Jacobs, following Weber, writes that "The purpose of this book is to explore the origins and development of modern capitalism, through a comparative study of social structures". He wishes to explore "whether it is possible to discover basic preconditions which are universally applicable, for the **sociological** explanation of the origins and development of capitalism" (1).[3]

Likewise, his methodology is explicitly based on Weber's work. His point of departure is Weber's collected works on the **Sociology of Religion.** He writes that "the overall structure of the present study is definitely derived from Weber's sociology of religion and his other works. The point is, to find the best utilization of the master's teachings" (219).

Weber's work was based on the comparative method. This has three features. The first was the method of agreement - by showing the logical and empirical compatibility between the values and the overt social behaviour pattern" (4). This Weber could do by a straight contrast of the West and the Rest. In the West there was compatibility (even an 'elective affinity'), in the Rest, an incompatibility between values and capitalistic behaviour.

A second method is the historical one, namely to show a sequence, that the necessary causes preceded their effects. "Since this is a study in origins, it may also be demonstrated here by showing that the values temporally precede the social patterns" (4-5). Weber could again do this, though only in the one case of western Europe.

A third method is that of disagreement or difference. Here one would show "that in societies where the technological conditions were not less favourable to such a development, but the value system was not favourable, capitalism could not be generated 'internally'" (5). Again Weber could do this in relation to China and India.

Jacobs notes two corollaries to Weber's method. The first is that the relationship between value systems and economic development is not "merely a logical process in the observer's mind", it is something which is worked out in actual events. "The observer must use an historical-evolutionary method, especially an historical-sociological one, to trace the interrelationship" (5). Secondly, the Weberian method implies a selection of what are thought of as central features for comparison. What is set up is a model of probable relationships between significant features.

Jacobs adds to the Weberian analysis in one major way. Whereas Weber knew of one case of the development of industrial capitalism, namely that of western Europe, Jacobs believes that there are two, namely Japan and western Europe. If this is indeed the case Jacobs can do two new things. Firstly, he can make much more effective use of all three types of comparative methodology. Weber was only able to show a basic difference between the West and the Rest and suggest logical connections within each formation. Jacobs is able to test the theories with respect to a third case. As he writes, the "more generalized and diverse the references in space (from eastern Asia to western Europe) and in time...the more probable are the judgments" (12). Secondly, instead of taking Europe as the centre of his analysis and contrasting it to the rest of the world, he can take Japan as the focus and compare that to both China and western Europe.

Of course, this all depends on the premise that Japan is a suitable alternative case. In respect to industrial-capitalist development, there seems now to be little doubt that Japan has indeed developed into a major industrial-capitalist power. It is also clear that China has had much more difficulty in developing in this way, though there are now signs of a rapid change. Thus Jacobs can ask the question, "Why did modern industrial capitalism arise in one East Asian Society (Japan), and not in another (China)?" (ix)

The real difficulty is whether Japan can be seen as an independent case, or merely the result of diffusion from the West. Jacobs points to the "debate between the diffusionists and the believers in independent origins". In fact he rejects both extreme positions and takes an alternative, middle, course. "If every similarity was due to borrowing, sociological analysis would be limited to social history." On the other hand, the "independent origins standpoint...prevents generalized analysis, limiting the validity of social analysis to one specific reference; the development of capitalism in both Japan and Western Europe would be attributed to coincidence" (12-13).

Instead, Jacobs develops the interesting idea of convergence. He argues that western Europe and Japan are separate cases, but at a deeper level there are structural principles within each which are surprisingly similar. This is the "concept of convergence, which assumes that variations in pattern develop from the same general phenomenon or principle" (12). Following this principle, he hopes to show "that the structures of Japan and western Europe show important underlying principles in common, despite variations in traits; and at the same time they exhibit important principles of difference, despite some similarities in traits" (13).

The outcome of this approach is given in an important passage which summarizes his comparative argument. "Obviously Japan and China have, largely in common, a different culture from the western world. If we can demonstrate that certain **social** traits are common to Japan and the West, while others are dissimilar between China and the West, both comparisons transcending the possibility of concomitant similarity in **cultural** traits between one of these pairs of countries, viz., China and Japan - then, if our sociological principles concerning the origins and development are sound, we shall have gone far towards establishing that those sociological principles are the cause (origins) of the effect (modern capitalism) with which we are concerned" (14). This is a conclusion which is based on a radical

distinction between the social and cultural: "...societies which do not share a common cultural heritage (e.g. Japan and Western Europe) may have significant social heritages in common, whereas those sharing a common cultural heritage (e.g. Japan and China) may not share a common social heritage" (x).

THE ARGUMENT

The separation of state and economy.

Jacobs' first major substantive chapter, 'Exchange and Property', concerns the relations between what he calls "the ruling authority" (and which we shall shorten for convenience to 'the state') and economic interests. By comparing China and Japan, he wishes to see how the all-important relations between polity and economy were manifested over the last fifteen hundred years. We will briefly summarize his findings and then comment on them. In every case, without citing any evidence, Jacobs equates Japan with western Europe, usually with a phrase such as "in Japan, and also western Europe". I will shorten the text by leaving out the phrase "and western Europe" in the following summaries, though it is important to remember this dimension to Jacobs' work.

In China, the state dominates landed property, reserving the right to interfere with it. In Japan, the state is unable to dominate and the "estate-owning interests" are largely independent of the rulers. In China, the rulers, in collusion with the gentry, dominate the peasants. In Japan, there is the gradual development of an independent peasantry. In China, the state interferes with markets and dominates the towns. In Japan, there is a free market and the formation of independent corporate towns. In China all trade was under the control of rulers and profits of trade were treated as tribute from the people to the government. In Japan, merchants were independent and grew more powerful over time, able to hold their own against the state power.

In China, guilds did not develop as independent, semi-autonomous organizations, able to withstand state power. In Japan they did so and were able to exist with minimum political regulation. In China, the state and the gentry colluded to collect heavy taxes on the peasantry. In Japan, there was a fragmentation of the power to tax and hence legitimate rights and privileges to be free of taxes developed. In China, industrial (productive) enterprises were in the hands of the state and only bureaucrats could enter them. In Japan, such enterprises were politically and economically independent of the state and hence there was a gradual accumulation of independent investment capital.

Among the consequences of these differences were the following. In China, regulation was the fundamental role of the ruling authority and the distribution of wealth was in the hands of the state. In Japan, the state had to accept independent economic power centres and the validity of the pursuit of independent profit. As a result of all this, there developed in Japan, but not in China, "a framework which allows economic power to exist apart from ruling authority" (56). In China the state controlled the accumulation of money and wealth tended to be located within the bureaucracy. In Japan, money was seen as a source of power; accumulation occurred independently of the state. In China there was a confusion of currency and no independent banking functions. In Japan, there were reforms of the currency, the development of independent banking and even a true stock exchange and paper currency.

The central difference, which is between a civilization where the economy is still 'embedded' within the state, and one where it has become separated, is summarized as follows: China "is characterized by an ethically accepted assumption that production and exchange are to be substantively manipulated in the name of public service, through either ownership or interference by a ruling authority." On the other hand, Japan "is characterized by control of production and exchange dispersed among a number of independent, semi-autonomous economic groupings, such that co-operation and coordination are necessary to maximize economic development" (218).

It is not difficult to criticize Jacobs' attempt to characterize three large civilizations over fifteen hundred years as over-dramatic. Thus, for instance, several critics have written that Jacobs has exaggerated the differences between China and Japan. Parsons writes that Jacobs "has credited the Confucian bureaucracy with exercizing authority to a degree far beyond the capability of any pre-modern administration" (1959: 372). Or Jones, complains that "the author is prone to overstatement; in particular he consistently over-estimates the actual extent of governmental control in China, but under-estimates it in the case of Japan" (1960: 544). More specifically, Bellah argues that "Under the influence of the European examples, Jacobs exaggerates the independence of guilds, cities, and other corporate groups in Japan..." (1959: 922).

Yet even if we concede that there may be some exaggeration, the types of contrast which Jacobs suggests give us an insight into an important area which deserve further attention. There is clearly something very important in the different relationship between economy and polity in China and Japan.

As for the European side of the argument, which Jacobs just alludes to without documenting, there are again problems. We cannot lump 'western Europe' over the last thousand years, except in the grossest of ways. Yet, if we confine ourselves to north-western Europe, and particularly England, there are very striking similarities between Jacobs' portrait of Japan and England. In all of his contrasts, there can be no doubt that England falls on the Japanese side. In essence, it would appear that England, like Japan, was a civilization where politics and economics had largely become separated very early. As a result, all the phenomena Jacobs mentions are present; independent large estate holders, an independent group of small and middling property-holders, the freedom of markets and towns, independent merchants, powerful guilds, fragmented and relatively light taxation, independent productive enterprises.

The balance between centralization and de-centralization.

In his fifth chapter, on 'Authority', Jacobs considers the balance between the centre and the periphery. In China, political authority was shared between rulers and advisers or functionaries. These advisers were imbued with Confucian ideals and were chosen on the basis of intellect and virtue. In Japan, there was no monopoly of power within a small group. Power was fragmented between many competing groups and hence there was perpetual struggle and temporary alliances. In China, there was extensive political control by a few officials. Local officials did not seek power at the centre. The local and the central were held apart. Little central power was delegated. In Japan there was an interdependence of separate concentrations of political power. There was much local responsibility and autonomy, and, for

instance, some towns were independent.

Among the consequences of this difference were the following. In China there was supposedly the political harmony of rulers and advisers. In Japan, success lay in the co-ordination of unstable elements through decentralization and diffused responsibility. In China, political authority was restricted to those who were ethical. In Japan, it was the co-ordinating military leader who could form alliances between unstable elements. In China, the administrators controlled the legal apparatus. In Japan a "system legally establishing and defining rights, privileges and obligations of all...", through feudal contracts, was developed (97). In China, the leadership was more or less permanent, based on ethical and intellectual qualities. In Japan, there was constant change as political alliances were made and dissolved. In China, there was no right to protest and no independent power bases. In Japan, power was not imbued with ethical virtue but only legitimacy and hence there was an implicit right of protest.

Jacobs summarizes the contrasts thus. China "is characterized by the assumption that the right to public office is determined by moral and intellectual considerations, and that office is monopolized by a self-asserted elite, oriented to the fulfilment of the needs of the people". Meanwhile, Japan "is characterized by an ability successfully to administer and coordinate independent, politically oriented groupings" (218).

Again, we might suggest that the contrast as too strong. For instance, it is clear that in the long period of the Tokugawa shogunate some aspects of the Chinese structure were apparent in Japan. On the other hand, it is obvious that there is a real difference between a patrimonial bureaucracy in China, with little delegation of power and Japan with its highly volatile, fragmented and competitive political system.

Where, again, does England stand in this contrast? At a general level, Jacobs is right in assuming that it approximates to the model he presents for Japan. This is clearly a very large topic, but the essence of the situation was caught long ago by De Tocqueville. "There are two great drawbacks to avoid in organising a country. Either the whole strength of social organisation is centred on one point, or it is spread over the country. Either alternative has its advantages and its drawbacks. If all is tied into one bundle, and the bundle gets undone, everything falls apart and there is no nation left. Where power is dispersed, action is clearly hindered, but there is strength everywhere." Given these two extremes, he continued, "I don't know if a mean between these extremes can be found, but it would seem that William (the Conqueror) did find it" (1968: 4) A balance between centre and locality was found and maintained for many centuries, a form of 'centralized feudalism', which bears a strong resemblance to what happened in Japan. Thus neither of the extremes which Tocqueville feared, unbridled absolutism (as China), or the 'dissolution of the state' as in Marc Bloch's portrayal of continental feudalism, was to be found in either of these islands.

An open social structure.

In the fifth chapter, Jacobs considers the occupational structure of China and Japan. In China, agriculture was the 'fundamental source of productive surplus', but there was little concern on the part of the landlords to increase productivity. In Japan, landholding was the fiscal basis of power. In China,

literature and learning were ends in themselves, an essential attribute for the scholar-officials who ran the country. In Japan, learning was a means to an end, a technical tool. In China, military activity was discouraged and controlled; in Japan, it was a strategic occupation. In China, commerce and industry were necessary, but morally inferior to literary or agricultural pursuits. In Japan, there was an "appreciation of the role of the merchant and his money" in the struggle for political and economic power. In China, labour was regarded as a "temporary and non-essential occupation", while in Japan, labour was appreciated as an important means to various ends, and hence, for instance, artisans were appreciated (119,121).

The results of these differences were that in China the fundamental occupational roles were held by the farmers and literati. Others were dishonourable. In Japan, all roles were relatively honourable, including new roles such as that of the merchant and industrialist when these arose. In China, officials decided what was honourable and what dishonourable, and hence the new economic occupations were never accorded respectability.

Jacobs summarizes the major differences in the following words. China "is characterized by a differentiation (determined by an elite) of certain roles in the division of labour as honourable and other roles as dishonourable." Japan, on the other hand, "is characterized by the assumption that all roles in the division of labour are honourable, though not all roles are privileged" (218).

Again, if we turn to the case of England over the same thousand years, it bears a remarkable resemblance to Jacobs' description of Japan. There is obviously a ranking of occupations in terms of their supposed value, but there is no absolute system whereby all but agriculture and a literate bureaucracy are seen as inferior or dishonourable. There are signs of such an attitude in parts of Ancien Regime Europe, as, of course, there are even more strongly in India. Yet in England and other parts of north-western Europe for a very long period, those who have worked with their hands and minds in non-agricultural occupations, making or trading things, have had a relatively high status.

Complementing the occupational structure is the system of stratification, considered in chapter six of Jacobs' work. Jacobs argues that China had a system which divided the society into leaders and followers. In Japan, there was no **a priori** basis for social stratification; hence there was instability and a constantly shifting situation. In China, there was a two-class system of literati and peasants, with little possibility of internal changes within or between classes. In Japan, it was possible both to have changes within any class, and there was the possibility of new classes arising. In China, social mobility was limited to individuals. The results of this were that in China there was no chance that groups based on commerce or production would ever be recognized. In Japan, on the other hand, commerce, and later industry, could establish themselves as powerful and recognized strata.

Jacobs summarizes the contrasts as follows. China "is characterized by honourable roles alone being entitled to corporate protection of economic-political rights and privileges." Japan, on the other hand "is characterized by all occupational groupings being able to assert, and possibly win, corporate protection of rights and privileges" (219).

Again, if we compare these two models to the English case, the description of Japan fits reasonably well with England. Indeed, it was this characteristic of open mobility which De Tocqueville singled out, alongside the balance between central and local, as the second distinctive feature of that country. In a famous passage he wrote "England was the only country in which the system of caste had not been changed but effectively destroyed. The nobles and the middle classes in England followed together the same courses of business, entered the same profession, and what is much more significant, inter-married" (1957: 89). It was a country where there were no rigid status boundaries and a rapid mobility of both individuals and groups was possible. Wealth could easily be turned into status in a way that was not possible in other Ancien Regime civilizations.

The separation of kinship and economy.

In chapter seven, Jacobs considers 'Kinship and Descent'. In fact he only deals with one aspect of this, namely the transmission of rights in landed estates (inheritance). In China, he argues, equal division between all sons has long been the custom. In contrast, in Japan single-heir inheritance, normally the oldest male (male primogeniture), has been the custom for at least eight hundred years. Furthermore, there has long been a right to over-ride the claims of the oldest son and make the transfer to a younger son, or even to disinherit all the sons by adopting an heir. As he summarizes the difference, China "is characterized by the forced division of landed property among all male heirs." On the other hand, Japan "is characterized by the descent of landed property through one male heir (feudal) or the separation of property and status (industrial)" (219).

The consequences of these differences for the development of capitalism are considerable. In China, the division of the estate between all the sons was economically very inefficient. It led to rapid rural over-population and the inability to accumulate wealth and capital. In Japan, primogeniture allowed the transmission of the full estate over time. The dislocated sons emigrated to towns and started to manufacture or trade. The population was held in check.

Again, by and large, if we compare Jacobs' picture of Japan with that of England, there are remarkable similarities in the system of inheritance. Indeed, these islands are well known for being the only two relatively large areas which have practised male primogeniture over long centuries and allowed the disinheritance of heirs, in one case through adoption, in the other through gifts, sales and wills. On both islands there was an unusually restrained population growth and a migration of non-heirs into non-agricultural occupations.

The separation of religion from society and the state.

In chapter eight on 'Religion', Jacobs makes his only serious departure from the Weberian model. He again contrasts China and Japan, in the Chinese case mainly concentrating on Confucianism, in Japan on Shinto and, to a certain extent, Buddhism. In China, religion is bound up with the social. It is a force for adjusting and controlling the individual and bringing him or her into harmony with nature and society. It is really a system of social ethics. In Japan, religion is concerned with "man's individual other-world

orientation" (161). It may even be in opposition to the existing social order, separating the individual from society so that "Men may therefore oppose the social order and still live religiously" (166). In China religion is mainly an intellectual, ritualized matter, concerned with outer purity and ethics. In Japan, religion is mainly emotional, concerned with faith and inner purity; an individual can seek salvation without the need for religious specialists. Thus, religion in China is enmeshed with society; in Japan it has become separated from the social.

Likewise, there is a deep contrast in the relationship between the political and the religious in the two traditions. In China, religion is based on a dogmatic orthodoxy, sustained by anti-heretical campaigns. In Japan, there are many religions and some of them have many sects, so religion is heterodox. In China political office from the Emperor downwards is associated with a single form of ritual. In Japan, the religious orders are independent from political office and compete for power. There is no close alignment of one religion and the power structure. Ritual is not equated with political office. Hence, in China, heterodoxy is equated with political error and is crushed. In Japan there are sectarian battles which the state did not attempt to mediate.

Jacobs summarizes the differences in the following words. China "is characterized by concern with man's external adjustment to the social order, determined by, and administered entirely by an elite." Japan, on the other hand "is characterized by concern with man's inner, personal adjustment to an other-world order, administered by a number of competing religious associations" (219).

These findings, when taken in relation to the problem of the reasons for the rise of capitalism, suggest that while religion was indeed very important as a background factor, it was important in a different way to that in which Weber argued with his famous Protestant ethic thesis. Jacobs argues that "we must not seek a positive dogma directing religious interests into capitalistic channels", in other words "In neither social system was there a specific doctrine espousing the capitalist cause, in the terms conceived by Max Weber" (191-2). What was important was that in China the alignment of religion with the social and political order meant that any new ethical system was immediately suspect and suppressed. On the other hand, in Japan, no anti-capitalist religious dogmas were institutionalized. Consequently, capitalist ethics in China had to fight against an ethical ban upheld by society and the state. In Japan, new solutions and new ethical schemes could not be crushed and new ideas were not attacked by the state merely because they were new. In other words, it was the flexible and fragmented religion of Japan which allowed capitalist ethics to gain a foot-hold. Rather than religion playing an active part, as in one version of Weber's thesis, it played a crucial but **passive** role.

It would no doubt be possible to argue against Jacobs' characterization of both Chinese and Japanese religion. By concentrating on Shinto in Japan, rather than the quasi-Confucian and Buddhist side, Jacobs may have exaggerated the differences. Thus, for instance, Bellah argues that Jacobs "fails to realize how profoundly Confucianism pervaded the whole of Japanese social structure and so minimizes the importance of the very great area of similarity between these two societies (1959: 922) Or again, Passin comments that "in his attempt to make the most of the differences between China and Japan, he is driven, it seems to me, to overstatements. Chinese religious life was not as 'this-worldly' as

he argues...and certainly he is on the wrong track about the 'other-worldliness' of Japanese religion." (1959: 902).

Again, if we turn to England, there is a strong resemblance between the Japanese and English cases. One essential difference between English Protestantism and continental Catholicism was that, in the English case for considerable periods, heterodoxy was tolerated. Sectarianism and differences of belief flourished because religion had become separated from the social and the political. A person's beliefs were their own affair. A man could contact God directly. Outward ritual was of little importance compared to inner purity. Indeed, a careful reading suggests that Jacobs' interpretation is not so far from Weber's. It was not that the Calvinists exhorted people to go out and make profits. They were often more hostile to usury than the Catholics. One of the most important factors in north western Europe, as in Japan, may have been the way in which the Reformation destroyed orthodoxy, rather than the specific content of its dogma.

Integration and stability.

Chapter nine re-iterates some of the earlier themes. In China the social order is not only legitimate but ethically correct, based on virtue. In Japan, the sanctions arise from a pragmatic ability to control competing forces. No one political authority, therefore, has an automatic monopoly. In China, the political system is run by a permanent elite of the literati. In Japan, there is a "constant rise and fall of political authorities" and hence a cyclical instability and overturning of authority (196). In China, there is an integrated and stable order, based on the elite and the landed interests. In Japan each epoch faces the problems of order by creating "a novel political and social structure", so that "each novel structure was, in time, replaced by another, and the cycle of aspiration, consummation, and destruction began anew" (206). In Jacobs' words, China "is characterized by monopoly of the sanction to determine an integrated and stable social order, in the hands of an elite." While Japan "is characterized by the sanction for an integrated and stable social order in the hands of the agency which manifests ability to solve the existing problem of order (that is, political co-ordination and control)" (219).

The consequence of this difference for the emergence of capitalism, according to Jacobs, is that while in China an integrated social order was based on an anti-capitalist elite which could not be challenged, the opposite is the case in Japan. The ever-changing political and social order of Japan allows the possibility of a new social and political formation, namely capitalism, emerging within the body of a previous order. It does not **necessitate** its emergence, but provides the possibility.

Again, the contrast between China and Japan is too starkly drawn. Parsons writes that Jacobs "has exaggerated continuity in Chinese history by virtually equating the Confucian, Kuomintang and Communist elites" (1959: 372). Bellah writes that Jacobs has weakened his book because he has viewed "China solely in terms of an ideal Confucian pattern and Japan solely in terms of turmoil and transition.. He also overlooks periods of turmoil and transition in China.." (1959: 922).

If we turn to the English and north-western European case, we find that they line up on the Japanese side. The political history of England, like that of Japan, is one of constant change and innovation, but within a framework of continuity.

The necessary pre-conditions for the emergence of capitalism.

In the final chapter titled 'Conclusions', Jacobs draws together his argument. He believes that we should divide pre-capitalist societies into two major types, those which can and may develop into capitalist industrial societies, and those that are unlikely to do so. He argues that "social systems which do not develop capitalism are distinctively and positively different **in kind even in their pre-capitalist stage** from social systems which do develop capitalism" (214). There are thus two major types of pre-capitalist society, of which Japan is representative of one kind, China of the other. Following Wittfogel, he believes that "China would be an example of an oriental society, and modern western Europe and Japan would be included in another discontinuous society-type" (217).

In this analysis, the factors elaborated by Jacobs are necessary, if not sufficient, conditions for the emergence of capitalism. In his view, capitalism emerges from within the shell of an earlier social formation, rather than destroying it. Thus in Japan, there was no break with tradition, "rather capitalism fitted into the traditional social structure" (214). Hence, he argues that contrary to usual opinion, "feudalism is not the arch enemy of capitalism, but happens (speaking historically, not out of logical necessity), actually to be the earlier phase of those societies which do develop capitalism." In other words, feudalism and capitalism are not opposed, but stages of a single system. This important argument is put in the following words. "From the standpoint of the origins of the possibility of capitalism...the underlying generalized value systems of both feudalism and capitalism are identical, as contrasted with those of the societies which do not develop capitalism" (215). In terms of a great divide between world systems, feudalism and capitalism are on one side, the patrimonial bureaucratic systems represented by China on the other.

Jacobs then qualifies his position somewhat, writing that "It is not maintained, logically or empirically, that feudalism is inevitably a prior 'stage' of capitalism, or that capitalism needs feudalism in order to establish itself" yet he goes on to write that, historically, it happened that in the two cases of which we know (Japan and Europe), "the elements which were to give rise to capitalism were able to utilize certain very useful generalized values concerning rights and privileges established under feudalism **for other purposes**, to institutionalize their own position." (p.215) It is a difficult balance to maintain; that the cases we have show a relationship, but that the relationship may not be necessary.

Jacobs is caught in another dilemma, namely, are the conditions he outlines merely necessary, or are they sufficient, for the development of capitalism? Often he stresses that each of the conditions merely opens the possibility for the emergence of capitalism. On the other hand, on one occasion he does seem to imply something more. He summarizes the views of some of those who thought that "capitalism was of spontaneous generation in Japan", and those who argued against this (212-3). Later he states that "The present writer believes there was spontaneous generation of capitalism in Japan, but does not pursue the question..." (216).

CRITIQUE OF NORMAN JACOBS

There are a number of reasons why Jacobs' insights have not been more generally influential. One is purely accidental but may account for much of the neglect. This the fact that the book was published by a relatively distant press in a limited edition and has hence been difficult to find. [4] This constraint is hinted at by Maurice Freedman. "The imprint of the Hong Kong University Press suggests that this book may be of special interest to students of Far Eastern affairs." In fact, as Freedman realizes, "It is that and more. It is an important book for those of us who believe that Max Weber's work on the emergence of capitalism can be carried further by careful analytic studies of Oriental societies" (1959: 403).

To this we may add the obscurity of the author at the time of publication. Admittedly he held a doctorate from Harvard and had some practical experience in Japanese language, but he was not a well-established figure. This relatively junior academic was hoping to contribute at the world level to the largest problem in sociology and history. It was a very audacious challenge, contained in a relatively condensed and short work of 220 pages. If we exclude the methodological discussions and summaries, Jacobs is trying to capture the essence of three large and complex civilizations, China, Japan and western Europe, over a period of about 1500 years in some 150 pages. It is not surprising that his evidence tends to be thin. As Freedman put it, "The skeleton of ideas (some of them of great insight) is clothed in a rather lean flesh of historical evidence. Sweeping over Chinese and Japanese history, Dr Jacobs must be summary" (1959: 404). Or as Schurmann more generally writes, "Jacobs has undertaken a study which is so vast in scope that it leaves him wide open to attack from almost every quarter in sociology and history" (1959: 192).

A third reason, suggested to me by the author himself, is that his work flew in the face of a very powerful 'trend of the times', namely the rise of 'modernization theory'. This argued that a concerted effort between the West and under-developed countries, originating in the Marshall Plan, would soon turn 'backward' areas into 'forward' ones. Any theory that suggested the importance of deeper, long-term, institutional blocks to 'development' challenged this confidence, and indeed could be labelled as reactionary, 'Orientalist' and so on.

A number of historians were critical. Perhaps Jacobs was roughly right, but he had not proved his case and his method precluded serious historical analysis. Schurmann wrote that "There is something profoundly unsatisfying in Jacobs' book. The immediate cause for this dissatisfaction would seem to be the consistently flagrant use of historical data. Jacobs selects his data from wherever and whenever it suits the particular point he is making" (1959: 190). Pulleybank is equally critical. "What is one to say when one finds a hotchpotch of details from the most varied sources, new and old, reliable and unreliable, torn from their context and arranged to fit a thesis?" Unfortunately, Pulleybank does not provide us with a single piece of evidence for his criticism, writing that "To illustrate the misuse of evidence in this book in detail would take more space than is justified" (1959: 383). Others make the same criticism (Bellah 1959: 922; Passin 1959: 901; Jones 1959: 544)).

What is interesting is that the irritation is not matched by much specific and concrete criticism. The critics dispute only a few factual or interpretive details. They are just generally uneasy. They can see from the bibliography and the way the history is handled that Jacobs is a learned man; yet they dislike the results. In general it is only on shades of interpretation that they can find fault. Thus Freedman, a

leading expert on Chinese kinship, about which Jacobs only writes a couple of pages, writes that "The interpretations of the evidence seem sometimes forced and in places perhaps wrong. (For my own part, I feel uneasy about what Dr Jacobs says on the topics of clan, village, and religion in China.)" Yet he concludes that "the only damaging fault in a very valuable book is an early chapter which sets out a potted sociological theory in pretentious language" (1959: 404).

Most historians also dislike the style of presentation. There can be little doubt that if Jacobs had made the work more flowing and masked his theory a little more, it might have been more palatable. Freedman, we have seen, thought the theoretical (second) chapter should have been left out altogether. There is also a good deal of jargon in other chapters and also a rather unusual form of presentation.

The work is divided up into a matrix with twenty-one boxes, created by 'Foci', 'Institution', 'Function'. Thus, for instance, one row under these three headings consists of 'Power - Authority - Order'. This structure is used to create sections in the book. If we add to this rather mechanical scheme a number of summaries and repetitions, we have a work which some will find muddling, oppressive and over-abstract. One has to go behind the surface of the book to see its very real value.

Usually after an historical work has been completed it is left free-standing. The theoretical framework which was used to build it is taken away and we can only guess at the way in which the results were generated. Although it blocks the view, with a book such as this, where the methods are in many ways as interesting as the results, it is in fact excellent that Jacobs has left the theoretical scaffolding in place so that we can examine it. Unusually, it makes it possible to be critical of the method as well as the contents.

There are a number of constructive criticisms we could make of the work. One concerns his treatment of the shadowy 'third case' in his study, namely western Europe. There are three major defects here. Firstly, there is absolutely no evidence presented to support his European side; Jacobs assumes that we know what "Europe" was like, but as Braudel pointed out, we do not. Secondly, Jacobs lumps all of "western Europe" together, both spatially and over the last thousand years. Not surprisingly, those expert in that area might find this an excessive simplification. Thirdly, as Parsons remarks, Jacobs has perhaps "been overly zealous in trying to find parallells between Japan and western Europe" (1959: 372). To develop these criticisms properly would require another essay, but let us look at them briefly.

In his zeal to establish that there is not just one form of "pre-capitalist" or "pre-industrial" agrarian structure, but two, namely the Japanese/European form and the Chinese/Indian form, Jacobs is forced into too simple a dichotomy which needs further elaborations and qualifications. Among these are the fact that "Europe" is treated as homogeneous, whereas it is enormously diverse. In particular, he misses the distinction between North West Europe (and particularly England) and the rest of Europe in terms of religion, kinship, language, political system and so on.

Secondly, he is forced, by the desire to prove his argument, to omit the very real differences between Japan and Europe. In many ways, one of the most fascinating things about Japan is the way in which it is

both similar and dissimilar to parts of western Europe. For instance, while most of what he says is true, it could have been balanced by the obvious fact that while the social system in parts of western Europe are based on the premise of equality (at least after about 1850), Japan is based on the premise of inequality; or again, while western Europe is based on individualism, Japan is based on the power of the small group.

An example of where a more detailed survey of the European material would have strengthened his case, concerns the relationship between feudalism and capitalism. Jacobs' perceptive account of feudalism is somewhat weakened by his failure to explain that there are two type of feudalism, Bloch's French 'dissolution of the state' feudalism and Maitland's English 'centralized feudalism'. [5] If he had noted this, he could have shown that Japan, like England, managed to develop (with the Tokugawa) a particular, and peculiar, blend of what we might call "centralized feudalism". One can see that 'centralized feudalism' was a seed-bed for capitalism since it provided enough order, without too much. Few societies have managed to maintain this middle position for long, they usually veer to one extreme or the other. England and Japan are the exceptions to a general rule.

Jacobs rightly locates the peculiarity of Japan very early in its history, often going back in his discussion to the sixth and seventh centuries, and then carrying his study through to the present. His mind stops, however, and he refrains from asking **why** the Japanese and Chinese should be so different, although they are geographical neighbours. His answer, if he had asked the question, might have been that it was just the result of the movement of history. It is unlikely that this would have satisfied his yearning to see structural similarities between Japan and western Europe.

Jacobs might have said something about the different ethnic and cultural origins. It is obvious that the Japanese and Chinese have a different origin and this is shown in their language, kinship system, religion and other features. It is a pity that Jacobs did not consider this under 'origins', as it would have given an added dimension to his study.

Jacobs rightly plays down the material and technological side of Japanese and European capitalism, arguing that capitalism is a form of social and economic organization, rather than a specific technology. Nevertheless, it might have been worth stressing some of the factors which allowed Japan to adapt so quickly and effectively to the new technology of industrialism. These might include the following: the high status of craftsmen in Japan for many centuries; the religious and cultural system which sees spirit as implicit in objects; the love of miniaturisation; the harsh natural environment which leads to a need for ingenuity and labour-saving.

Although Jacobs is sensibly sceptical of Weber's Protestant ethic theories, he goes too far in the opposite direction. He misses Weber's insight that Protestantism as a religion was not, in practice, hostile to practical activity, as many religions are. Jacobs also overlooks the fact that there is something uncannily similar in the never-ending Calvinist search for salvation and assurance and the Japanese obsession with repaying a never-repayable obligation (**on**).

While Jacobs' approach can help us to understand why capitalism **could** emerge in Japan and

western Europe, his work lacks three types of argument which help us to understand why it **did** emerge. These only become clear when the comparison becomes more directly not between Japan and the whole of western Europe, but between Japan and England.

The first of these concerns some of the geographical and other features which seem to have been crucial in these two island economies. Jacobs might have considered the geography of Japan; the effects of the sea, being an island, the mountainous terrain and the obvious effects these had in creating an unique culture. This is one area where his work can be extended. He could have commented on the cheap water transport in each case, due to the indented coast-line and on the considerable variations in ecology within a relatively small area, which encouraged localized trade in both countries. He might have noted the parallel high emphasis on textiles (wool in England, silk in Japan) in the two economies. He might have stressed the importance of an 'agricultural revolution' in both countries (in both starting in the sixteenth century) which enormously increased productivity before the burst of industrial activity began. He might have made more of the similar pattern of population growth and increasing wealth in both countries over the two or three centuries before industrialization.

These are a few of the further features which we could add to his list of necessary causes for the growth of industrial capitalism. Yet even with these added factors, there is a problem of moving the argument on from providing a model of the background factors which made industrial capitalism possible, to the much more difficult task of showing why it in fact happened. This is perhaps one of the weakest parts of Jacobs bold endeavour. Let us look briefly at the problem.

As Passin observed, "...to say that a country has the prerequisites of capitalist organization, or that it is predisposed in that direction - which I think is undeniable in the case of Japan - does not explain why she did in fact become a capitalist nation" (1959: 902). As we have seen, Jacobs was aware of this difficulty but found it impossible to overcome. The answer to the problem is to realize that nothing is pre-destined and hence the only solution is to look at what happened. In other words it is necessary to narrate the historical sequence which, often through a set of accidents and unintended consequences, actually led to the emergence of a peculiar civilization in Japan and England.

We may note just one out of the many hundreds of episodes which would need to be brought into such a narrative. It is not difficult to argue that the subsequent histories of Japan and England would have been entirely different had it not been for the weather. The fateful destruction in each case of an invading army from a hostile mainland, in Japan's case the Chinese fleet in 1281, in England's the Armada of Philip II in 1588, certainly altered the whole course of their respective histories. In both cases, a storm destroyed the enemy. The major difference was that in one case the wind was believed to be sent by the Shinto Gods, in the other the Protestant God. In this and numerous other cases, we need to supplement the structural argument with a narrative of what actually happened in each case in order to see how and why it happened.

Alongside the set of often random events, we need further thought on the inner dynamic or impelling force which leads to the emergence of industrial capitalism. This is a problem which Jacobs does acknowledge. His solution, however, is negative and unsatisfactory. He argues that "modern capitalism

could and did emerge, therefore, at a particular period of technical and social development, as the best means of meeting the current requirements....In Japan, although no force arose positively to support the cause of modern capitalism, the constant changes allowed for the **possibility** of capitalism.." (211).

Yet what turned the 'possibility' into the actuality? Here we do miss Weber's Protestant ethic thesis, which Jacobs claims to have disproved. There is, of course, no problem if we accept the view attributed to Adam Smith that man is by nature a profit maximizer and so "little else is required to carry a state to the highest degree of opulence from the lowest barbarism, but peace, easy taxes, and a tolerable administration of justice; all the rest being brought about by the natural order of things" (quoted in Hall 1985: 141). It is not at all clear, however, that man **is** "naturally" like this, and even if he were, we still need to examine motivation, culture, religion and the areas which Weber was interested in. Jacobs deliberately avoids this because of his method and because it would complicate the argument.

His basic view is that at the level of thought and culture, China and Japan were very close, and Europe very far. If this were so, then he would be right to look for the clues elsewhere, and discount culture. Yet even his brief excursus into religion suggests that he may be wrong. His argument could have been taken further by a detailed exploration of the similarities and differences between Japanese, Chinese, and European culture, alongside his detailed examination at the social level. If he had made such an examination, he might have been surprised by the results. Among the sort of areas he might have looked at in these realms, a few may be mentioned.

Jacobs devotes very little attention to art, music, literature, scientific thought. Hence many interesting parallells which exist between Japan and England, for instance the prevalence of the novel, the interest in diary-keeping, the love of nature, the emphasis on manners, the similarity of the ethic of the English gentleman and the Bushido ethic, the puritanism of life-style are overlooked. Or again, Jacobs does not look at the similarities of the 'Gothic' art of England with its love of incompleteness, incongruity, a-symmetry, and the same features in Japan. Jacobs was probably right to leave this dimension of culture out of his first major work, but the area needs to be addressed if any progress is to be made beyond his interpretation.

Furthermore, Jacobs omits the 'situational ethics' of Japan, which is an exact equivalent to what he nicely describes in the political field, in other words no hard and fast rules, expediency, "it all depends". Here one might make a comparison with the flexible, pragmatic, relativism of English Common Law and English thought in general, with its dislike of systems and principles.

CONCLUSION

By using a comparative method, but with three cases rather than the traditional two which were available to his predecessors, Jacobs has deepened our understanding. He modestly remarks that the "present study proposes only a footnote to Weber's study of religion" (216). In fact it is much more than that. As he rightly argues, "The historical-comparative method making use of Far Eastern materials, makes it possible to arrive at conclusions which are more generalized, universal and valid than those to be drawn by remaining bound to the experience of western Europe, or to so-called primitive societies

elsewhere.." (219).

Jacobs achievement is to move the Weberian argument on one stage. Weber's problem was that he only had the West and the Rest. He was thus unable to test his hypotheses and had to use the method of contrast. Now that we have the West, the Rest and Japan, Jacobs is able to test Weber's theories by using the method of true comparison. With such a method, it is possible to hold certain features constant, while noting that some vary. There are not just the sharp contrasts which raise questions, but do not provide answers. Taking the total Weberian theory, and not the exclusively Protestant ethic thesis, Jacobs work supports many of the intuitions of his master, particularly in relation to the deep contrast between the two political forms of 'feudal' and 'patrimonial' political organization. Furthermore, he adds weight to the Weberian insight that it is not the institutions within themselves which are important in determining the development of societies, but rather the **relations** between institutions, as well as such matters as timing, combinations, specific features.

Thus while Jacobs' work is only a start and it has, as we have seen, its limitations, it is very suggestive. Both in its methodology and in its tentative substantive findings it is an encouragement to pursue further the many unresolved puzzles lying in the way of those seeking to explain the origins of modern capitalism. It opens a door to a deeper understanding of some of the most important features of the greatest transformation that has ever occurred in human history. Braudel realized that Jacobs' book is one of the most interesting contributions to the comparative understanding of the origin of capitalism to have emerged since the majestic work of Max Weber. It would be a pity if his major achievement was forgotten. We may be grateful to Norman Jacobs for drawing attention to the comparative case of Japan and thus enriching the terms of the central debate in the social sciences.

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Note: 'Review' refers to a review of Jacobs, **The Origin of Capitalism and East Asia**.

Place of publication is London, unless otherwise stated.

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NOTES

1. I would like to thank Sarah Harrison and Gerry Martin for reading and commenting most helpfully on this essay. Norman Jacobs very generously sent detailed comments on an earlier draft. It should be stressed that this is very much a preliminary, 'working' paper, aimed to elicit comments and criticisms.

2. During the Second World War, Jacobs was a cartographer in the Japanese Language Intelligence Office in the Philippines, and after the war served in the Natural Resources Section of the Supreme Command for the Allied Powers, Tokyo, working on matters dealing with the Japanese Agricultural Associations and Landowner-tenant Disputes. In 1943 he had received a B.Sc. at the College of the City of New York and obtained a Ph.D. at Harvard University in 1951. In 1955-57 he was a Lecturer in Social Sciences and English at Taiwan Normal University,

Taipei, Taiwan. In 1958 he was a research scientist specializing on problems of International Communications and particularly on China at the American University, Washington, D.C. He joined the U.S. Foreign Service as a community development advisor in rural Iran during 1959-1961. Later he was Professor of Sociology at the University of Kansas and Professor of Sociology and Asian Studies at the University of Illinois. His books are listed at the end of this article and include substantial monographs applying his earlier theories to Iran, Thailand, Korea and India.

3. All numbers without a year date refer to the page numbers in the 1958 edition of **The Origin of Modern Capitalism and Eastern Asia** (1958). All italics in quotations, as noted above, are in the author's original text.

4. Though the work was later republished in 1981 in America, it was already sunk in relative obscurity. It is worth noting that having undertaken a great deal more comparative study, and considered the criticisms of the work, Jacobs still believed "as much in the fundamental soundness of the study today as I did in 1958" (1981: xiv).

5. For a summary of the difference, see Macfarlane 1987: 184-9.