

# Research Trends on Shibusawa Eiichi

KIMURA Masato\*

## 1. Globalization of Research on Shibusawa Eiichi

This paper introduces trends of recently rapidly advancing research into Shibusawa Eiichi as a historical figure from a global perspective and clarifies characteristics of such research. For the purpose of this paper, globalization has two meanings. First, it refers to the global positioning of the ideas and activities of Shibusawa Eiichi (1840-1931) through comparison with business leaders from other countries of the same era. Second, it refers to the “globalization” of researchers of Shibusawa Eiichi.

The ideas and activities of Shibusawa Eiichi are extremely wide-ranging, and it is amazing that one person could have been involved in such a wide range of activities. Accordingly, research on Shibusawa Eiichi spans many disciplines and discussing all the research trends is no easy feat. On the other hand, mutual intelligibility between and among the academic disciplines—and transcending the boundaries of the individual academic disciplines of economics, management, philosophy, politics, diplomacy, sociology, welfare and education—is also essential to understand the ideas and activities of Shibusawa Eiichi. To address this mutually exclusive dichotomy, this paper will trace research trends from as wide a perspective as possible, while at the same time discussing possible themes for future research themes, focusing on research trends that get to the core of the ideas and activities of Shibusawa, namely, *Gapponshugi* [Ethical Capitalism], *Rongo to Soroban* [The Analects and the Abacus], and the nature of Japan within the global community at the start of the twenty-first century.

## 2. Publication of *Shibusawa Eiichi Denki Shiryo* [Shibusawa Eiichi Biographical Materials]

This first section gives an overview of the flow of research into Shibusawa

---

\* KIMURA Masato is Visiting Professor at Kansai University and former Chief Researcher at the Shibusawa Eiichi Memorial Foundation.

Eiichi. While Shibusawa Eiichi was still alive, his ideas and deeds generated a great deal of interest both in Japan and overseas and were the subject of much discussion, with Yamaji Aizan writing a critique<sup>1</sup> and Kōda Rohan writing Shibusawa Eiichi's biography<sup>2</sup>. However, it was not until after the publication of *Shibusawa Eiichi Denki Shiryo* [Shibusawa Eiichi Biographical Materials]<sup>3</sup> (hereafter the “*Denki Shiryo*”), which were completed over several decades straddling World War II primarily by Tsuchiya Takao at the request of Shibusawa Keizō, Eiichi's successor, that research at an academic level began in earnest. Tsuchiya published *Shibusawa Eiichi Den* [A Biography of Shibusawa Eiichi] in 1931, the year Eiichi died. This book was written by Tsuchiya based on *Uyatan-kai Giroku* [Minutes of Rainy Night Tales Society], which was unpublished at the time, with Shibusawa Keizō's permission and, already, Tsuchiya rated Shibusawa as the “Supreme Leader of Japanese capitalism.”

The publication of the *Denki Shiryo* gave rise to two important works reassessing the life of Eiichi as the creator of modern Japanese society. The first is *Kindai no sōzō: Shibusawa Eiichi no shisō to kōdō* [Creation of Modern Society: Shibusawa Eiichi's Thoughts and Activities] written by Yamamoto Shichihei (*PHP Kenkyūjo*, 1987). Yamamoto read the *Denki Shiryo* and identified in Shibusawa Eiichi, who lived through the Tokugawa Era and the Meiji Era, the continuity and discontinuity of early modern and modern Japan. Armed with his knowledge of Japanese philosophy and classical Chinese texts, especially the Analects of Confucius, which were widely studied by samurai in the Edo Period and at traditional private schools, plus his financial knowledge and business sense developed through the sale of indigo as part of the family business, Eiichi had the basic skills required to sufficiently understand European civilization and economic knowledge. Yamamoto showed that Shibusawa's actions and deeds, which were said to be miracles or coincidences, were not coincidences but rather natural consequences that grew out of the seed of modern Japan, which had germinated within Eiichi. Yamamoto also mentioned *Gapponshugi*, which he perceived as central to Shibusawa's activities, but he considered a *gappon-kaisha* to be similar to a *kabushiki gaisha* (joint stock company) and its independence was not made clear.

---

1 Yamaji Aizan, *Gendai Kinkenshi* [History of Modern Business Circles], (Shakaishisō Sha, 1990).

2 Kōda Rohan, *Shibusawa Eiichi den* (The Biography of Shibusawa Eiichi), (Shibusawa Seien ou kinennkai, 1939).

3 All 68 volumes of *Shibusawa Eiichi Denki Shiryo* (Shibusawa Eiichi Biographical Materials) (Volumes 1-58 by Shibusawa Eiichi Denki Shiryo Kankokai, Supplementary Volumes 1-10 by Shibusawa Seien Kinen Zaidan Ryumonsha, 1955-1971).

Following Yamamoto's research, Sakamoto Shinichi analyzed in detail Shibusawa's Confucian politicoeconomic thought, which was heavily influenced by the later phase of the *Mitogaku* (Mito School); he also mentions *Gapponshugi* and *Soroban* (the Abacus).<sup>4</sup>

Although going back in time, another work published earlier is Shibusawa Masahide's *Taiheiyo ni kakeru hashi: Shibusawa Eiichi no Shogai* [Bridge over the Pacific: The life of Shibusawa Eiichi] (Yomiuri Shimbunsha, 1970),<sup>5</sup> which documents Eiichi's life from the viewpoint of his efforts to improve international relations in the Pacific Region, especially between Japan, the United States and China, in his capacity as a private diplomat. This book aroused interest among researchers of economics (history of economics), business (business history) and of Japanese diplomatic history and the history of international relations (particularly the history of Japan-US relations).<sup>6</sup>

The work showed that Shibusawa Eiichi, twice nominated by the Japanese Government as a candidate for the Nobel Peace Prize, was a globally prominent figure who was much more than the financial magnate he was previously considered to be. It suggested that Shibusawa's actions such as his campaigning to solve the problem of Japanese immigration into the United States (despite the passive attitude of the Ministry of Foreign Affairs), an effort out of his concern that the problem would harm Japan-US relations from a long-term and psychological perspective, and his visit to China in 1914 (Taisho 3) to meet with leaders in China's political and financial circles and propose specific measures to develop China's economic infrastructure and strengthen economic ties between Japan and China, had the transnational flavor of "private diplomacy" that transcended the framework of diplomacy between nation states. Kōda Rohan commented that Shibusawa's greatest accomplishment was that "he advanced the nature of a citizen in a developed

---

4 Sakamoto Shinichi. *Shibusawa Eiichi no Keisei Saimin Shiso* [Confucian politico-economic thought of *Shibusawa Eiichi*] Nihon Keizai Hyoronsha, 2002. Sakamoto Shinichi. *Somo no koki Mitogaku toshite no Shibusawa Eiichi shiso* in *Nihon no keizai shiso sekai* [The world of economic thought in Japan] edited by Hiroshi Kawaguchi, Nihon Keizai Hyoronsha, 2004.

5 Shibusawa Masahide is the great grandson of Shibusawa Eiichi and the son of Shibusawa Keizō. A replica version was published in 2017 by Fuji Shuppan. The impact this book has had on researchers of the history of international politics and foreign relations has been enormous, leading to the inclusion of Shibusawa Eiichi in the *Nihon Gaikōshi Jiten* [Encyclopedia of Japanese Diplomatic History]. The book also prompted works on Shibusawa Eiichi's international exchanges by the likes of Katagiri Nobuo, Oshiro George and Kimura Masato mentioned later.

6 For example, Kimura Masato, *Shibusawa Eiichi: Minkan Gaikō no Sōshisha* [*Shibusawa Eiichi: The Founder of Private Economic Diplomacy*] (Chuko Shinshi, Chuokoron-shinsha, 1991).

society”<sup>7</sup> and Shibusawa Masahide’s book can certainly be said to have evidenced such an evaluation.

Meanwhile, overseas, American management scholar Peter Drucker was, as everybody knows, quick to give the most accurate evaluation of Shibusawa. In a series of works, Drucker argued that Shibusawa’s real worth is that he was the person who best understood that the most important thing for a manager is to take responsibility.<sup>8</sup> However, it is not necessarily clear whether Drucker’s assertion is an evaluation based on empirical analysis.

### 3. Impacts of the End of the *Cold War and the Collapse of the Bubble Economy*

It was not until the 1990s, after the end of the Cold War, that research into Shibusawa became a more global phenomenon. The bubble economy of the late 1980s peaked in 1989 and, by the 1990s when the bubble had burst, Japan’s economy was stagnating and had entered the period of slowdown known as the Lost Decade. During this period, there was a string of scandals at banks and securities firms, which can be described as after-effects of the economic bubble. Against this background, Shibusawa Eiichi began to attract attention and the doctrine of the Inseparability of *Morality* and Economy expounded in the *Rongo to Soroban* [*The Analects and the Abacus*] even became a sort of boom among researchers and business circles. Meanwhile, the end of the Cold War, symbolized by the fall of the Berlin Wall (in November 1989 (Heisei 1), opened the way for the global expansion of capitalism fueled by disillusionment with Marxism and faith in the market economy but, at the same time, it also prompted Russia and former Eastern Bloc nations that had been socialist countries to strongly reject the rapid spread of market economies and capitalism. Against this background, the ideas and actions of Shibusawa Eiichi, who, in the nineteenth century, played a key role in modernizing Japanese economy and society by taking on board Western capitalism in the form of *Gapponshugi* [Ethical Capitalism] and utilizing the traditions, customs and culture of his own country, began to attract attention. Shibusawa Eiichi’s autobiography *Uyatan*<sup>9</sup> was translated into

---

7 Kōda Rohan, *Seien Sensei no Kohan Sei* [Later Life of Master Seien] (January 1940 Issue (Issue No.616) of *Ryumon Zasshi* [Dragon Gate Magazine]).

8 Drucker, Peter, *Management Tasks, Responsibilities, Practices*. Harper & Row Publishers Inc., 1974 (*Management* was translated under the supervision of Noda Kazuo and Murakami Tsuneo, Diamond, 1974) Vol. 1, p. 6. According to Peter Drucker, the business leaders who most contributed to Japan’s modernization were Iwasaki Yatarō and Shibusawa Eiichi.

9 Translated by Teruko Craig with an Introduction and Notes, *The Autography of Shibusawa Eiichi: From Peasant to Entrepreneur*, University of Tokyo Press, 1994.

English in 1994 and into Russian in 2002. Additionally, in 1997, *Rongo to Soroban* [The Analects and the Abacus] was also translated into Chinese.<sup>10</sup> However, these discussions merely took place among researchers and did not develop into major discussions at an academic or society level. In former socialist countries that were suddenly incorporated into the global economy through the adoption of a market economy system, managers and business leaders emerged one after another and became the driving force behind the economy and, as a result, from the nineteenth century through the twentieth century, changes in the evaluation of business leaders became apparent and the obstacles to research into business leaders were gradually removed. Meanwhile, in Korea, research analyzing the role played by Japanese business leaders in the development of capitalism under Japanese colonial rule also began. Lee Pei-Yung's *Shibusawa Eiichi to Taikan Keizai Shinryaku* [Shibusawa Eiichi and Economic Aggressiveness Against Korea] published in 1989 can be described as the start of research on Shibusawa Eiichi in Korea.<sup>11</sup> In this way, new perspectives on research into Shibusawa Eiichi, including research by Chinese and Korean economic historians into business leaders in their own countries, have been produced.

Amid the changes in the environment surrounding Shibusawa research, researchers and business leaders from across many academic disciplines and business fields have joined Shibusawa Kenkyukai, which was formed in 1989.<sup>12</sup> Shibusawa Kenkyukai promotes the discovery of new materials about Shibusawa Eiichi besides the *Denki Shiryo* and has also introduced many new analytical perspectives. *Koeki no Tsuikyusha: Shibusawa Eiichi* [Pursuer of

10 For more details of trends of research into Shibusawa Eiichi, please refer to Shimada Masakazu, *Shibusawa Eiichi no Kigyōsha Katsudō no Kenkyū* [Research into the Entrepreneurial Activities of Shibusawa Eiichi] (Nihon Keizai Hyōronsha, 2007, Chapter 1).

11 Lee Pei-Yung, *Shibusawa Eiichi to Taikan Keizai Shinryaku* [Shibusawa Eiichi and Economic Aggressiveness Against Korea] (in *Academia Historica Review*, National Institute of Korean History, 1989). For further details of the evaluation of Lee's paper and the status of research on Shibusawa Eiichi in Korea, please refer to Kim Myung Soo's *Kankoku ni okeru Shibusawa Eiichi Kenkyū no Genjo to Kadai: Niju-ichi Seiki no Kankoku Shihonshugi ni taisuru Shisa wo Kangaeru* [Current Status and Issues of Research into Shibusawa Eiichi in Korea: Study of Implications for Korean Capitalism in the Twenty-First Century] (in Central China Normal University November 24, 2014 pamphlet as part of Shibusawa Eiichi's 1914 China Trip Centennial Conference *Atarashii Shihonshugi towa Nani ka: Dōtoku to Keizai* [What is New Style Capitalism? Morality and Economy]).

12 The Shibusawa Kenkyukai published the founding edition of *Shibusawa Kenkyū* in March 1990, which corresponds to the 150<sup>th</sup> anniversary of Shibusawa Eiichi's birth, and has, to the present day, continued to publish empirical research about Shibusawa Eiichi and other research papers covering the whole gamut of Shibusawa's activities.

Public Good: Shibusawa Eiichi], edited by Shibusawa Kenkyukai (Yamakawa Shuppansha, 1997) announced the current status and issues of research on Shibusawa Eiichi, encompassing not only business and economics but also philosophy, diplomacy (national diplomacy and private diplomacy), international exchange, education and welfare.

#### 4. “Globalization” of Researchers

Concurrent with these developments, research also began to take place worldwide. In the early 1990s, researchers analyzing and comparing Shibusawa Eiichi in empirical studies appeared overseas. These include Zhou Jian (Shū Ken) (Institute of World Economics and Politics, Chinese Academy of Social Sciences), a researcher of Zhang Jian (1853-1926), and Oshiro George (J. F. Oberlin University), who was a member of Shibusawa Kenkyukai and conducted research into Nitobe Inazō. Zhang Jian, a presence who could be described as “China’s Shibusawa Eiichi,” attached importance to morality in economic activities in accordance with Confucian thought. After studying hard, he passed the Chinese civil service examinations and became the Advanced Scholar, but he abandoned his candidacy for grand chancellor in the future and returned to his hometown of Nantong, where he promoted modern industries such as textiles and shipbuilding, established a teachers’ school and worked to develop human resources to promote modernization. Although he died facing debts and management difficulties in the 1920s, Zhang Jian is revered as one of the pioneers of Chinese modernization. Zhou Jian compared Shibusawa with Zhang Jian and clarified their similarities and differences. This research set a precedent for international comparative research, transcending the framework of comparison with a business leader or financier in Japan.<sup>13</sup>

While focusing on the life of Nitobe Inazō, Oshiro included in his research the relationship between Nitobe and Shibusawa Eiichi in areas such as the Japanese-American Relations Committee, the Institute of Pacific Relations and the Hepburn Lectureship established at the Law school of the University of Tokyo, thereby revealing the existence of relationships with educators and economists worldwide and an international intellectual and human exchange network in the interwar period.<sup>14</sup>

The “globalization” of researchers and the international comparative

13 Zhou Jian, *Zhang Jian to Shibusawa Eiichi: Kindai Chunichi Kigyoka no Hikaku Kenkyu* [Zhang Jian and Shibusawa Eiichi: Comparative Study of a Modern-day Chinese Entrepreneur and a Japanese Entrepreneur] (Nihon Keizai Hyoronsha, 2010).

14 Oshiro George, *Nitobe Inazo: Kokusaishugi no Kaitakusha* [Nitobe Inazo: A pioneer in internationalism] (Chūō Daigaku Shuppanbu, 1992).

research into Shibusawa Eiichi resulting from this became even more widespread in the 21<sup>st</sup> Century, with Zhang Kaiyuan and Ma Min, researchers of modern history at Central China Normal University, comparing Shibusawa with Zhang Jian; Kim Myung Soo, a researcher of Korean economic history, comparing Shibusawa with the Korean banker Han Sangnyong; and Phillip Amon comparing Shibusawa with the French Jewish banker Albert Kahn (1860-1940).<sup>15</sup> In Korea, Shin Chokun concluded that Shibusawa Eiichi's *Giri Gōitsu ron* [Theory that Morality and Profit are One] is the reason why economic models in East Asia today are different from Western models in the sense that the theory deems merchants to be modern day citizens and it sees the goal of economic activity as the creation of national wealth rather than individual happiness.<sup>16</sup> Around the same time, *Rongo To Soroban* [The Analects and the Abacus] was published in Korean. After that, in Japan, research in a wide range of academic disciplines, including economics and business, international exchange, welfare, education and philosophy, increased, leading to a greater understanding of the big picture of Shibusawa. However, although Shibusawa's reputation as "the supreme leader of Japanese style capitalism"—indeed, he had been involved in the establishment and management of 500 companies—became firmly established, many questions, such as why he was involved in so many companies and why his level of involvement in these companies varied, remained unsolved. Surprisingly, advances in the empirical analysis of Shibusawa's activities as an entrepreneur were not necessarily made.

The work that filled this research gap was Shimada Masakazu's *Shibusawa Eiichi no kigyosha katsudo no kenkyu* [A study on entrepreneurial activities of Shibusawa Eiichi] (Nihon Keizai Hyoronsha, 2007). In addition to the *Denki Shiryo*, Shimada used internal materials that had never been used before such as Shibusawa Family Association materials and Shibasaki documents.<sup>17</sup>

15 In 2005, a Shibusawa International Seminar was held at the Center for the Study of Zhang Jian, and researchers of modern Japanese, American and Chinese history held a symposium comparing Zhang Jian and Shibusawa Eiichi. For further details, please refer to *Kindai Higashi Ajia no Keizai Rinri to sono Jissen* [Business Ethics and Business Practice in Modern East Asia] and *Higashi Ajia ni okeru Koeki Shiso no Henyo – Kinsei kara Kindai e* [Changes of Charitable Thought in East Asia From the Early Modern to the Modern Ages], edited by Tao Demin, Jiang Keshi, Kenjo Teiji, Kirihara Kenshin (Nihon Keizai Hyoronsha, 2009).

16 Shin Chokun, *Rongo ni okeru Keizaigakuteki-na Kaishaku: Shibusawa Eiichi no Rongo to Soroban wo Chushin toshite* [Business Administration Interpretations of the Analects: Focusing on The Analects and the Abacus of Shibusawa Eiichi] (61<sup>st</sup> volume of *The Journal of Oriental Studies*, The Society of Oriental Studies, 2010).

17 The Shibasaki documents are historical sources that were in the possession of Shibasaki Shinichi, who was secretary to Shibusawa Eiichi from around 1869 (Meiji 2). Please refer to Igarashi Masaru, *Shibusaki-ke Bunsho ni tsuite* [About the

Shimada empirically analyzed Shibusawa's actions as an entrepreneur, and presented characteristics of Eiichi's activities. In other words, many interesting facts were revealed such as that, when starting a new business, Eiichi used different types of organization, including joint stock company, general partnership company, mutual company and silent partnership, according to the nature and size of the business; that he avoided decision-making by a majority vote at the general meeting of shareholders as much as possible; that he attached importance to discussion and sought unanimous agreement; that he attached importance to face-to-face meetings when judging people or determining loan conditions; and that many donations had been made mainly through the Shibusawa Family Association. Subsequently, critical biographies of entrepreneurs from the same era as Eiichi, such as Iwasaki Yatarō, Yasuda Zenjirō and Masuda Takashi, were published in quick succession, making the relationships between fellow business leaders much clearer.<sup>18</sup>

## 5. Impact of the Collapse of Lehman Brothers

It was after the collapse of Lehman Brothers in 2008 that books and magazine articles about Shibusawa Eiichi started to appear frequently. So why did the skepticism about backlash against UK- and US-style capitalism triggered by the Lehman Brothers collapse arouse interest in Shibusawa Eiichi? Let us break down the question raised here into four parts.

Firstly, what is the purpose of financial services; what is the role played by banks? This question leads us to an important issue that relates to the essence of Shibusawa Eiichi. In other words, the financial crisis and global recession triggered by the collapse of Lehman Brothers led to strong criticism of "financial capitalism," as pointed out by Ronald Dore, endangering the future of global capitalism.<sup>19</sup> Since the 1990s, global capitalism, which can also be described as free market principles that engulfed the world, with the US at the center, has failed and there has been a tendency for UK and US researchers to try to rethink the nature of global capitalism. The idea that Shibusawa's Doctrine of the Inseparability of Morality and Economy based on *Rongo* [the Analects] might have a role in curbing financial capitalism, as pointed out by Ronald Dore, has started to gain traction. In other words, since

---

Shibusaki Family Documents] (2<sup>nd</sup> Edition of the Journal of Shibusawa Studies, 1990, *Shiryō Shokai* [Introduction of Historical Sources]).

18 Works include Takeda Haruhito, *Iwasaki Yatarō* (Minerva Shobo, 2011) and Yui Tsunehiko, *Yasuda Zenjirō* (Minerva Shobo, 2016).

19 Ronald Dore, *Nihongata shihonshugi to shijoshugi no shototsu* [The Clash Between Japan-style Capitalism and Free Market Principles] (Toyo keizai shinposha, 2001); Original work: Ronald Dore, *Stock Market Capitalism: Welfare Capitalism: Japan and Germany versus the Anglo-Saxons* (Oxford University Press, 2000).



the financial capitalism of today has put too much faith in the pre-established harmony of market mechanisms and the efficiency of resource allocation led by an “invisible hand” and has pursued self-interest above all else, it has led to the formation of economic bubbles and increased the gap between rich and poor, and dramatic advances in information technology driven by the IT Revolution have accelerated this trend. There have long been warnings that capitalism invites cycles of booms and bust and will plunge the international community into chaos. The worldwide economic depression of the 1930s triggered by the Wall Street Crash in 1929 is a typical example. The Lehman crisis made it clear that financial capitalism, which emerged in the 1990s, could potentially lead to a cycle where economic bubbles burst, causing global *recessions* on a far greater scale and with far greater speed than initially thought. The losses suffered by the world economy, once it slips into recession, are immeasurably huge, undermining public confidence in financial institutions. At the same time, the gap between rich and poor grows wider and wider. The astonishing fact that the richest 1% of the American population owns 20% of the country’s total wealth clearly shows that the broad middle class, which supported an American society that sang the praises of wealth for a long time after the World War II, has collapsed. The phenomenon of a shrinking middle class and increasing gap between rich and poor has, in varying degrees, spilled over from the United States to Japan and European countries and has led to increasing social unrest in all these countries.

It was hoped that, in contrast, Shibusawa Eiichi’s *Gapponshugi*, which is defined as the principle of developing a business by assembling the best possible people and funding to achieve the mission and with the aim of pursuing the public good, might put the brakes on runaway financial capitalism by inputting business morality into the capitalism model. In other words, it was thought that *Gapponshugi* might provide some hints for establishing a new style of global capitalism that surpasses UK- and US-style capitalism.

## 6. *Gapponshugi*

Shibusawa Eiichi is sometimes called the “father of Japanese capitalism” but he himself did not use the word capitalism with respect to his activities or the organizations he was involved in using instead words such as *kyoryoku gappon-ho* [*cooperative gappon system*], *gappon-ho* [*gappon system*], *gappon soshiki* [*gappon organization*] and *gappon kaisha* [*gappon company*]. Why did Shibusawa use the word *gappon* instead of capitalism? While *gapponshugi* has been discussed in previous research papers, the difference between *gapponshugi* and capitalism has not always been made clear. This *gapponshugi* was believed to be the key to understanding the activities of Shibusawa Eiichi and

research reexamining the nature of *gapponshugi* began. The culmination of this research was *Gurōbaru shihon shugi no naka no Shibusawa Eiichi: gappon kyapitarizumu to moraru* [Gappon capitalism: the economic and moral ideology of Shibusawa Eiichi in global perspective] edited by Patrick Fridenson and Kikkawa Takeo.<sup>20</sup> It became clear in the light of Shibusawa's discussions and seminars that *gapponshugi* meant the principle of developing a business by assembling the best possible people and funding to achieve the mission and with the aim of pursuing the public good.

What, then, is the difference between *gapponshugi* and capitalism? And how should Shibusawa's *gapponshugi* or *gappon* capitalism be positioned in the history of capitalism? The findings of researchers from around the world who have tackled this theme from multiple perspectives are summarized in *Gurōbaru shihon shugi no naka no Shibusawa Eiichi: gappon kyapitarizumu to moraru* [Gappon capitalism: the economic and moral ideology of Shibusawa Eiichi in global perspective] introduced earlier. Shimada Masakazu referred to Shibusawa's thinking with regard to the *gappon* organization, *gappon* system and *gappon* company as *gappon* capitalism and objectively positioned Shibusawa Eiichi in the world of economics based on empirical data such as the role, assets and shareholding ratio of companies. He then compared the model of Shibusawa, who introduced the Western joint stock company system to Japan in the form of the *gappon* organization, with the closed *zaibatsu* models of business conglomerates such as Mitsui and Mitsubishi. He concluded that Shibusawa's greatest achievement was to create a market economy model with free movement of capital and talent; in other words, an open market model that can be entered and exited freely.

## 7. Public and Private: The Impact of *Saint-Simonism*

The question of what the relationship between “public” and “private” should be is one which has drawn attention in Eastern and Western cultures, both ancient and modern. Patrick Fridenson analyzed the case of Shibusawa Eiichi from a broad global history perspective, beginning with a comparison of Shibusawa Eiichi with Saint-Simonism. The prevailing view in Japan was that, in the context of the history of socialism from the nineteenth century, the French socialist theorist Saint-Simon (1760-1825) advocated utopian socialism. The relationship between Saint-Simon and Shibusawa has been discussed before by Hara Terushi and Kashima Shigeru,<sup>21</sup> but since Eiichi

20 Published by Tōyō Keizai Shinpōsha, 2014. Work summarizing the research findings of the Gapponshugi Research Association (from April 2011 to March 2014) sponsored by the Research Center of the Shibusawa Eiichi Memorial Foundation.

21 Hara Terushi, “Les facteurs psychologiques et culturels de la modernization japonaise: le cas de Eiichi Shibusawa,” in Raymond Boudon and Pierre Chaunu (eds.), *Autour*

himself had never mentioned Saint-Simon, the relationship between the two had not necessarily been clarified.

Fridenson believes that the key to understanding the impact of Saint-Simonism lies in Shibusawa's failure to advocate the complete privatization of the economy and society despite his high regard for private companies. Due to recent research into Saint-Simon in France, Saint-Simon was reevaluated as the founder not only of Saint-Simonism but also of sociology, socialism and anarchism theories. Some of his disciples were influenced by *The New Christianity*, Saint-Simon's final work, in which the redistribution of wealth—especially labor and skills—is regarded as the new morality. According to Fridenson's analysis, the ideas that Shibusawa heard in France may have actually been secondary Saint-Simonism created when these disciples put Saint-Simonism into practice, for example, the teachings of French banker Flury-Hérard on monetary and fiscal policies.<sup>22</sup>

### **Conclusion: Global Historical Evaluation of *Gapponshugi***

So how should Shibusawa Eiichi's entrepreneurial activities be seen in the context of 19<sup>th</sup> Century Japan, in other words, in the history of the Japanese economy from early modern to modern times? Miyamoto Matao sees Shibusawa's *gapponshugi* as capitalism led by a "visible hand" and evaluates the historical role that Shibusawa played as that of having rapidly spread joint stock companies and having nurtured and led Japan's economic sector as a financier.<sup>23</sup>

From the viewpoint of what an entrepreneur's responsibility should be, Geoffrey Jones gives examples of companies and entrepreneurs from various countries from the 19<sup>th</sup> century to the present day, bringing into relief the characteristics of Shibusawa Eiichi's *gapponshugi*. He focuses on the fact that *gapponshugi* is based on secular ethics known as the Analects, which are lacking in "religious flavor" when compared to Christianity and Islam, and he points out that today's capitalist world might find *gapponshugi* acceptable.

Kikkawa Takeo cited Ronald Dore's financial capitalism, compared Anglo-Saxon capitalism with Japanese and German style capitalism, bringing

---

*de Alain Peyrefitte*, Paris, Editions Odile Jacob, 1996, p.120. Kashima Shigeru. *Shibusawa Eiichi I: Sorobanhen* [Shibusawa Eiichi I: Abacus] Tokyo: Bungeishunju, 2011.

22 Patrick Fridenson and Kikkawa Takeo, *Gurōbaru shihon shugi no naka no Shibusawa Eiichi: gappon kyapitarizumu to moraru* [Gappon capitalism: the economic and moral ideology of Shibusawa Eiichi in global perspective] Tōyō Keizai Shinpōsha, 2014, pp 73-74.

23 A similar analysis is also given in Miyamoto Matao. *Nihon no Kindai 11: Kigyokatachi no Chosen* [Modern Age of Japan Vol. 11: Challenges of Entrepreneurs] Chuo Koron Shinsha, 1999.

into relief their problems, and argued for the potential of *gapponshugi* as a solution for finding a way out of the crisis of capitalism that has prevailed since the Lehman crisis and for building a new style of global capitalism. He also touched on the possibility of presenting a model for success combining tradition, modernization and industrialization to emerging countries. In particular, he pointed out that demanding that business leaders have both morality and an international education as well as the formation of a broad middle class is very important for modernization and industrialization.<sup>24</sup>

---

24 Kikkawa Takeo, Shimada Masakazu, Tanaka Kazuhiro, eds., *Shibusawa Eiichi to Hitozukuri* [Shibusawa Eiichi and Development of Human Resources] (Yuhikaku Publishing, 2013).