

Shin Buddhism and Mercantile Economy in Japan

Reassessing the Doctrine
of Fumitoshi Goto

Yasuhiro Sakai

Shiga University / Professor Emeritus

I What Has Been Forgotten in Economics

In a very interesting article of Nikkei Newspaper, Ken-ichi Imai (2015), a noted economist, carefully assessed the strengths and weaknesses of Japan Society for seventy years after the Second World War: ¹⁾

We live in "Japan for 70 years after the war." The year of 2015 is clearly characterized by two critical factors, that is, the "inside factor" and the "outside factor." More specifically, the first insider issue is related to the problem of how we should deal with the exponential growth of information technology which might be uncontrollable by human power. The second outsider issue is associated with the problem of the increasing international instability caused by cultural and religious factors. The purpose of this article is to show that those two critical factors have long been forgotten in our discussion in economics. Indeed, important keys for finding the solutions may have been found in careful reassessment and earnest discussion of these factors. (Imai, 2015)

Imai's remark is very important by pointing out what has been forgotten in economics in recent times. Some time ago, economics was praised as the "the queen of social sciences": it continues to be the only one field qualified for the authoritative Nobel Prize among many hu-

1) Kenichi Imai is now Professor Emeritus, Hitotsubashi University. His pioneering work on network and organization theories remains to be a landmark in economics and management science.

2) A bit later after my chat with Iguchi, I had an opportunity to talk to Kojiro Niino, the Former President of Kobe University, about the life and work of Fumiaki Goto. Then Niino quietly smiled and replied: "Yes, I know Mr. Goto, an old friend of mine. To my regret, Goto already passed away. I would recall that he was re-

man and social sciences. It seems that Imai does not quite agree with such optimistic tendency. Regarding the second cultural and religious factors, he has paid special attention to the recent work of Juro Teranishi (2014). Although I myself is in general agreement with Imai and Teranishi, however, it is my great regret that the name of Fumitoshi Goto is conspicuously missing there, and thus Goto's outstanding work have never been referred.

Honestly speaking, until ten years ago, I myself did not know the life and work of Goto either. When I had a chat with my friend Tomio Iguchi at a large lobby of Ryukoku University at Kyoto, the relation between Theory and History became the topic of our lively conversation. Iguchi then passionately remarked:²⁾

Well, Professor Sakai, you and I happen to be graduates of the same university, that is, Kobe University. I would like to let you know that among many Kobe University graduates, there was one person who has made an outstanding contribution to Theory and History, yet his name "Fumiaki Goto" has long been almost forgotten in the academia. Unfortunately, we tend to be so forgetful of the past accomplishments by late professors. I do think, however, that his systematic study in the relation between Shin Buddhism and Japan Capitalism remains to be a masterpiece even today. As the saying goes, we can learn a lesson from the past.

ally a man of strong character with some eccentricity. I now miss him very much."

3) Because of strong personal ties, I will never forget the untimely death of Yasumasa Goto. Around the same years in the 1960s, he and I attended the same department and the same graduate school at the lovely port city Kobe. We lived in the neighborhood at the foot of Mt. Maya, the mountain associated with Mother Maya, a real mother of Buddha. We were attentive members of the same student association named "Social Science So-

As soon as our talk ended, I rushed into the Ryukoku University Library which has been proud of keeping a great number of the books of religions and ethics. Besides, this university has been famous of its long association of Shin Buddhism. When I found the two great books of Goto, namely Goto (1973) and Goto (1981), in the bookshelf there, I was quite excited with great joy. My first reaction was as follows.

Here are the two great volumes of Goto! Surely, they have been waiting for so many years for its attentive readers. I would like to be a right person to rediscover such buried treasure.

This is the reason why I started to explore and revive the unique life and outstanding work of the late professor Fumitoshi Goto. Besides, I have an emotional attachment to the name "Goto" per se in the sense that more than 50 years ago, I lost another Goto, exactly Yasumasa Goto, a very close friend of mine at Kobe. Because of these reasons, I have determined to write an academic paper in fond memory of the two Gotos.³⁾ It seems that some of old memories will never be fading away.

The outline of this paper is as follows. The second section will argue the question of how John R. Hicks and Michio Morishima, the two economics superstars of the 20th century, are methodologically related to Max Weber, the legendary scholar on economic history of the

ciety." Besides, both of us loved pure mathematics so much that we decided to study advanced mathematic subjects such as Poincaré Topology, Abel Abstract Algebra and Lebesgue Integral at the Department of Mathematics. The only difference between us seems to lie in the fact that he committed suicide at the young age of 27 whereas I am still alive today. So, I feel now that I will have to live in twenty more years, thus making up his unfulfilled academic life.

19th century. The third section is concerned with the work of Fumitoshi Goto. It will constitute of the main core of this paper. I believe that it is high time for us to revive and reassess his outstanding contribution to Theory and History, thus shedding new light on the relation between Shin Buddhism and Japan Mercantile Economy. Final remarks will be made in the final fourth section.

II | John R. Hicks and Michio Morishima on Max Weber

John R. Hicks (1904-1989) was generally known as one of the most outstanding economists in the 20th century. While his work on economic theory was very famous, his research interest was so wide and extensive that he discussed many other fields such as labor problems, economic history, logic and probability, and money and finance. In this respect, Michio Morishima (1994) once remarked:

When Hicks was a student at Oxford University, he boldly changed his major from mathematics to economics. Even in the field of economics, he did not start his studies with abstract mathematical theories, but rather with more concrete labor problems. This explains why his research areas became so wide and extensive throughout his life. Among his many books and papers, let me dare to pick up my favorite one. It is his work published in his later years, that is, a rather small book *A Theory of Economic History*. As soon as I fondly read this gem, I asked him, "John, would you like to continue your re-

search on history a la Max Weber?" Then his initial reply was like this: "Well, Michio, I would not think so." However, this was not the end of our talk. In another day, he confessed his real intention: "Well, Michio, I was certainly awarded the Nobel Prize for my old work *Value and Capital*. My joy and happiness, however, would be much greater if I had been rather awarded the prize for my more recent work on *Economic History*. I am confident that he has placed a higher value on his later work on history than his earlier work on theory. (Morishima 1994, p. 74)

Morishima added to pursue the reason why Hicks did not like the work of Max Weber much. In fact, the name of Max Weber was not found at all in the Index of Hicks (1969). I would think that this was really a sort of mystery in the history of economic thought. One possible reason for such neglect was provided by Morishima himself in the following way. Morishima thought that the academic approach was quite apart between Weber and Hicks: whereas Weber's writing style was "exclusively German-made" in the sense that it was complicated and abstruse, Hicks' one was "purely English-made" in the sense that it was straightforward and transparent." (see Morishima 1994, p. 74) I myself would like to add that Hicks observed that Economic History was definitely "less deterministic, less evolutionary than the German Historical School would think." (see Hicks, 1969, p. 6) Hicks has observed that economic development is "a development that has been irregular ('cyclical') and has many dark places to it. Why should the same not hold further back?" (see Hicks, 1969, page 7)

Hicks was a lively English gentleman with liberal mind and independent spirit. He disliked mechanical determinism, i.e. the rigid doctrine that all events, including human decisions, were completely determined by previously existing causes. According to his observation, any historical events overall contained non-deterministic or rather stochastic factors, with non-regular and cyclical phenomena. Although he pointed it out that there existed even many "dark places," it seemed that its real intention of saying so was not quite clear. This would explain the reason why he intended to ignore, or at most underestimate, the German Historical School except Karl Marx, a founder of historical dialectical materialism.

Hicks honestly acknowledged the merit of Marx's way of thinking as one possible interpretation of economic history. Marx as a noted socialist attempted to argue the rise and fall of capitalism from the viewpoint of historical determinism. Hicks did not agree with Marx, rather arguing that there existed more fundamental transformation than the Rise of Capitalism. In this respect, Hicks' following remark was of the highest importance:

Where shall we start? There is a transformation which is antecedent to Marx's Rise of Capitalism, and which looks like being even more fundamental. This is the Rise of the Market, the Rise of the Exchange Economy. It takes us back to a much earlier stage of history. (Hicks, 1969, p. 7)

Looking at the Doctrine of Economic History, a variety of significant transformations have been proposed by many economists. Karl

Marx, a proponent of Historical Materialism, has strongly argued that the Rise of Capitalism against Feudalism should be the most important transformation. John R. Hicks, however, was firmly against such rigid idea of Marx, emphasizing the importance of the interaction of economic and non-economic factors for understanding the working of economic framework. Hicks simply posed the following question before us. Where should be the starting point of our investigation into economic history? There unquestionably exists a transformation which is antecedent to, and also more fundamental than, Marx's narrow concept of the Rise of Capitalism. This must certainly be the Rise of the Market Economy, or the Rise of the Mercantile Economy.

Hicks continued to argue that there should not be only one way of transformation.

There are several possible ways by which we can historically deduce what must have occurred. If we are allowed to apply Hicks' approach to economic history, we would have a variety of ways of the rise of the market economy; namely, the British way, the Japanese way, the German way and so on.⁴⁾

Morishima is a native son of The Land of The Rising Sun in which, in contrast to the Land of the Union Jack, the people have traditionally showed great respect for socio-economic approaches à la Marx, Weber, Schumpeter, Pareto, and Takata. Let us take a brief look at Morishima's bestseller *Modern Economics as Economic Thought* (1994). As is clearly seen there, those five superstars occupies the important places of the history of economic ideas.

To sum up, Max Weber belonged to the German Historical School, in which Gustav

⁴⁾ In Sakai (2018), I carefully compared Liverpool merchants and Ohmi merchants. There I found that cultural differences between England and Japan resulted in different ways of risk management and insurance contract. There should not be one-to-one correspondence between Economy and Culture !

Table 1 Michio Morishima: Modern Economics as Economic Thought

| | |
|---|--|
| PART I VISION AND THEORY: DIVERSITY OF MARKETS AND PRICE MECHANISM | |
| Chapter 1 | Walras (1): Doctrine of "Freedom from Value Judgment" |
| Chapter 2 | Walras (2): Perfect Competition among the Mass of People |
| Chapter 3 | Schumpeter (1): Economics of Elitism |
| Chapter 4 | Hicks : Typology of Markets |
| Chapter 5 | Takata: Population and Power |
| Chapter 7 | Wicksell: Capital Theory and Population |
| PART II ENRICHMENT OF VISIONS: SYNTHESIS OF ECONOMICS AND SOCIOLOGY | |
| Chapter 8 | Marx: Historical Analysis of Economics |
| Chapter 9 | Weber (1): Sociology of Rational Behavior |
| Chapter 10 | Weber (2): Ethic and Economy |
| Chapter 11 | Weber (3): Bureaucracy of Private Firms |
| Chapter 12 | Schumpeter (2): Change of Course by Elites |
| Chapter 13 | Pareto (1): Sociology of Non-Rational Behavior |
| Chapter 14 | Pareto (2): Rise and Fall of the Elite Class |
| PART III TRANSFORMATION OF PARADIGM: FROM LAISSEZ-FAIRE TO REVIONISM | |
| Chapter 15 | Von Mises (1): Pre-established Harmony of Laissez-Faire |
| Chapter 16 | Von Mises (2): Socialism and Price Mechanism |
| Chapter 17 | Keynes (1): Proposal of a New Europe |
| Chapter 18 | Keynes (2): Rejection of Say's Law |

Source: Based on Morishima (1994)

von Schmoller and his followers including Weber did not escape from dogmatic historical determinism. In contrast, both John R. Hicks and Michio Morishima were men of free will and flexible mind. In this respect, we could clearly see the classical mind versus the modern mind. We also note, however, that the Japanese samurai Morishima takes a more sympathetic stance toward the German historian Weber than the English gentleman Hicks.

III Fumitoshi Goto on Shin Buddhism and Japan Mercantile Economy

This section is mainly concerned with the late Professor Fumitoshi Goto (1920-1993) who has made an outstanding research on the

religious foundations of commercial or capitalist development. Although his focus on the relationship between Shin religion and Japan mercantile economy should highly be appreciated, it has unfortunately been rather neglected so far. It is high time for us to mend such unfair treatment of such an eminent scholar.⁵⁾

3.1 Fumitoshi Goto as an Almost Forgotten Economist

Fumitoshi Goto (1920-1993) is now an almost forgotten economist. At present, there remain very few people who know his life and works well. He was born in Kobe, an international port city, and graduated from the Faculty of Economics, Kobe University, a major academic institution in the field of economic science. His mentor was Kiyozo Mi-

5) According to Fumitoshi Goto, the relationship between the Shin Buddhism and Japan Capitalism was a focal point of investigation. As a man of free will and flexible mind, however, I am not in full agreement to Goto in this respect. I myself take a more flexible approach based on J.R. Hicks, thus arguing that the Rise of Market is more fundamental than the Rise of Capi-

talism. I do think that Capitalism is no more than one aspect of Market, and even Socialism may be associated with Market.

yata, an amiable father-like figure, whose teacher was in turn Tokuzo Fukuda, well-known as a "father of economics in modern Japan." Perhaps because Miyata was greatly influenced by the German Historical School, Goto himself could be free from the power field of the dominant Marxian School of Post-war Japan and also from the less dominant yet rising wave of Neoclassical Economics à la Paul A. Samuelson and Kenneth Arrow, thus bravely taking his own third way with a lively animal spirit.

As I mentioned above, around ten years ago, in a spacious lobby of Ryukoku University at Kyoto, my friend Tomio Iguchi, a Kobe University graduate himself, had a chat with me. According to Iguchi, Goto's unique character and independent research style were so famous even among his peers including Iguchi. Goto distinguished himself from others in his original research on the relationship between Shin Buddhism and Japan Economy. Then Iguchi stressed to say the following: "Goto's works had never been paid due attention in the academic world. Surely, such neglect should be mended, and will hopefully be corrected in the near future".

When I listened to Iguchi's sincere talk, I immediately felt righteous indignation against a sort of academic injustice. I believe that such feeling has given me a strong motivation of writing such a new paper as this on the religious foundations of Japan capitalism. It is true that an inquiry into the relation between religion and economy has been a rather foreign to me. I do feel, however, that just following the frontier spirit of J. R. Hicks, a Nobel Prize Winner and my idol economist, I should have

a great courage to venture into a new field, presumably conquering a set of unseen barriers.

It is quite unfortunate that the life and works of Fumitoshi Goto have been more or less neglected in Japan and all over the world. In my opinion, there are mainly two reasons for such neglect. First, Goto is a man of stubborn and unmovable character, thus having a very few friends except Kiyozo Miyata, his mentor at Kobe. Second, all of his works have been written in Japanese, therefore being unavailable to foreign readers. Incidentally, I myself am a Kobe University graduate like Goto, and can freely write academic papers in English. So, I feel that I would be quite qualified as one of right persons who can easily understand and fairly reassess his works, thus hopefully letting the world academia know his outstanding contribution to the economic science.⁶⁾

3.2 Religion Determines Economy, But Not the Other Way Around

Although I am a native son of Osaka, I must confess that I have spent a rather unsettled life so far. First of all, I did not attend Osaka University perhaps against the desire of my parents, but I rather sent a university life at Kobe, around 100 kilometer far from my home at Osaka. As a graduate student, I moved at the foot of Mt. Maya, and lodged in a traditional house. Even though I was unexpectedly appointed as an instructor of economics at Kobe University, I nevertheless decided to simultaneously continue my graduate studies at both the University of Colorado and the University of Rochester, in the U.S. When I successfully acquired a Ph.D. Degree at Rochester, I determined to teach economic theory

6) Remarkably, Goto's respect to his mentor Kiyozo Miyata was very strong to say the following: "Since my student days, I have constantly been under the kind direction of my respected teacher Kiyozo Miyata. Indeed, he has taught me that an economic researcher should not be satisfied by only considering economic matters, but take account of many other factors such as history, soci-

ology, and ethics. By writing this book on Shin Buddhism and Capitalism, I believe that I have somehow succeeded in bringing the Religion-History factors into Economic Science. For such task, I am very much indebted to my teacher Miyata." (Goto, 1974, Introduction, pp. 2-3.)

at the University of Pittsburgh, which was once notorious as a smoky iron city. After I enjoyed my stay in a foreign country for eight years, the advanced ages of my old parents weighed on my mind, so that I eventually came back to Japan, the Land of the Rising Sun.

I then worked for Hiroshima University, seriously affected by the Atomic Bombing in the Second World War, and later moved to the University of Tsukuba, a center of the newly established "Magnificent Tsukuba Science City," about 100 kilometer north of Tokyo. After staying at Tsukuba for 20 long years, I finally settled to Hikone, a birthplace of my wife Tokuko, which was a pretty castle town near Kyoto, an ancient capital of Japan. I worked for Shiga University at Hikone, and later for Ryukoku University at Kyoto. Very Fortunately, Ryukoku University is a private university closely related to Shin Buddhism, and is arguably the oldest university in Japan. It is at Ryukoku University that I met with my old friend Tomio Iguchi and had a golden opportunity to read the great books of Fumitoshi Goto. It is no exaggeration to say that without my close association with Ryukoku, my keen interest on Shin Buddhism would never been aroused so highly. In hindsight, I think that the combination of those things came as a great surprise to me.⁷⁾

At the big library of Ryukoku University, I happened to read the two great books by Fumitoshi Goto, namely, Goto (1973) and Goto (1981). They are a sort of twin books in the sense that the first book discusses the quite general framework of the relation between Shin Buddhism and Mercantile Economy, and the second one sheds light on more detailed discussions, with a focus on the rise and devel-

opment of *Jinaicho* or temple towns in Pre-Modern Japan.

In the very introduction of the first book, Goto (1973) has made his writing motivation very clear:

This book is a collection of my papers on economics methodology, with my clear doctrine that "religion determines the economy, but not the other way around." Such doctrine has duly been applied to the economic development of Pre-Modern Japan in this book. I would like to argue that the Kamakura Buddhism promoted by those high priests such as Honen and Shinran really represented the "Religious Revolution" in Japan, which was two centuries later developed a great deal by another high priest Rennyo, the eighth Supreme Priest of the Honganji Temple. Remarkably, through continuous growth of the temple organization, Osaka generally known as Japan Commercial Center succeeded in building the solid foundation of Religious Center as well. In particular, I would like to mention that in 1496, when Rennyo established the big core temple called Ishiyama Honganji Temple in Osaka, he acquired the cooperation of the powerful Group of Forty-Five Sakai Merchants in his unique city planning for the first time. Since then until the modern times, Osaka had not only played a role as the center of Japan religion, but also as the center of Japan commercial activities. (Goto, 1973, Introduction, p. 1)

To begin with, we should pay special attention to the economics methodology of

7) In hindsight, I have actively worked for at least eight universities. They are Kobe University, University of Colorado, University of Rochester, University of Pittsburgh, Hiroshima University, University of Tsukuba, Shiga University, and Ryukoku University. One of my old friends smiled for me: "Oh, you must be "Professor Octopus with Eight Academic Arms!" While this is a

sort of joke, it seems to contain a portion of truth

Fumitoshi Goto. We are concerned with the question of comparison of Economy and Religion as the two key factors of human history. According to the classical doctrine of Karl Marx (1818-1883), the chief founder of materialistic conception of history, the framework of any human society at a given time may be determined by the relationship between the two structures; namely, the "lower structure" and the "upper structure." The lower structure stands for the solid foundation of the society in which the economy constitutes a very key factor. More specifically, Marx advocates his unique view that the interdependence between the "productive powers" and the "productive relations" must be the key to unlock the human history of class struggles between the "ruling class" and the "subordinate class." In short, Marx argues that the lower structure determines the upper structure, not the other way around. It is Max Weber (1864-1920) who declares himself to be against the strong view of Marx, arguing that exact the opposite way of thinking should be correct: namely, it is rather the upper structure that ultimately determines the lower structure, not the other way around.

There are many components which constitute the upper structure. Needless to say, religion may represent one of the most powerful component. So, supporting the view of Weber, Goto firmly believes that Religion determines Economy, not the other around. So far, Goto has been a faithful believer in Weber. When Goto specifies Religion, however, his position tends to be separated from Weber. Since Goto is not a Christian at all, he should be neither a Catholic nor a Protestant. In fact, he is a faithful Buddhist, more exactly a Shin

Buddhist, or the believer of the teachings of Shinran and Rennyo.

Let us make Goto's fundamental position very clear. As far as his fundamental idea is concerned, it appears that he is indebted to Max Weber's Book *Protestant Ethics and the Spirit of Capitalism*. It is also true that there are some economists who have mechanically applied Weber's method to Japanese economic history. However, Goto does not admit such easy application. In his book, he attempts to adopt a quite bold and new approach so that he may apply Shin Buddhism of Shinran and Rennyo to Japan Mercantile Economy and thoroughly investigate its deep and wide implications by help of historical documents and supporting old maps.

In his Great Letters, Rennyo, a holy priest of Shin Buddhism, once remarked:

Let us engage in the activities of trading or live-in service, or even hunting. By doing such sinful activities morning and evening, we are destined to lose our ability to correctly judge. Then the merciful Amida Buddha will come to help only those who are constantly believing in the greatness of Amida.

In the Pre-modern era of Japan, the trading and hunting activities were generally regarded as "sinful activities" by many people. It is Rennyo who bravely came up as a powerful opponent against such prejudiced view. He said that under the biased opinion, all innocent people would unduly be destined to lose their ability to have a correct judgment. He instead advocated salvation through the benevolence of Amida Buddha. Before Shin Buddhists ap-

peared on the main stage of history, ordinary people were conventionally asked to harshly train themselves in such Buddhist ascetic practices as well-illustrated by seated meditation for a long time before solid walls or even in cold waterfalls.⁸⁾

In the religious world, the difference between *Jiriki* and *Tariki* is very critical. On the one hand, *Jiriki* literally means "self help", implying that people are required to help themselves by means of very difficult physical and mental training without any kind of outside assistance. On the other hand, *Tariki* means "outside help," implying that people may ask outside assistance such as reciting sutras or books of religious teachings on every occasion of daily life.. Goth Shinran and Rennyo were thought of "religious revolutionaries" in that they proposed to abandon the old-fashioned aristocratic practice of *Jiriki*, thus newly introducing the timely common-man practice of *Tariki* in the 15th century. It is noted that the *Tariki* Transformation of Shinran (1173-1262) and Rennyo (1415-1499) took place around one hundred years earlier than the more famous Protestant Transformation of Martin Luther (1483-1546) and John Calvin (1509-1564).

In Pre-Modern Japan when Shinran and Rennyo were engaged in missionary works, there existed a solid class structure in the society. The uppermost class was first occupied by aristocrats together with priests, and later joined by *samurai* or warriors. The second class consisted of farmers, fishermen, and hunters. Whereas the third class contained a variety of craftsmen, the fourth and lowest class included all kinds of merchants and traders. Such hierarchy of samurai, farmers, craftsmen, and

merchants was very rigid in Feudal days, human movement between one class and another class was almost completely prohibited except very few exceptions. Because Zen Buddhism with *Jiriki* was exclusively worshiped by the upper samurai class, the emergence of new religions based on *Tariki* was quite welcomed by the lower farmer-merchant class. Actually, Shin Buddhism not only occupied the leader of those NEW religious sects, but also it eventually became the most popular sect among ALL the sects with the OLD sects included.⁹⁾

3.3 Osaka as the Center of the Group of Temple Towns

In old days, they said that there were three capitals in Japan. They were Yedo (now Tokyo) as the political capital, Kyo (now Kyoto) as the cultural capital, and Osaka as the commercial capital. In other words, Tokyo was famous of having "eight hundred and eight streets," Kyoto "eight hundred and eight temples," and Osaka "eight hundred and eight bridges." In this sense, Osaka used to be, and also now, the Center of Business. Although the unique econ-historian Fumitoshi Goto was in general agreement in such opinion, he proposed an apparently provocative view:

When I [Goto] characterize Osaka as a "Religion City," I might give the reader a kind of shock. So many people have traditionally thought that Osaka is not a religion city but a commerce city, arguing that it is Kyoto, not Osaka, that fully qualifies as a religion city. I would like point it out, however, that around 500 years ago, the High Shin Sect Priest Rennyo, by help

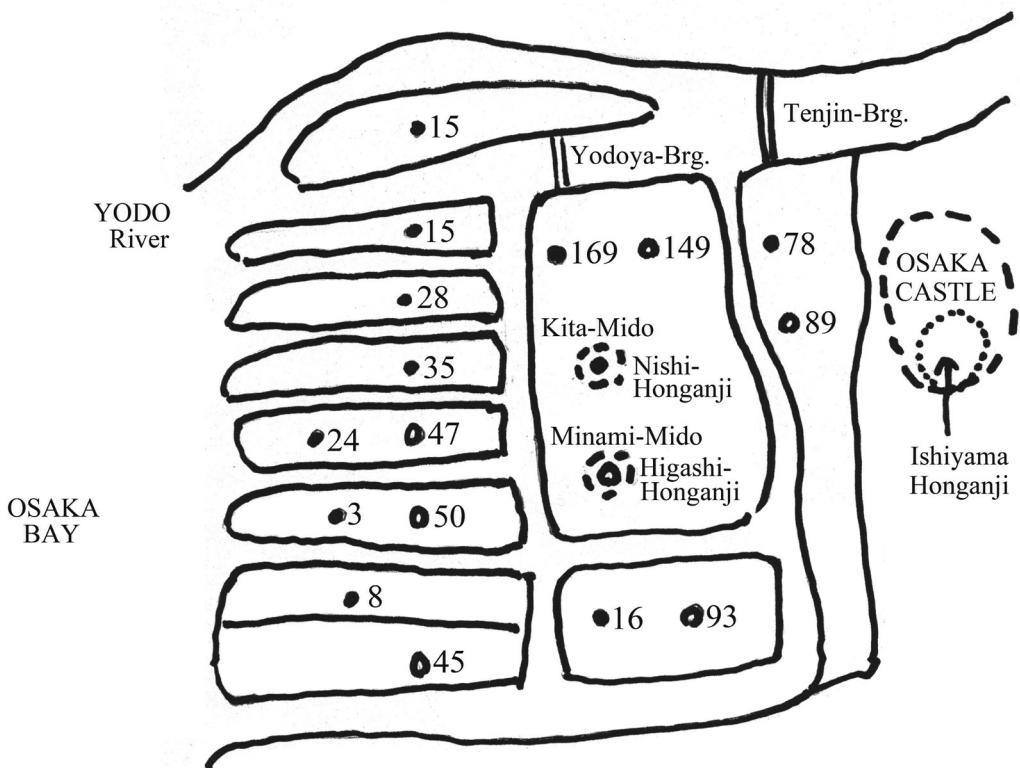
8) It is said that the high Zen priest Bodhidharma (or Daruma Taishi in Japanese) quietly sat in meditation before the wall for nine long years to reach a spiritual enlightenment. This is really a mission impossible for ordinary people. It is Rennyo as a more sensible Shin priest who wisely proposed a nice alternative to the rigorous practice: all we have to do is to simply recite the sutra "Nam-ami-dabutsu! Nam-ami-dabutsu!"

9) At the front door of *Eirakuya*, the largest Buddhist furniture shop, in the castle town Hikone, there stands a very big statue of Rennyo, a legendary high priest of the Shin Buddhism. This eloquently tells us how much, and also how long, the local craftsmen of family Buddhist altars have revered Rennyo and the Shin Buddhism.

of the group of neighboring 45 Sakai merchants, planned and built Ishiyama Honganji Temple as the core of a cluster of many temples in Osaka, thus making Osaka the "Center of Religion in Japan," not only the "Center of Commerce." Since then, around 100 long years until its disintegration by the military attack by the Samurai Commander Oda Nobunaga, Osaka had really served as the very core of all Shin Sect temples in Japan, and also as the center of the commercial net of whole

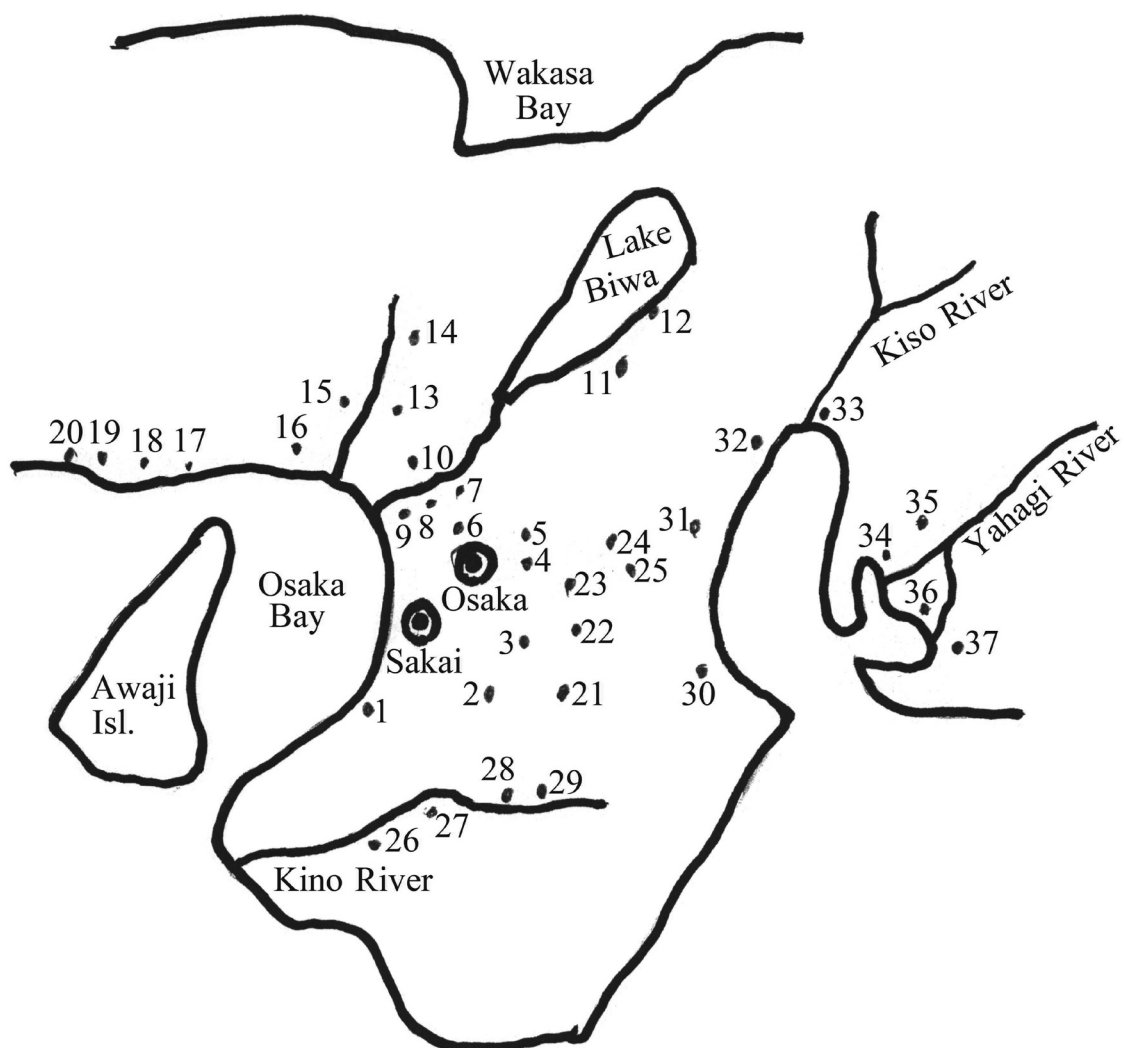
and retail selling throughout Japan. (Goto 1973, p. 1)

By pointing out this historical fact, I do think that Goto is quite right. So many people including myself tend to have easy lapse of memory. Goto's aforementioned remark might sound a bit provocative to some people, but on deeper reflection, we are convinced that he is actually hitting the mark! As saying goes, seeing is believing! As is seen in Fig. 1, Goto (1973) himself has drawn an important map for



Source: Based on Goto (1973, 1981) with some modifications.

Fig. 1 Old Osaka as a typical Temple Town in 1687: Nishi-Honganji group (○₄₁₃), Higashi-Honganji group (●₄₆₂)



Remark. 1.Kaizuka 2. Tondabayashi 3. Furuichi 4. Kyuhojgi 5. Yao 6. Kayafuri 7. Shodai 8. Deguchi 9. Moriguchi
 10. Tonda 11. Hino 12. Ohmihachiman 13. Toyonaka 14. Nashio 15. Itami 16. Tsukaguchi 17. Takasago 18. Ohshio
 19. Sakakoshi 20. Ako 21. Goshō 22. Imai 23. Yamatotakada 24. Sakurai 25. Ouda 26. Hashimoto 27. Gojo 28. Shimoichi
 29. Kamiichi 30. Matsuzaka 31. Yokkaichi 32. Kuwana 33. Nagashima 34. Ohama 35. Washizuka 36. Isshiki 37. Yoshida
 Source: Based on Goto (1973,1981) with some modifications.

Fig. 2 Osaka, Sakai, and other satellite temple towns

indicating the role of the Pre-Modern Osaka as a "big temple city." Osaka was also called a "big city with eight hundred and eight bridges" because there were the big Yodo River and many affiliated small rivers and canals. As was mentioned above, the old Ishiyama Honganji, indicated by a smaller dot circle in the right, was built in 1496 by the high Shinshu priest Rennyō, and later destroyed in 1580 by the old ruler Oda Nobunaga during the fierce Ishiyama War. Interestingly enough, the gigantic Osaka Castle, shown by a bigger dot circle, was first built by the new ruler Toyotomi Hideyoshi in 1585 on the ruins of the perished Ishiyama Honganji. In 1620 or so, the old castle was destroyed and rebuilt by the newest powerful leader Tokugawa Ieyasu.¹⁰⁾

Apart from the detailed story of power struggles among the rulers, it is quite interesting to see the existence of so many Shin Sect temples in Old Osaka. At the beginning of the Edo period, the Shin Sect divided into two groups, namely the Nishi-Honganji Group and the Higashi-Honganji Group. Since the Nishi Group contains 418 temples and the Higashi Group 462 temples, the Shin-Sect temples total 875. So, together with the cultural capital Kyoto, the new comer Osaka should also deserve "the city of eight hundred and eight temples."

Fig. 2 tells us the geometry of Osaka, Sakai, and other satellite temple towns in Central Japan. It is noted here that the commercial center of Japan was once the older port city Sakai, and later moved to the newly flourished city Osaka in the 17th century. As is easily understood, the Lake-Biwa Yodo-River area occupied the center of the whole region. There are more than 30 *jinaicho* or temple towns in

the area. Needless to say, so many merchants, craftsmen and traders lived in or near those towns, so that so many markets were opened regularly at predetermined days. For instance, Hino (No. 11) and Ohmi-hachiman (No. 12) along the eastern side of Lake Biwa were especially noteworthy of producing a good number of hard working Ohmi merchants. The long history of Japan may eloquently tell us the existence of "the Amazing Trio of Merchants, Temples, and Markets".¹¹⁾

3.4 England versus Japan: Religious and Mercantile Transformations Compared

We are now in a position to compare England and Japan in the light of Religious and Mercantile Transformations. Some scholars including Fumitoshi Goto might prefer to employ the strong word "Religious and Industrial Revolutions" instead of the softer word "Religious and Mercantile Transformations." I guess that they have been a sort of children of the age of Capitalism versus Socialism. In fact, the Shin-Sect reformer Rennyō built Yamashima Honganji in 1475, and Ishiyama Honnganji in 1497. Such turbulent years, however, have passed. So, we would like to follow the lead of the gentleman J.R. Hicks who has been very cautious in choosing the right terminology.

Let us take a close look at Table 2. The table offers us the chronology of the three centuries from 1400 to 1699. It is very intriguing to see that in the 15th century, the Religious Transformation by Rennyō took place in Japan, with no comparable dramatic religious events in England during the same period. Actually, only around one hundred years later in the 16th century, the German famous reformer

10) In Osaka today, there remain so many big and small temples. One of the biggest and most famous is *Shiten-nouji*, meaning the four deva temple. Some streets are named *Teramachi*, meaning temple towns.

11) For this point, see Parsons (1937) and Teranichi (2014).

Table 2 The Religious and Mercantile Transformations : England Versus Japan

| Year | ENGLAND | JAPAN |
|------|--|--|
| 1400 | | Rennyō (1415-1495) built Yamashina Honganji (1475) Kaga Ikko Uprising destroyed the Kaga Ruler (1488) |
| | Christopher Columbus (1451-1502) reached the New World (1492) | Rennyō built Ishiyama Honganji at Osaka (1497) |
| 1500 | Martin Luther (1483-1546) announced the 95 Theses (1517) England State Church (1534) | End of the Ishiyama Battle between the Shin Sect and Oda Nobunaga (1580) Growth of the Ohmi Merchant Network (1576) |
| 1600 | British East Indian Company (1600) Puritan Revolution (1642) Bank of England (1694) London Stock Exchange Market (1698) | Sado Gold Mine (1604) Osaka Dojima Rice Market (1688) |

Source: Based on Goto (1981) with some modifications.,

Martin Luther announced the 95 Theses, demanding the reform of old-fashioned Christian rules. And at last in 1534, the England State Church was built with warm support of the people, thus having played a major role in British Protestantism since then.

In this respect, the high-spirited Goto remarked:¹²⁾

Jinaicho or temple towns are defined as the autonomous community groups that have made by active merchants in the area around Shin Sect temples. I would like to stress the historical fact that those towns had already been in embryo at the age of the first founder Shinran, and one hundred years later, dramatically developed by the drastic restorer Rennyō. Such a century span really represented the Rise and Prosperity of the Merchant Class for the first time in Japanese history. Unfortunately, however, it will soon be shadowed and

swallowed by the subsequent rise of the Samurai Class in the Momoyama and Edo Eras. (Goto, 1973, p. 2)

We should note that being influenced by the religious and mercantile reformations, Ohmi merchants developed its trading network all over Japan in the 16th century and after, sometimes reaching Yezo (now Hokkaido) by means of *Kitamae Bune* or the Northern-Route Ships. Those Ohmi merchants may be regarded as brave pioneers of trading companies in Modern Japan.¹³⁾

In the next 17th century, England expanded its overseas territory, thus rapidly growing as the mighty British Empire. Along with the Puritan Revolution, very big economic organizations such as British East Indian Company, the Bank of England, and London Stock Exchange Market were continuously established. Around the same time, the discovery and development of Sado Gold Mine and Iwami

12) In Osaka today, there remain so many big and small temples. One of the biggest and most famous temples is *Shitennouji*, literally meaning the four deva temple. Even some streets are named *Teramachi*, meaning temple towns.

13) For details of Ohmi merchants, see Ogura (1989, 1991). Also see Matsuo (2009). Hayashi (2004, 2019).

Silver Mine greatly contributed to the economic development of Pre-Modern Japan. In particular, the opening of Osaka Dojima Rice Market was quite noteworthy as the symbol of Japan Mercantile Economy: its significance was really equivalent to what the Bank of England meant to British Mercantile Economy.

To sum up, for those three hundred years from 1400 to 1699, British and Japanese economies have grown almost neck-and-neck. We could even say that in its earlier period,

Japan even surpassed England in the aspect of the religious reformation. So far so good for Japan. As the saying goes, however, happy events are often accompanied by difficulties. When Japan officially closed the door to foreigners in 1639, its promising future was destined to doom. Until it reopened the door to foreigners in 1853, Japan had been deep in the Dark Ages of Stagnation. It was the Meiji Revolution in 1960s and onward that Japan became the Land of the Rising Sun again by help of a series of uncontrollable miracles both inside and outside Japan. It is a big irony that Japan is dominantly a Shin Buddhist Country: it has acquired *Tariki* or outside help so often in its long history.

IV | Concluding Remarks

This paper is dedicated to the life and work of the late Professor Fumitoshi Goto. To tell the truth, until 15 years ago when I eventually came back to the Kansai Area, the name "Goto" has never come to my mind. Not only that, even the fact that I once lived in Kobe began to escape my memory. When I had an opportunity to talk to Iguchi and Niino by chance, however, I was suddenly reminded of my old

lovely days in Kobe as well as the difficult student days.

When I first read the masterpiece *A Theory of Economic History* by J.R. Hicks far back in 1969, I could not believe my own eyes because Hicks was generally thought of as a first rate theorist, not a historian at all. He rightly paid attention to the relation between Theory and History. In his mind, History was supposed to include religion, culture, and other human factors. Besides, as I was once deeply interested in Max Weber's work on Economy and Religion, I began to wonder whether and to what extent the Weber theory could be applicable to Japan Society. Although Protestantism was the main focus of Weber's investigation, Japan has never been a Christian-dominated country, but rather a typical Buddhist country. Then the next right question would be which sect of Buddhism would take a role of Protestantism in the Land of Rising Sun.

Fairly speaking, there are a number of candidates in Japan in which so many religious sects have flourished and coexisted rather peacefully. To give an instance, in his popular book *Rongo and Abacus*, Eiichi Shibusawa (1916) emphasized the key role played by *Rongo* or the Classical Book of Confucius. Although the teachings of Confucius were intensively taught to the Samurai class, its influence to the Farmer and Merchant classes, who had difficulty to read religious books, was rather limited. To give another instance, Hisao Ohtsuka (1938) attempted to combine Karl Marx and Max Weber in his own fashion. The Ohtsuka doctrine still survives and remains influential as is partly seen in Morishima (1994). Intentionally or unintentionally, the impact of the Shin Buddhism

on the Japan Mercantile Economy was almost neglected by those authors.

It is Fumitoshi Goto who distinguishes himself from Shibusawa, Ohtsuka and many others by rather focusing the third influential religion, namely the Shinto Buddhism. As I have intensively discussed, Goto's analysis looks attractive and persuasive. I do feel, however, the Goto doctrine should not be almighty and remains to be less than perfect, requiring for further clarifications or investigations..

In his intriguing book (1957), Robert Bellah discussed the cultural roots of Modern Japan. Bellar was once a good student of American authoritative sociologist Andy Parsons, who was in turn greatly influenced by Great German authority Max Weber. As I can carefully read Bellar's doctrine, he failed to pinpoint one religion as the critical determinant of the Japanese Economy. In his mind, Confucius, Shinto and the Shin Buddhism would equally be qualified as influential factors. Alternatively, we could say that Bellar has thought that without specifying each component, "Japan Religion" as a whole should be viewed as making inseparable contributions to the development of Japan Economy.

In conclusion, my inquiry into the Goto doctrine is not finished yet: it is just beginning. We can still find so many interesting arguments in his books. Further investigations in the line with his analysis would urgently be needed.

References

- ⊙ Bellah, Robert (1957) *Tukugawa Religion: The Cultural Roots of Modern Japan*. New York: Free Press.
- ⊙ Fukuzawa, Yukichi (1875) *A Recommendation of Learning* (in Japanese). Tokyo: Keio Publishers.
- ⊙ Goto, Fumitoshi (1973) *Jodo Shinshu Buddhism and Capitalism* (in Japanese). Kyoto: Tokoro Puublishers.
- ⊙ Goto, Fumitoshi (1981) *Jodo Shinshu Buddhism and Japan Capitalism: Studies in Temple Towns* (in Japanese). Kyoto: Doushin Publishers.
- ⊙ Hayashi, Hiroshige (2004) *Remembering the Minakai Department Store: The Rise and Fall of the "Ohmi Merchant Empire" in East Asia*. Tokyo: Bansei Publishers.
- ⊙ Hayashi, Hiroshige (2019) *The History of Japan's Management Philosophy : Toward the Integration of Particularity and Universality* (in Japanese). Tokyo: Chukuma Publishers.
- ⊙ Hicks, John R. (1969) *A Theory of Economic History*. Oxford : Oxford University Press.
- ⊙ Hicks, John R. (1977) *Economic Perspectives: Further Essays on Money and Growth*. Oxford: Oxford University Press.
- ⊙ Imai, Kenichi (2015) *Reassessing Japan for 70 Years after the War: Natural Capital and Religions as Two Forgotten Factors*, Nikkei Newspaper, 7 August 2015 (in Japanese) . Tokyo: Nikkei publishers.
- ⊙ Kanai, Toshi (1981) *Temple Towns: Various Forms and their Changes* (in Japanese). *Human Geography*, 33-3: 265-281.
- ⊙ Katsu, Kaishu (1973) *Kaishu Remembers* (in Japanese). Tokyo: Yuhikaku Publishers.
- ⊙ Matsuo, Hajime (2009) *Recommending the Spirits of Merchants* (in Japanese). Tokyo: Fujiwara Publishers.
- ⊙ Matsushita, Konosuke (2001) *Pragmatic Business Ethics* (in Japanese). Tokyo: PHP Publishers.
- ⊙ Morishima, Michio (1982) *Why Has Japan 'Succeeded'?: Western Technology and the Japanese Ethos*. Cambridge University Press.
- ⊙ Morishima, Michio (1994) *Modern Economics as Economic Thought* (in Japanese). Tokyo: Iwanami Publishers.
- ⊙ Ogura, Eiichiro (1989) *The Innovative Powers of Ohmi Merchants: Administration System and Modern Management of Hokkaido Development* (in Japanese). Tokyo: Chuo Publishers.
- ⊙ Ogura, Eiichiro (1991) *The Old and New Lessons from Ohmi Merchants* (in Japanese). Kyoto: Japan Merchants Studies Publishers.
- ⊙ Ohtsuka, Hisao (1938) *On the History of Corporation*. Tokyo: Yuhikaku Publishers.
- ⊙ Parsons, Arnold (1937) *Structure of Social Action*. Cambridge, Mass: Harvard University Press.

- ⊙ Sakai, Yasuhiro (2010) *The Economics of Risk and Uncertainty* (in Japanese). Kyoto: Minerva Publishers.
- ⊙ Sakai, Yasuhiro (2019) *J.M. Keynes versus F.H. Knight: Risk, Probability and Uncertainty*. Singapore: Springer.
- ⊙ Schumpeter, Joseph (1954) *History of Economic Analysis*. London: Allen & Unwin Publishers.
- ⊙ Shibusawa, Eiichi (1916) *Confucius Analects and Japanese Abacus* (in Japanese). Tokyo: Yuhikaku Publishers.
- ⊙ Teranishi, Juro (2014) *Economic Behavior and Religion: the Birth of Japan Economic System*. Tokyo: Keiso publishers.
- ⊙ Weber, Max (1904) *Die Protestantische Ethik und der Geist des Kapitalismus*. [Translated and edited by Talcott Parsons (1947) *Protestant Ethic and the Spirit of Capitalism*, London: Routledge.]

Shin Buddhism and Mercantile Economy in Japan

Reassessing the Doctrine of Fumitoshi Goto

Yasuhiro Sakai

This paper explores the relation between Shin Buddhism and Mercantile Economy in Japan from a new modern angle. Having been inspired by the great work of Max Weber on Religion and Economy, the late Professor Fumitoshi Goto of Kinki University at Osaka has carefully investigated the question how and to what degree Religion has influenced the economic development of Japanese Economy. Observing that Japan has never been a Christian-dominated country, Goto has argued that the powerful Shin Buddhism, and definitely not Protestantism, has a critical role in the development of Japanese Economy since the pre-modern era in the 16th century. Although the three religions of Shinto, Zen Sect and Shin Buddhism have more or less affected Japanese way of life in their respective fashions, it is the last Shin Buddhism of the high priests Shinran and Rennyo that by means of Osaka Temple Town and many other satellite towns, has acted as a dominant player in continuously shaping and reshaping Japan mercantile economy since its pre-modern era. Unfortunately, however, Goto's important work has so far received much less attention than it should have. In this paper, we attempt to mend such long neglect in the economics profession in Japan and all over the world.

Keywords: Shin Buddhism, Japan Mercantile Economy, Fumitoshi Goto, Max Weber, John R. Hicks, Michio Morishima, Osaka Temple Town, Ohmi Merchants

