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The Challenge of Commerce to Political Structures:  
Did Commercialization Undermine the *Ancien Regime*  
in Eighteenth- and Nineteenth-Century Japan?

ABSTRACT

The dominant historical accounts of the Tokugawa era (1600-1868) in Japan share with prominent theories of the causal interrelation between the two processes of state formation and the transition to capitalism in Europe from the sixteenth to the eighteenth centuries the assumption that the expansion of commercial activity represents a force fundamentally contradictory to pre-capitalist political institution, and which challenges rulers to either adapt or be undermined. Using an alternative theoretical account, based on the work of Robert Brenner, that situates commerce within the social property relations characteristic of pre-capitalist societies, this paper argues that the economic trends of the latter half of the Tokugawa era had very little to do with the shogunate's and domains' chronic fiscal crises and administrative weakness. Instead, the class of "peasant" landlords succeeded in claiming a portion of the agrarian surplus from poorer peasants and then successfully defended it against a lordly assault in the eighteenth century. The entry of this rural elite into commerce, far from representing a force that in some way contradicted the existing political structures, entailed winning from the traditional urban merchants and artisans a significant share of the relatively fixed market for consumption by daimyo and samurai concentrated in the castle-towns, without challenging the limits of, let alone pushing to transform, those structures.

INTRODUCTION

From roughly 1600 until the Meiji Restoration in 1868, the Tokugawa house of shoguns enjoyed a largely unchallenged political hegemony in Japan. For over two hundred and fifty years, the dominant position and political unity of the ruling class of hereditary warriors-turned-officials (samurai) and their lords (daimyo) saw no serious challenge. Yet, in the course of twenty years following the beginning of demands for commercial concessions by the Western powers in the 1850s, both Tokugawa hegemony and the quasi-feudal system it sat on top of fell apart, to be replaced by a centralized bureaucratic state staffed at first by former samurai but intent on reconstructing Japanese social and political relations so as to build a foundation for competing on

an equal footing with the imperial powers.

This combination of a long-lived stability of Tokugawa-era Japan's so-called *bakuhau* system and its abrupt collapse has stood out as a puzzle for historians. How, in the midst of such apparent stasis, was it possible for Japanese political and economic structures to transform so rapidly in the late nineteenth century? Conversely, if Japan was able to adapt so quickly in response to Western pressure, why had its institutions not begun to change before then? To answer these questions, the dominant historical accounts of Tokugawa-era Japan have sought to identify processes that, beneath the surface of *bakuhau* institutions, planted the seeds that finally sprouted after the Meiji Restoration. In particular, historians have placed an emphasis on the proliferation of commercial activity, especially in rural areas, during the Tokugawa era. When Smith called his pioneering English-language study (1959) of rural Japanese economic and social structures *The Agrarian Origins of Modern Japan*, he was referring above all to the process by which market relations—cash crops, wage-labor by-employments, and tenancy—penetrated and began to supplant traditional, hierarchical yet cooperative village relationships, which he argues helped establish the prerequisites for Meiji-era “modernization.” An even stronger statement of this thesis comes from Yamamura, who claims that Tokugawa-era Japan was following England's economic path with a lag of about a century behind, and thus it was “ready” for industrialization once “the opportunity was presented” by the breaking of the Tokugawa policy of prohibiting almost all foreign contact and trade (Yamamura 1979: 318-9).

On their own, however, these arguments only deepen the puzzle of the institutional *stasis* of the period. Their nearly-ubiquitous counterpart in the historiography of Tokugawa-era Japan is that the marked commercial development of the Tokugawa era, especially in the countryside, generated a widening gap between the expectations and capacities of the shogunal and domain

governments and the economic reality on the ground. The apparent stability of political institutions concealed a gradual decay of their effective strength. Thus, according to this analysis, the edifice collapsed so suddenly in the 1860s because the expansion of commerce had undermined the institutions of rule by shogun, daimyo, and samurai from within, prior to the appearance of the foreign threat in the mid-nineteenth century.

This claim reliably appears in the canonical statements of Tokugawa-era Japanese history. For instance, one chapter in the *Cambridge History of Modern Japan* identifies commercial development as one of the two intractable problems of Tokugawa-era politics alongside chronic revenue shortfalls, calling it a “commercial assault on the basis of the social status system” (Tsuji 1991: 426). In a similar vein, another chapter concludes with the claim that the Tokugawa-era polity fundamentally never came to “an accommodation with the forces set in motion” by commercialization, a task that was left to the reforms of the Meiji era (Nakai and McClain 1991: 595). Similarly, in the English-language translation of a mid-80s symposium of prominent Japanese academics on the topic of “The Edo Period and Modernization,” one contributor writes of rural commercialization that, “Without question the special products that peasants produced invigorated the economy, but at the same time these developments contained in them the economic forces that hastened the dissolution of Tokugawa society” (Satō 1990: 75). Another concludes his discussion of the era's political system with the claim from roughly the final decades of the eighteenth century, “A conservative reaction unfolded as men of high pedigree recaptured political power. This hampered the bakufu's ability to cope with the rapidly changing historical tide, and as a result, it ended up treading the path of decline and disintegration” (Ōishi 1991: 36).

At the heart of this interpretation is the assumption that commercial development was

essentially destructive to the quasi-feudal Tokugawa-era political and social order. In other words, commerce is characteristic of an entirely different kind of social formation, with which the rigid social structure of Tokugawa Japan was incompatible. The “force” of the “assault” of commercialization was ultimately, however, stronger than the *bakuhan* system, and though the trigger of the Restoration was foreign political pressure, both the fragility of the *ancien regime* and the ability of its successor to successfully initiate such wide-ranging reforms reflected the commercialization-driven rot in the pillars of domain and shogunal rule. This view is in part supported by the frequent lamentations that samurai officials themselves directed at the growth of market-oriented agriculture and other commercial activities among the peasantry. The steps they took to forestall such activities—like many of their rural initiatives including attempts to increase tax collection—had little effect, and they tended to ascribe their own fiscal woes to the “moral decline” of a peasantry “indulg[ing] in luxuries” (Howell 1989: 358, one example among many). In effect, historians have largely adopted the samurai officials' own interpretation of the situation, which lines up well with the assumption that commerce intrinsically points to a non-feudal, progressive social order that the samurai authorities were unable to reconcile themselves to—until compelled to do so by the Western powers in the latter half of the nineteenth century.

This paper will argue that the samurai officials were incorrect; rural commercialization had very little to do with the shogunate's and domains' chronic fiscal crises and administrative weakness. Instead, this paper will argue that what problems they had were the product of the limited rural administrative capacity that was one of the central features of the *bakuhan* system. Rural commercialization was in part an *effect*, not a cause, of the ability of the class of “peasant” landlords to claim a substantial portion of the agrarian surplus and then successfully defend it against a lordly assault in the eighteenth century. The entry of this rural elite into commerce, far

from representing a force that in some way contradicted the existing political structures, entailed winning from the traditional urban merchants and artisans a significant share of the relatively fixed market for consumption by daimyo and samurai concentrated in the castle-towns, without challenging the limits of, let alone pushing to transform, those structures.

However, historians of Japan are far from alone in seeing the process of commercialization as a force fundamentally contradictory to pre-capitalist political institutions. Indeed, this is an central assumption shared by Barrington Moore Jr., Perry Anderson, and Immanuel Wallerstein in their otherwise divergent attempts theorize the development of states in early modern Europe. All three view commercialization as a *challenge* to existing political institutions and rulers, to which they can respond relatively well or poorly. The “successful” states entering the modern era were those that adapted to the new economic forces, while those that like the Tokugawa Shogunate could not were consigned to political and military defeat. Whether they realize it or not, historians of Japan adopt the core logic of these prominent theories of the causal inter-relations between economic and political change in early modern Europe.

Accordingly, in this paper I will first summarize the theories of Moore, Anderson, and Wallerstein in order to flesh out and challenge the assumptions about the consequences of commercialization that they share with Japanese historiography. Then, I will present an alternative theoretical framework, derived from the work of Robert Brenner on the transition to capitalism in England, that argues for a very different role for commerce in pre-capitalist social formations, one that does not pose an intrinsic, progressive challenge to existing political institutions. Finally, I will consider the historical case of Tokugawa-era Japan in order to challenge the validity of the mainstream interpretation of a political structure hollowed from

within by the processes of commercialization.

## THEORIES OF COMMERCIALIZATION AND POLITICAL STRUCTURES

### *1. State Formation and the Pull of the Current of Commercialization*

There is, at the very least, an oft-noted affinity between the economic structure of capitalism and the modern political form of the bureaucratic, (at least nominally) representative-democratic, territorial nation-state (Hintze 1975: ch. 11; Schumpeter 1954; Weber 1978: ch. XI). Beyond a simple historical coincidence or semi-accidental functional affinity, there are a number of historical and theoretical accounts that attempt to show that the two processes of state formation and the transition to capitalism in Europe from the sixteenth to the eighteenth centuries were in fact essentially intertwined. Despite their other differences, the prominent attempts to address this question by Moore (1966), Anderson (1974), and Wallerstein (1974) all conceptualize macro-historical developments in the economy as a current of development that exerts a strong *pull* on political institutions. Economic change, they claim, challenges ruling classes to develop a response, and some states and classes respond to the challenge relatively well, while others fail, facing various negative consequences depending on the theory in question.

For Moore, the different responses of dominant classes in various societies to the pressure commercialization universally generates on existing institutions are the essential explanation of different configurations of modern political institutions. Two interrelated factors are absolutely crucial: the growth and “strength” of the bourgeoisie and the orientation of the landed nobility towards commerce. Liberal democracy is the result of a relatively peaceful coexistence of landowners with commerce and thus with the bourgeoisie, allowing the two to ally against the

expansion of state power. It is when the bourgeoisie is relatively “undeveloped” and the nobility does not embrace commercial agriculture that problems arise: either the state must act to buy the cooperation of landlords with industrialization through repression of the laboring population or else, if even that is impossible given the level of economic development, the opening is created for a peasant revolution. The “challenge” model is nakedly visible in Moore's account: the expansion of commerce just *is* on the historical agenda, and political developments depend on how various classes and the state respond to it.

Anderson situates what he sees as the paradigmatic political development of early modern Europe, royal absolutism, in the development and crisis of the feudal mode of production and argues that despite its fundamentally feudal character, absolutism also (accidentally) provided conditions for the continued development of capitalism. Though feudalism entered crisis due to its own economic dynamics, that crisis and its resolution were modified in Western Europe by the expansion of urban commerce. Variations in the political development of absolutism, moreover, roughly coincided with different degrees of economic development.<sup>1</sup> Thus, when Anderson argues that especially in France, absolutism provided a venue for the continued advance of progressive social forces, through administrative rationalization and the growth of the bourgeoisie (despite its partial cooptation by the political order), his explanation of why absolutism took that form in France appeals to the fact that urban commercial—i.e. bourgeois capitalist—economic activity was relatively developed there. The development of the European towards the limits of feudalism was the fundamental historical current pulling states towards absolutism both in Western Europe and, through the threat of Western military conquest, in the East.

Like Anderson, Wallerstein argues that the late-medieval crisis of feudalism represented a

conjuncture of cyclical, climactic, and social-structural factors that set the stage for a decisive transformation of European social structures from direct surplus appropriation to capitalism—i.e. in Wallerstein's terms the establishment of a qualitatively new world system. The connection to state-building arises from the fact that in Wallerstein's conception, the modern world-system is distinctive for maintaining an exploitative geographical division of labor that extends far beyond the capacity of any one entity to exert power over politically, thus creating a situation in which economic actors can (and have little choice but to try to) mobilize concentrations of political power to competitively advance their interests in the world economy. The result is that more privileged areas organize politically to maintain their advantageous position in the world-system by forming strong states, while peripheral areas tend to be politically dominated and thus disorganized and weak (Wallerstein 1974: 349-50).

Ultimately, the divergence of core and periphery is explained by the emergence of the capitalist world economy. The structure of the world-system presented a choice between the two strategies for profit maximization—strong states defending free agrarian and industrial capitalists or political fragmentation alongside coerced cash-crop labor—and regions followed one pattern or another on the basis of marginal pre-existing economic differences. Attaining the status of a core state was an objective possibility that existed due to the nature of the emerging world-system in the 16th century, and the world-system determined the necessary conditions for attaining that status. Individual states succeeded or failed to the extent that they lived up to those requirements. Wallerstein's interpretation of the failure of *both* French *and* Spanish imperial projects in the 16<sup>th</sup> century is that it represented the ultimate eclipse of the political and economic “ways of old” as a result of capitalist forces having “progressed too far” for empire to be a viable strategy anymore (ibid. 184).<sup>2</sup>

France was slightly better off than Spain. In France as well as England, “. . . the monarchy was caught in the contradiction of wishing to create a national economy based on new forces that could compete successfully in the new world-economy and being the apex of a system of status and privilege based on socially conservative forces” (ibid. 269). In France, however, the balance of class forces led to the bourgeoisie being “bought off” by the *ancien regime* through venal office-holding (ibid. 283). Both England and France were caught up in the historical current of the emergence of the capitalist world-system, but only England, and not France, was able to fulfill the conditions to “catch” that current and thus attain the privileged position of a “strong core state.” When, after continued economic development, the bourgeois revolution came to France in 1789, the positions in the world system had already been determined.

It is often far from clear what these authors are claiming was the mechanism by which economic change exerted its supposed influence on political institutions, and the imperatives of the world-system or of the mode of production can seem to be somewhat mystically “in the air.” Nonetheless, when a mechanism is invoked, it is frequently a variant of Moore's emphasis on the expansion of commercial activity and the “strengthening” of the bourgeoisie. Wallerstein invokes those factors to explain why it was “too late” for Spain's imperial ambitions in the sixteenth century and to account for the difference between England and France in the seventeenth and eighteenth centuries. Anderson appeals to them as part of the necessity of royal absolutism in Western Europe, preventing the consolidation of noble political power on the feudal model. The assumption, which they share with Moore, is that on a deep level, commerce and the bourgeoisie that is its “natural” carrier are *incompatible* with the political and economic “old ways” of pre-capitalist Europe (to borrow a phrase from Wallerstein).

This is the fundamental assumption that these three theorists share with historians of Tokugawa-era Japan. To some extent, it is probably the prevalence of this interpretation of European history that makes it so appealing historians of Japan, and which encourages them to uncritically cite the excuses and moralistic complaining of samurai that harmonize with this assumption. However, the grounds for accepting this assumption are not very strong, even in the cases that these three authors take to be paradigmatic. Moore, Anderson, and Wallerstein all, for instance, make arguments along the lines that the absorption of the bourgeoisie into French absolutism through venal office-holding and ennoblement led it “to abandon its proper function and thus to some extent contribute to economic stagnation” (ibid. 284). These authors are usually magnanimous in their judgment of such historical abdication by the bourgeoisie, noting the good social and political reasons for it. So, for instance Wallerstein says, the fact that the French bourgeoisie was bought off by the absolutist state should be seen less as a bourgeois “betrayal” of its historical mission than as an historically necessary “second best” to aid capital accumulation in a context in which the French bourgeoisie was not strong enough, as the English and Dutch were, to lead things on their own (ibid. 287).

The curious thing, once one begins to look for it, is that the bourgeoisie *almost always* seems to be “abandon[ing] its proper function” in favor of landed wealth, offices, state monopolies, or just in general getting by without rocking the boat either politically or even economically. In general, far from revolutionizing the means of production or undermining noble or absolutist rule, the bourgeoisie's “natural” tendency actually seems to be to try to secure an income by taking advantage of existing economic and political structures. Moreover, leaving aside the Dutch—who none of these authors claim became the leaders of triumphant world capitalism—they all agree that the crucial political transformation in England was achieved

through the political resistance of the *landed gentry* to Stuart absolutist ambitions!<sup>3</sup> On the other side of the channel, in what seems to be the paradigmatic case of France, absolutism ultimately failed not because it was inadequate to tensions generated within the social structure due to the expansion of capitalist forces but instead because *in the military terms of absolutism itself*, French absolutism proved unable to compete with an English state backed by a capitalist economy. The “development of capitalism” fatally undermined French absolutism only in the sense that the French state proved unable to sustain the military expenditures necessary to compete with England in the 18th century, but this had little to do with the growing “strength” of the French bourgeoisie.

If indeed there are reasons to doubt that there are certain kinds of activities (commerce) and types of people (urban residents) that non-modern political structures can only take so much of before coming under potentially fatal strains, this suggests that attempts to present a macro-historical account of political transformations by describing them as pulled along by a macro-historical current of commercialization are wrong-headed. It is misleading at best to describe, for instance, the involvement of wealthy bourgeois in the absolutist state through venal office-holding as a kind of historical “second best” to capitalism as such, which was not “yet” feasible. French merchants (or Japanese peasant landlords) come to seem like an alien implanted in the political system, biding their time until they can burst out of their feudal host, and this renders mysterious what an account of the *ancien regime* ought to illuminate, namely how it was that commercial activities fit into and played a role in the system as a whole. What is needed, then, is an alternative framework that sets out what that basic role for commerce is, from the perspective of which the broader significance of historical instances of commercialization can be judged.

## 2. *An Alternative: Brenner's Theory of Social-Property Relations*

Robert Brenner has, over the course of several decades and numerous articles, constructed a theory of the interests and behavior of premodern social actors that severs the oft-assumed link between pre-capitalist commerce and the emergence of capitalist social relations and dissolves the former's supposed conflict with the political systems in which it arises (Brenner 1985a, 1985b, 2001, 2007; Brenner and Isett 2002). The core of Brenner's approach is the comparative analysis of agrarian social-property relations. In contrast to demography- and commercialization-centered models, Brenner's claim is that the significance and consequences of demographic and macroeconomic trends and of market activity vary substantially across different patterns of the relations by which, first, direct producers—above all, prior to industrialization, agricultural producers—obtain their means of subsistence and, second, dominant classes extract surplus from the direct producers. Differences in social-property relations lead to different strategies on the part of social actors.

Crucially, it is only under capitalist social-property relations that it is rational for individuals to pursue the productivity-improving innovations driven by competition and specialization that from the Smithian perspective are characteristic of all commercial activity. Such strategies are, in contrast, irrational under non-capitalist social-property relations. When the peasants, who make up the bulk of the population and of economic activity, have direct access to the land, they do not *need* to go to the market to earn their livelihood. Instead of attempting to specialize and improve the productivity of their labor, it makes sense for them to adopt a policy of “safety first,” minimizing involvement in the risky, volatile market. Likewise, when the surplus agricultural product is claimed by a class of lords—and in places where there is royal taxation, by the state—relying above all on the threat of force, their primary concern is the

improvement of their own coercive capacity, both to claim more from the peasantry and to protect their claims from neighboring lords. They do face competitive pressure, but it is not the threat of being undersold by more efficient producers but instead the threat of being pushed out politically and militarily by other lords or their own peasants. Thus, the lords, too, have little incentive to divert resources towards a sustained investment in productivity (Brenner 2007: 67-71).

The concentration of surplus in the hands of lords is the economic basis for commerce in pre-capitalist society. Lords are the major consumers of goods on the market, above all luxuries and goods to improve their coercive capacity. Thus, the commercial classes primarily compete over the relatively fixed market for noble consumption, and for this, acquiring privileges and monopolies is a better strategy than attempting to invest in expanded production—let alone undermining the political institutions that guarantee their customers' buying power (ibid. 75-7). Because the market is fixed, not potentially expanding, the entrance of a new production center with lower labor, transportation or other costs can at most take away market share from established competitors.<sup>4</sup>

Brenner also notes that under certain circumstances the peasantry can be pulled into commercial activity as well. It is possible for demographic expansion to increase the land hunger of the peasantry to a point at which many peasants do not have sufficient land to produce their own subsistence after paying dues and taxes, no matter how intensively they work it. In such a situation, two processes appear, which superficially resemble certain features of agrarian capitalism but are in fact fundamentally different. First, as peasants find it harder and harder to produce enough to survive, if for some reason they need a little extra cash—for instance, to buy the fertilizer necessary for intensified production or to pay dues and taxes in a bad year—then

they have little choice but to take out loans with their land as collateral.<sup>5</sup> Since they lack much of a surplus even in good years, they frequently end up losing their land to their creditors. The resulting concentration of land-*ownership* and increase in tenancy leads to competition for leases, but without thereby creating pressure for consolidating of units of *cultivation* and making productivity-improving capital investment. Instead, small peasants accept leases at extremely high rates of rent, which they afford by reducing consumption and increasing labor intensity.<sup>6</sup>

Second, the insufficiency of their land for subsistence production, plus the pressure of dues and rent, can drive peasants to expand their involvement in commercial activities, either by planting cash crops or by going out on the labor market to take up by-employments. Both of these forms of market activity, however, only supplement micro-plot agriculture, without exerting any influence to reconfigure agriculture or creating an expanding consumer base for non-agricultural commodity production.<sup>7</sup> The structural factors that impel peasants to minimize exposure to the market remain in place.<sup>8</sup> Indeed, these commercial activities are avenues by which peasants can augment their income by intensifying their labor even further in the context of a severe surplus of labor. They adopt precisely those cash crops that allow for greater income from a given plot of land through labor intensification (Brenner and Isett 2002: 621-4). Likewise, they engage in wage-labor around and in addition to their usual agricultural cultivation and accept sub-subsistence wages. For the wealthier landowners or local merchants who employ peasants in by-employments, the resulting availability of labor at minimal cost enables them to produce profitably with low labor productivity and little capital investment (Brenner 2001: 287-8).

The result of these two processes looks superficially like a situation of emerging agrarian capitalism because land ownership becomes more concentrated, cultivators compete aggressively

for leases, and peasants sell more of their labor and agricultural products. The dynamic tendencies remain, however, those of feudalism and not of capitalism. The total social product might in fact increase to some extent—as it did in Japan, as will be discussed below—but that is the product of more producers working much harder and not of the endogenous improvement in labor productivity arising from competitive investment that is characteristic of capitalism.

What Brenner provides is an alternative theory of what commercial activity signifies within pre-capitalist social property relations. He shows that commercial activity, as such, does not necessarily represent an intrinsically destabilizing let alone transformative tendency. It could still be true in a particular case that expanded commerce empowers class forces that pose a challenge to existing rulers, but a challenge to existing political institutions cannot be inferred from the mere fact of commercial activity. Instead, there are good reasons to think that pre-capitalist commercial activity occurs within durable limits, which remain even if there is a change in the specific actors who are involved in commerce.

#### THE CASE OF JAPAN IN THE TOKUGAWA ERA

The logic of Moore's, Anderson's, and Wallerstein's arguments is fundamentally similar to that used by historians of Japan to interpret the Tokugawa era. The *bakuhan* system, it is said, was based on the collection of taxes in kind from peasant small cultivators by a ruling “military” class of samurai and daimyo. However, due in part to the concentration of the samurai in the castle towns, leaving village-level administration to be undertaken by wealthy peasants, the shogunate and domains were unable to suck up all of the agrarian surplus. Instead, enough of the surplus remained in the hands of especially the wealthiest stratum of peasants to enable them to “accumulate” and “invest” in agricultural improvement for commerce and small-scale

manufacturing ventures (Furushima 1991: 497-8). In this way, beginning in the late seventeenth and eighteenth centuries, depending on the region, commercial activity among the rural elite was gradually spreading in scope and expanding in depth. This, it is argued, represented a challenge to the rulers of the shogunate and the domains because their forms of administration and taxation were unsuited for such a commercialized economy. In the end, their conservative attachment to existing institutions rendered them unable “to take full advantage of proto-industrial development” (Howell 1991: 281).<sup>9</sup> They could stumble along, plagued by fiscal crises and popular protest, only until Japan came under external political pressure from the Western powers demanding access to the country's ports and consumers, at which point the entire edifice rapidly collapsed to be replaced by a new state that was able to come to “an accommodation with the forces” of a commercial economy (Nakai and McClain 1991: 595).

This interpretation is not entirely at odds with the historical facts, but when it tries to draw inferences about the broader social and political significance of observable trends in economic behavior, it makes the same mistake as the theories of European state formation discussed above of attributing too much to the mere existence of commercial activity. Interpreting commercialization as a challenge to the *bakuhau* system is neither necessary to account for the events of the latter half of the Tokugawa era nor well supported by the available evidence. Instead, the trends of the period are better understood in terms of the intrinsic limits of political and economic strategies under feudal social property relations, as described by Brenner. Though the mainstream account is right to see the rural elite as having the political leverage to put limits on taxation, securing a larger portion of agricultural output for itself, it is incorrect to see the expansion of land-ownership and renting as well as commercial activities by this elite as a self-expanding corrosive force acting on the social structure underlying the political system.

Instead, the rural elite succeeded only in carving out an improved place for itself in the structure as it existed at the expense not so much of “the system” as of the stipended samurai and the privileged urban merchants and craftsmen.

This section will seek to cash out these claims by first describing the contours of the *bakuhan* system and then discussing the trends of the latter half of the Tokugawa era.

### *1. The Bakuhan System: The Origins and Character of the Ancien Regime in Japan*

In the closing decades of the sixteenth century, the three so-called unifiers—Oda Nobunaga, Toyotomi Hideyoshi, and Tokugawa Ieyasu—each succeeded in turn in asserting military hegemony over the large number of feudal warlords who were struggling amongst themselves for territory. Finally, Ieyasu, after proving himself to be the country's dominant military power after the decisive battle of Sekigahara in 1600 and thereby forcing all of the remaining lords to swear loyalty to him as his vassals, created the political structure that would rule in Japan until the Meiji Restoration in 1868. In the historiographical literature, the Tokugawa-era polity is known as the *bakuhan* system. The term refers to the coexistence of the military hegemony, feudal overlordship, and quasi-statehood of the Tokugawa shogunate—known as the *Edo Bakufu* in Japanese for the city in which it was headquartered<sup>10</sup>—with the continued sovereignty of the feudal lords in the internal affairs of their domains—called '*han*' in modern Japanese. It represented a partial centralization of surplus extraction, developed in response to the endemic feudal warfare of the sixteenth century. The lords concentrated their vassals, the samurai—who had previously lived on their rural landholdings—in their castle-town headquarters, and replaced individual landholdings and fiefs by a hereditary share of their domains' tax revenue. In short, the 280-odd daimyo plus the shogun became sole holders of the right to extract revenue from the peasantry.

Feudalism in Japan grew up on the ruins of the civil governmental architecture of Kyoto-based imperial rule, but as direct military control of territory became the sole basis of authority, the erstwhile imperial officials-cum-feudal lords were repeatedly overthrown by those of their vassals who were better able to organize compact bands of warriors with tight control over the land (Hall 1986b). Power devolved downwards from overlords loosely ruling over imperial provinces to their immediate military subordinates. These, generally, were the daimyo who fought in the competition for land that began in the late fifteenth century. Their vassals, to whom they were often linked by kinship and marriage, were scattered throughout the countryside in small forts, watching over their fiefs.

The tense military competition of the late fifteenth and sixteenth centuries—usually called the 'Warring States Period'—only accelerated the churning within the lordly class. The fundamental problem facing daimyo in this period was that as long as their vassals were ensconced in the countryside, with their own weapons and land, the potential existed for them to challenge the daimyo's authority. Indeed, it was not unheard of for petty samurai to join up with leagues of peasants often organized around Buddhist sects and challenge any subjugation to a feudal overlord whatsoever (Wakita 1982: 353; Asao 1991). The lords' organizational dilemma was thus how to secure control over their territory while maintaining the loyalty of their band of vassals. Enfeoffment rewarded vassals for service, and placed a watchful eye over the land, but it also threatened to strengthen the vassals' independence.

The daimyo who emerged during the sixteenth century—often by overthrowing their own former overlords using their local power base in their fiefs—developed various strategies to mitigate this danger. They placed their most trusted vassals in strategic locations in their territory, and they organized their vassal bands more as a standing army than a collection of independent

knights, keeping them whenever possible around their castle instead of scattered throughout their territories (Hall 1968a: 71-4). It was from the ranks of these lords that the unifiers emerged in the latter half of the 16<sup>th</sup> century, and they employed on a grander scale techniques widely used by their competitors. Indeed, Wakita (1982) argues that without the emergence of a hegemonic overlord, individual daimyo would never have succeeded in fully neutralizing the threat of their own enfeoffed vassals. The policy of the unifiers became, in effect, to stabilize the political situation by strengthening lords vis-a-vis their vassals, while claiming authority over the daimyo themselves. They sought to subjugate the daimyo but not supplant them, and in making them the organ of their indirect rule of the whole of Japan, they considerably strengthened the authority of daimyo within their own domains (Asao 1991; Hall 1991, 1968b; Susser 1985).

However, the subjugation—and even downright humiliation—of the daimyo by the newly established overlords should not be minimized. Both Hideyoshi and the Tokugawa shoguns reserved the right to remove or transfer daimyo from their domains for the flimsiest pretexts of misrule or disrespect to the overlord, and until the end of the 17<sup>th</sup> century, they exercised that right liberally (Hall 1999[1966]: 362-3). They claimed the authority to regulate their personal behavior and, above all, their relations with other lords, as well as the power to definitively settle boundaries and disputes. Though they never demanded regular fiscal contributions, they issued orders to provide goods and labor for expensive construction projects, especially the building and upkeep of castles (Asao 1991; Hall 1991). Finally, Hideyoshi instituted irregularly and Ieyasu institutionalized the forced attendance of the daimyo in first Kyoto and then Edo and the keeping of the lords' families there permanently as hostages (Tsukahira 1966).

Yet, for all of that, and especially once Tokugawa regulation and surveillance eased up in the latter half of the seventeenth century, the daimyo enjoyed an unprecedented level of security

and prosperity (Bolitho 1991). Individual daimyo could not expand their territory by conquest, but neither were they threatened by invasion. Above all, however, the political triumph of the unification from the perspective of the highest reaches of the ruling class was the support and encouragement—instituted as a policy by Hideyoshi and continued by Ieyasu and his successors—of the separation of the samurai from the peasantry. Indeed, prior to this point—throughout the Warring States period—there was no hard and fast line between samurai and peasant. The wealthier stratum of “peasants” owed various forms of military service to the local lord and—as will be discussed below—received labor services from dependent tenants. In effect, the separation of samurai and peasantry gave petty knights like these a choice. If they wished to retain their status as members of the military ruling class, they had to move to the castle-town and accept that they enjoyed a right to revenue from the land not as private property but instead mediated through the daimyo's claim of sovereignty (Asao 1991; Wakita 1975, 1982). If, instead, rural samurai chose to remain on their lands, they became, officially, peasant cultivators and had, at least in principle, to give up the weapons that were the mark of their class, in the “sword hunts” first initiated on a general scale by Hideyoshi in 1588 (Asao 1991; Furushima 1991). In this way, daimyo gathered their vassals into the single castle-town permitted them by the Tokugawa shogunate and, in most of Japan<sup>11</sup>, left the administration of individual villages to the peasantry, loosely supervised by agents of the domain government based in the castle town (Befu 1968).

In the early seventeenth century, many samurai retained direct management of their fiefs, but over time the samurai increasingly received stipends from the domain government's tax revenue instead of even nominally extracting dues from a specific fief (Bolitho 1991). The samurai became less and less masters of specific fiefs and more and more something in between

a standing army and a hereditary corps of officials for the increasingly bureaucratic administration of the domains and the shogunate. The daimyo, now claiming legitimacy as the “public authorities” of their domains, employed accusations of abuse and exploitation of the peasantry by the samurai as a justification to take rural administration into the hands of domain officials (Asao 1991; Hall 1968b; Hall 1999[1966]: ch. 13; Ravina 1995; Brown 1993: ch. 9; Totman 1967: 133-41). Wakita (1982) calls the result a “transfigured” feudalism.<sup>12</sup> The relation of lord to vassal among a ruling class, still defined as the military protectors and thus ultimate owners of the land, remained the core principle of the political system, but the claim to rule of the majority of samurai was depersonalized and thereby concentrated in the institution of the daimyo and their “house-bands” assembled in the castle-towns of each domain, while the daimyo themselves were caught up in the shogunate's control apparatus, forced to keep their families in Edo and spend every other year there themselves.

Turning to the resulting rural social and political structure, it is often claimed that the central mechanism that effected the pacification and peasantization of the countryside, aside from the sword hunt, was Hideyoshi's initiation, and model, of cadastral surveys, which in general recognized the claims of only the peasant cultivator, not the samurai fief-holder (see Brown 1993: ch. 1). These claims are exaggerated on two counts. First, there is little evidence that Hideyoshi's edicts had much force behind them. They “nicely symbolize the trends of the time, but in many parts of Japan, these processes were well under way before his rise, and they continued without his direction or that of the Bakufu because they were stimulated and conditioned by local needs and circumstances” (Brown 1993: 237). Second, these surveys, while breaking the claims of rural samurai to feudal proprietorship, usually recognized the erstwhile local lords as the “cultivators” of their former demesnes—even if the rural samurai went off to

the castle town, relatives could take over his personal lands. Far from promoting the shift from large-scale farming of estates to small-scale intensive farming by independent peasant families (*pace* Yamamura 1981), the surveys implicitly acknowledged the various relations of inequality and exploitation within the peasantry (Wakita 1975, 1991).<sup>13</sup> Instead, the agrarian structure of the seventeenth century was more a continuation of than a break from the pattern of the Warring States period, in which villages were dominated by a privileged stratum of quasi-peasants, quasi-samurai who owed military labor service to their immediate lords, while the mass of the peasantry merely worked the land. The “sword hunts” and cadastral surveys carried out during the unification turned the lowest rung of the warrior class officially into peasant cultivators, but they and the limited number of labor-service-owing peasants retained much of their economic and political power (Furushima 1991: 478-483).

Economically, the dominant pattern was not of independent smallholding but instead of one or several clusters, each centered around a large estate. The estate owner cultivated his land with the labor of his extended family, indentured or hereditary servants housed in and around the owner's homestead, and independently housed peasant families—often branch families or emancipated servants or their descendants who had been granted small plots of land from the margins of the estate—who owed labor services to the estate owner (Smith 1959: chs. 1-3).<sup>14</sup> At the beginning of the Tokugawa era, typically between  $\frac{1}{4}$  and  $\frac{1}{2}$  of the village population belonged to one or another of these subordinate groups, with the lower levels relatively unique to the area called the Kinai around the cities of Osaka and Kyoto (Smith 1968a: 274). Even beyond these aggregate estimates, however, the independence of smallholding peasant families was a continuum ranging from servants with garden plots to almost complete separation with only the occasional, largely ceremonial expectation of labor service (Smith 1959: 49; Furushima 1991:

486).

As the samurai were pulled into the caste towns, the estate owners were given official recognition by the *bakuhun* authorities as being responsible for maintaining order in the villages and ensuring that the yearly tax levy was paid. Village offices, especially the position of headman, were, if not in the hereditary control of the dominant family, then at least restricted to the heads of the “old” families, i.e. the estate-owners (Smith 1959: 54; Befu 1966: 32-3).<sup>15</sup> The village's annual obligations to the lord were transmitted in the form of a lump sum to the village officials by the district intendants—the farthest rung of the samurai administration, often responsible for thousands or, in the case of the shogunate, tens of thousands of peasants each (Totman 1967: ch. 3; Sippel 1994: ch. 4). It was the responsibility of the village officials to assess and collect the tax owed by individual peasant households.

In this way, especially as the domain administration replaced the authority of individual samurai in their fiefs, the shogunate and daimyo delegated to peasant officials much of the administration of the agricultural dues in kind—especially rice, Japan's staple cereal—that were their primary source of revenue.<sup>16</sup> Although the land tax has the appearance of a grievously heavy exaction—2/3 of the annual yield was a common nominal rate, and there are no shortage of statements by officials of the shogunate and domains expressing the sentiment that the peasantry should be milked for every last surplus grain—the evidence points to the inference that in practice the authorities struggled to construct an administrative apparatus that could efficiently collect taxes at anything near this rate (Smith 1968b; Brown 1988, 1993: chs. 8-9; Sippel 1994: chs. 3-4). From the beginning, peasant avoidance and official corruption cut into lords' revenues.

Nonetheless, the resulting system was one in which the ruling class could largely forgo continued political accumulation. The threat of competition among lords over land or peasants

was all but eliminated, and the claim of each member of the ruling class to a share of revenue from the agrarian surplus was guaranteed. The cessation of warfare among the lords created the conditions for a massive expansion of population and area under cultivation, often financed by domains but also by commoners with or without official support (Yamamura 1981; Jansen 1968). In total, it is estimated that the land under cultivation in Japan increased by 82% from 1600 to 1720, thereby expanding the tax base for the shogunate and the domains (Bolitho 1991: 217).

Thus as long as the geographical scope of cultivation was expanding, the shogunate and domains were fiscally secure, but when extensive expansion stopped and increases in revenue depended on taking a greater *share* of agricultural production, they proved incapable of overcoming peasant resistance. In other words, once the area of arable land leveled off, so did tax revenues, and the theoretically proportional tax rate became a fixed levy, which failed to meet the shogunate's and domains' fiscal needs for administration, infrastructural maintenance, and samurai stipends—which were themselves insufficient for samurai living expenses, especially the requirement to maintain rear vassals (Yamamura 1971). The limited capacity of the shogunate and domains to project power into rural areas was a direct consequence of the form of the agrarian settlement of the unification. The concentration of samurai in the castle towns and the requirement of alternate attendance in Edo greatly reduced the capacity for disruptive attempts by daimyo or samurai to defect from the *bakuhan* system, but they also acted as a massive fiscal drain on domain revenues (Bolitho 1991: 218-221). At the same time, the scarcity of representatives of the ruling class in rural areas left substantial space for the organization and mobilization of the peasantry, often by the very same peasant “officials” recognized by *bakuhan* authorities. Yet for all that, the Tokugawa-era ruling class never faced the serious threat of collapsing or being overthrown, since it possessed an overwhelming advantage in coercive

capacity and was capable of maintaining an impenetrable unified front against the townsmen and peasantry. Peasant uprisings, though sometimes impressive in scale, never expanded beyond the regional level or lasted more than a few months (Burton 1978).

With this sketch of the institutional structure of the *bakuhau* system as a starting point, it is now time to turn to the developments of latter half of the Tokugawa era and their interpretation.

## 2. *Economic Changes in the Eighteenth and Nineteenth Centuries*

There were four important macro-economic and political trends in the latter half of the Tokugawa era in Japan. The first was that the extensive growth of population and arable land slowed to almost a halt, so that between 1721 and the post-Restoration land survey of 1872, total arable land increased only 6% and population by 10% (Saito 2005a: 37).<sup>17</sup> Nonetheless, in the second major trend of the period, per capita agricultural production and real wages are both estimated to have increased by 18%, which was accompanied, however, by a *decline* in the percentage of the population in towns of over 10,000 people from 13.5% to 12.4% in the hundred years after 1750 (Saito 2005b: 12,14). In addition to applying more labor-intensive methods to staple food cultivation, peasants increasingly, though never exclusively, grew cash crops—especially cotton and silk, but also tea, flax, indigo, and others—and worked at proto-industrial by-employments. These developments were at first organized by the established urban merchants, but wealthy peasants took an increasingly active role. These changes in the rural economy thus cut into the market shares of the urban merchant and artisan classes—both in the castle towns and in the great cities (Hanley and Yamamura 1977; Hauser 1974: ch. 3).<sup>18</sup>

Third, alongside or often prior to the spread of cash crops and small-scale manufacturing into rural areas, there was a trend away from wealthy peasants cultivating their estates with the

labor of subordinate extended family members and hereditary servant families and towards the subdivision of estates into subsistence plots, sometimes granted to former dependents as their own property but often culminating in a marked increase in sharecropping tenancy among the peasantry. The details of this process are somewhat murky, but it seems to have represented the confluence of a number of different currents. In the seventeenth century, samurai authorities responded to protests against the restriction of official roles in tax collection to a small circle of privileged peasant families, which afforded officials considerable opportunity to skew the distribution of taxpaying to their advantage, by encouraging a limited opening of political participation within the villages—replacing hereditary offices with periodic rotations (usually among the village elite), adding offices, and mandating the approval of tax rolls by all official taxpaying peasants (Befu 1966: 37-9; Ooms 1996: 78-84, 98-100, 110-121). These initiatives were part of a “small peasant policy” adopted first by the shogunate in the mid-seventeenth century and then imitated by the domains, on the theory that it would maximize tax yields (Kwon 2002: 37-8). As part of this policy, the shogunate attempted to prohibit hereditary servitude among the peasantry and give full legal recognition to smallholding peasants who had formerly been in subordinate relations to estate-owning patrons (Smith 1959: 15, 34).

In part encouraged by official policy, but also responding to the fact of increased population density, the wealthiest stratum of peasants gradually subdivided their estates, resulting in the expansion—in some places, the establishment—of a smallholding peasant class (Kwon 2002: 46-7).<sup>19</sup> Typically, estates were divided when the owner granted non-succeeding relatives—younger siblings and children—or hereditary servants small plots of land to set up an independent household and farm for themselves. These plots were usually those that were of too poor quality or inconveniently located to be efficiently cultivated as part of the estate. Moreover,

the newly formed household received less than its per capita share of the original estate area. In other words, estate owners subdivided in the way that would be most beneficial to their continued cultivation of the estate (Smith 1959: 38-9). The viability of small plots depended on the employment of techniques to improve yields, including improvements in irrigation, new seed varieties, and use of fertilizer, which allowed for expansion of wet-rice agriculture and double cropping (ibid. 93-9). The general trend was for more labor intensiveness, since wet rice was more labor intensive than dry crops and cash crops typically more so even than rice, and even when, for instance, commercial fertilizer eliminated the need for the peasant family to collect green fertilizer on its own, greater access to fertilizer enabled (and required, to be affordable) more frequent and careful application (ibid. 101-4).<sup>20</sup>

However, even if the families placed on granted plots through a subdivision of the estate were granted nominal independence at first,<sup>21</sup> the margin of subsistence of poorer peasants became quite narrow due to the small size of their plots, the burden of taxes, and the vagaries of pre-industrial agriculture.<sup>22</sup> Even a harvest that was a little below normal could render a poor peasant unable to pay his share of the village's taxes, forcing him to take out a loan, secured by a fraction of the peasant's landholdings, from one of the wealthier members of the village (ibid. 160).<sup>23</sup> Poor peasants, however, lacked sufficient surplus even in a good year to pay back a loan with interest, and thus such loans usually ended in foreclosure (Kwon 2002: 63-4). The result was a massive concentration of land-ownership, beyond even the levels of the estates of the early seventeenth century (ibid. 79-83, 107-11).<sup>24</sup> As wealthy peasants—frequently the descendants of the very same families that had subdivided their estates previously—acquired land through foreclosures, they chose not to recreate large estates but instead leased it out in tiny strips to tenants (ibid. 81). The appeal of tenancy over integrating new land into the estate was precisely

that tenants on small plots eked out more product from the same area of land, supplemented by by-employments if necessary, yielding more surplus to be extracted in the form of rent, which varied widely but frequently amounted to a third or a half of yields on top of taxes (Smith 1959: 147; Kwon 2002: 83).<sup>25</sup> It is estimated that in 1868, approximately 27% of the total arable land was rented out to tenants, varying by region with the Kinai (around Kyoto and Osaka) the highest with 40.2% (Waswo 1977: 16).

As an illustration of the overall trend, Figure 2 in the Appendix presents data on land distribution in the late seventeenth and eighteenth centuries for a village in present-day Nagano. Any holding with an assessed rice yield of less than 5 *koku* (a unit of volume, equivalent to 5.1 bushels) would have been insufficient to support a family, and holdings between 5 and 10 would be in constant danger of going into debt to pay taxes. The large number of tiny holdings in 1595 reflected the kind of sub-subsistence garden plots given to subordinate peasants by estate holders. By 1663, that class of peasants had disappeared, and the number of families in the solid subsistence range of ten to thirty *koku* had increased substantially. Already by 1717, the number of families in that range had decreased from 35 to 26 and one landlord family owned over a hundred *koku*. The number of middle peasants fell even further, to 12 and then 9 in the subsequent century, and the number of sub-subsistence plots, now augmented by tenancy, skyrocketed.

Finally, the fourth major trend was that, as mentioned above, tax revenues stagnated. Problems first began to appear in the late seventeenth century, but especially from the mid-eighteenth century onward, attempts to resurvey the land and raise taxes met a wave of peasant unrest that simmered well into the Meiji era, ranging from peaceful delivering of petitions to massive, well-organized, violent uprisings that swept through entire domains (Burton 1978: chart

of eighteenth-century uprisings p. 141, examples of organized revolts pp. 159, 161-2). “Given rising government expenses, new revenues were essential; a spate of governmental reforms during the 1720s attempted to increase and regularize revenues, but they set off a string of protests which largely negated them” (White 1988: 22). The shogunate's total tax revenue increased by 29% from the 1720s to a peak in 1744, before falling back by the end of the century to a level only 11% above its starting point (Furushima 1991: 495-7).<sup>26</sup> Domain revenues also “level[ed] off” in the eighteenth century (ibid. 498). With the possibility of increasing tax revenue foreclosed to them, the shogunate and domains adopted fitful “austerity” programs in which they attempted to reduce expenditures. Some domains first began taking “loans” of out samurai stipends at the end of the seventeenth century, and by the middle of the eighteenth it became the exception rather than the rule that samurai received their full “legal” stipends (see Bolitho 1991: 213-225, for a general summary of domain finances). Nonetheless, domains and individual samurai ended up in debt to urban merchants and, later, rich peasants.

The dominant interpretation of the latter half of the Tokugawa era weaves these four trends into a story of the undercutting of *bakuhau* political structures by the spread of commercial relations, including tenancy, in rural areas. Market-oriented behavior and new class relations on the basis of it were gradually replacing the more hierarchical or cooperative forms of interaction that had previously predominated in village life (Smith 1959: chs. 10-11). The subdivision of estates and tenantization—there is a tendency to conflate these two processes—were rational responses to the available improvements in agricultural technology, which were typically labor-intensive (ibid. ch. 7; Yamamura 1981). Likewise, the expansion of by-employments and opportunities for wage labor—themselves the product of an increased share of agricultural product staying in rural areas instead of being taxed away by the lords—gradually

drew especially marginal peasants into a kind of “market dependence,” while simultaneously pulling labor away from the forms of hereditary subservience typical of the large estates and thereby providing further pressure towards the conversion of estates to small plots (Smith 1959: chs. 6, 8-9; Hanley and Yamamura 1977; Howell 1989). In sum, these developments represented the social and economic preparation for rapid modernization and industrialization, at about a century's lag behind England (Smith 1959: ch. 12; Yamamura 1979).

This picture of economic dynamism is then contrasted with the apparent fiscal and administrative weakness of the shogunate and domains.<sup>27</sup> Aside from the inability of the ruling class to secure a proportionate share of the increase in output of the latter half of the era, historians also point to the ill-fated attempts at commercial policy by the shogunate in the eighteenth and nineteenth centuries, including disruptive manipulation of the currency and ineffective initiatives to defend the privileged merchants of Osaka and Edo from rural competition and to utilize the organized merchants to regulate prices (Crawcour 1968; Hauser 1974; Tsuji 1991; Nakai and McClain 1991).<sup>28</sup> Instead of benefiting from the expansion of commercial activity, samurai officials decried the spread of “luxuries” among the peasantry (Hanley and Yamamura 1977: 88-90, 124-5). Ultimately, it is claimed, an orthodoxy that proclaimed that staple food cultivation was the fundamental basis of wealth and that any move away from peasant self-sufficiency represented a distraction from that central task hamstrung officials who might try to experiment with promoting and taxing commerce (Totman 1967: 83-8; Ōishi 1990: 36).

The coherence of this story relies on the premise of the theories of European state formation outlined above: that the expansion of commerce represents a transformative force that challenges existing political institutions, requiring an adaptive response by rulers if they are not

to be ultimately pushed aside by the new social and political forces set loose. In the case of Japan, from this perspective the *bakuhau* system was spared a crucial test by its enforced isolation from geopolitical forces, but once it was forced open by Western naval power, it quickly crumbled to be replaced by a regime that could master the changed economic situation. However, there is precious little concrete evidence of commercial activity in Tokugawa-era Japan displaying its hypothesized tendencies to expansion and transformation.

It is the peasant elite that is supposed to have been the agents of the commercialization of Japanese rural society. They were, of course, the landlords who gained tenants by foreclosing on loans to poor peasants as well as the entrepreneurs of commercial and manufacturing ventures, including the cultivation of silk-worms and cotton, the spinning of silk and cotton thread, the weaving of textiles, and the brewing of sake and soy sauce (Toby 1991). However, the actual, limited scope of rural commercial activity must be kept in mind. 1877 statistics show that throughout Japan, between 12 and 25% of agricultural production was for sale on the market, with a higher average in some areas, especially in the regions around the great cities of Osaka, Kyoto, and Tokyo (Smith 1959: 69). Even in the Kinai region around Osaka in 1877, rice still accounted for 60% of agricultural output (*ibid.* 71). Other crops—which were not always cash crops but also included alternative staples that could be grown on marginal land—were planted where rice could not or, at most, alternated with it (Furushima 1991: 509-12). The limited commercialization of agriculture that occurred was fundamentally a supplement to peasant strategies of avoiding reliance on the market. Almost no specialization *away* from agriculture is observable in the historical record (Saito 2005a: 31). Even in 1879 in Yamanashi, a region with a considerable amount of sericulture, 80% of the population remained “primarily occupied” in agriculture (Saito 2009: 176). As another example, an unusually detailed census from the 1840s

in the domain of Choshu on the westernmost tip of the island of Honshu reveals that 80% of households were primarily employed in agriculture (Nishikawa 1987: 217).

The Choshu data is revealing, however, since according to the surveys, the *average* income from agriculture of farming households was below subsistence level, a gap that was filled with agricultural and industrial by-employments (ibid. 218). In the Kanto region around Edo in the nineteenth century, between a third and a half of peasant households engaged in by-employments to supplement income from their own land (Howell 1998: 357-8). The inference that by-employments were pursued only when landholdings were insufficient for subsistence is supported by detailed analysis of individual cases. Data summarized by Kwon (2002: 95-6) for one village in Kai domain in present-day Yamanashi prefecture in the mid-nineteenth century shows that by-employments among women were prevalent below the lower-middle stratum of peasants while extensive non-agricultural activities by the entire household, including the head, were only to be found among peasants with below-subsistence holdings. When peasants were able to save up some money from their by-employments, they most often used it to purchase land (ibid. 98).<sup>29</sup>

Combined, as mentioned above, with more labor intensive agricultural techniques, the result of the expansion of by-employments and cash crops was to augment output per head of labor, enabling peasants to survive on smaller plots and with higher rents (Saito 2005a: 34). “However, that tendency [to more “industrious” labor] per se never implies they [peasant households] were willing to substitute the purchase of commodities at markets for the production of those goods at home (Z goods)” (ibid. 38, cf. n. 49). Capital intensity did not increase (ibid. 35).<sup>30</sup> Average cultivation units remained tiny after their general reduction from population growth and the breakup of the estates.<sup>31</sup> It was not until the final decades of the nineteenth

century, after the Restoration, that landlords began to consolidate and rationalize the layout of farming plots (Waswo 1977: 57-61).

Indeed, rather than understanding landlords as agents of commercial transformation, it makes more sense to conclude that they inserted themselves as a new class of exploiters while leaving the economic structure more or less as it was. Despite landlords' apparent economic power, “There seems to have been some institutionally determined controls of village sentiment which obliged landlords to keep rent low in order to uphold tenant reproduction” (Kwon 2002: 71).<sup>32</sup> According to another economic historian of early modern Japan, “Whatever the customary practices within the village, it appears that reciprocity between quasi-parental benevolence and quasi-filial piety, or a priority of village harmony, or both, overrode all other ill effects of landlordism until the beginning of the twentieth century” (Saito 2009: 173). Meiji-era surveys of tenancy relations indicate that in many places, there were indeed customary limitations on eviction and the adjustment of rents in response to poor yields (Waswo 1977: 20, 30-1).

Two aspects of the position of landlords in the rural political-economic structure stand out as particularly important. First, landlords were under no imperative to maximize their returns, and second, their ambiguous political position was a strong incentive to avoid “rocking the boat.” On the first point, wealthy peasants could choose to pursue increased income from market activity—through growing cash crops, marketing the products of local peasants to urban buyers, or organizing proto-industrial production—and would to that limited extent be subjected to competitive forces. As long, however, as there was sufficient demand for land (and for credit to meet taxes in bad years) from subsistence-oriented peasants, their income would never be absolutely dependent on competitive production. Poor peasants, for their part, displayed a preference for renting even sub-subsistence plots to shifting entirely to a wage-based livelihood;

the strategy of labor intensification thus served to reduce the labor supply *except* as by-employments (Saito 2005a: 33-4). As long as other landlords continued to rent out their land in tiny plots, it would be difficult for any individual wealthy peasant to develop enterprises that were not compatible with continued labor-intensive agriculture. Revolutionizing rural production relations was therefore not economically rational for landlords.

Second, the peasant landlords inhabited a politically highly ambiguous position. Kwon observes that village officials were almost always among the largest landlords in a village, and thus tenants could expect little political protection. However, even after the *bakuhan* authorities were rebuffed by peasant resistant in the latter half of the eighteenth century, village officials—and the rural elite they represented—remained balanced between the forces above and below them. On the one hand, they were effectively deputized by the lords to maintain order locally and ensure the payment of taxes, and their position was, under normal circumstances, defended by *bakuhan* authorities. Individual peasants were encouraged to submit complaints about wrongdoing by village officials, but samurai intendants almost never ruled against the officials (Befu 1966: 40-1). Moreover, they could in theory expect the support of the domains' and shogunate's coercive apparatus if necessary, but at best they could invite the intervention of, but never command, samurai forces (ibid. 39-40). In fact, headmen were only useful to lords insofar as they were a tool to circumvent the need to maintain active coercive control of the countryside (Smith 1959: 59). Thus, on the other hand, the day-to-day power of the village elite had to come from inside the village itself. Misconduct was investigated and punishments, from small fines through ostracization and banishment, were enforced by the village community (Befu 1968: 310-2). Officials were supposed to report crimes to the samurai officials, but in practice they tended to shield the village from samurai scrutiny (Befu 1966: 43-4).<sup>33</sup> After all, the cooperation of the

entire village was needed to conceal new land brought under cultivation and improved productivity (Ooms 1996: 236). The shared interest of all peasants against the samurai class was quite powerful, and peasant protests and uprisings were frequently led by headmen (Befu 1966: 45).

Thus, while landlords' economic and traditional power was certainly substantial, it was in large part dependent on the cooperation of the peasant community, which would not support actions that undermined its continued reproduction. Poor peasants and even part-tenants could be expected to (warily) go along with the enforcement of landlord property right insofar as they hoped to acquire land, perhaps even to the point of becoming landlords themselves, but not to the point of actually rendering unworkable their accustomed strategies of reproduction. Likewise, the support the rural elite received in principle from the *bakuhan* state was at best a double-edged sword, since the landlord class itself was subject to extra-economic extraction by the ruling class. The rural elite depended on its ability to mobilize the mass of the peasantry against attempts to raise tax rates in order to prevent its share of the surplus too from being sucked upwards. *Bakuhan* officials were for their part far from unwavering supporters of the peasant elite. When disputes between landlords and tenants did make it up to domain and shogunate officials, their usual response was to try to split the difference in the name of reconciliation (cf. the numerous examples in Ooms 1996). On a more fundamental level, samurai officials had no desire for social upheaval in the countryside. Indeed, they acted repeatedly, but impotently, against the expansion of landlordism and of commercial activity.<sup>34</sup> In an all-out war between the elite and the poor among the peasantry, in which the latter defended the status quo and the former attempted to revolutionize it, the samurai would almost undoubtedly have sided decisively with the subsistence peasantry.

The question, however, is entirely hypothetical, since there is no evidence that such an all-out assault on agrarian production relations was ever undertaken. Instead, what the landlord class did do, after it had helped mobilize the successful peasant resistance to attempts to increase taxes in the eighteenth century, was to enter commercial activities to augment their rental income. They thereby inserted a limited amount of market activity at the margins of the subsistence-oriented rural economy, exploiting and filling the need for supplementary by-employments. They at the same time entered small-scale industry, wholesale commerce, and lending to the ruling class, partially supplanting the merchant and artisan classes of the castle towns and great cities that had fulfilled those economic roles previously.<sup>35</sup> However, rather than particular regions developing industrially or commercially and particular landlords steadily accumulating capital, the pattern was for a cyclical rising and falling to commercial prominence of different regions and landlords families (Pratt 1999: ch. 2).<sup>36</sup>

In sum, the rural elite drew income from two main sources. The first was from the land itself, increasingly in the form of rent paid by tenants working tiny plots of land, which wealthy peasants accumulated by foreclosing on loans made to their poorer neighbors in years of poor yields, especially to pay taxes. The second was from commerce in both agricultural and manufactured goods. In the former case, the rural elite reaped the benefits of buying cheaply in regions well-suited to producing, for instance, cotton, silk, tea, lumber, or sugar and selling dearly to the concentrations of samurai buying-power in the castle-towns of individual domains and Edo and, increasingly, to other rural elites who adopted the lifestyle formerly reserved for samurai and the wealthiest urban merchants. In the latter case, they exploited the cheap labor of peasants working at by-employments to supplement inadequate agricultural income in order to undersell established urban producers of, for example, cotton textiles, paper, oil, and sake. These

strategies were, by all evidence, highly lucrative for the landlords. Stagnating tax revenues and decreasing urban populations strongly point to the inference that the lion's share of the benefit from increased production—achieved primarily through greater labor intensity by the peasantry as a whole—went to the rural elite (Saito 2005a: 40-1). According to Smith, as many as one or two wealthy peasant families per village and least one per group of 10 to 20 villages concentrated enough wealth to lend extensively to domains and individual samurai—and adopt lifestyles to rival upper-rank samurai, as officials were wont to moralistically lament (Smith 1959: 175-6).

However, landlords, even if they were part-time entrepreneurs, had no need and made no attempt to introduce changes in economic relations to improve the productivity of labor. Far from putting “pressure” on the basic structure of production, the rural elite simply took advantage of a situation that forced poorer peasants to work harder within the existing productive structures. Insofar as the rural elite was able, by using its political and economic position, to mobilize the peasantry against attempts to increase dues and thereby rebuff attempts by lords to expand their share of agricultural production, they could be said to “contradict” *bakuhan* rule. It is, however, a mistake to cast blame on the “inability of the Tokugawa state to take full advantage of proto-industrial development” (Howell 1991: 281). On an extremely literal level, this is true: the *bakuhan* state was no more able to extract revenue from rural elites when they engaged in small-scale industry than when they drew rents from tenants, but that has nothing to do with the fact that landlords also brewed sake.<sup>37</sup> The cotton-producing regions around Osaka paid their taxes in cash, earned by the cultivation of cotton as a cash crop, from the beginning of the Tokugawa era (Hauser 1974: 118). The issue was the rate of extraction that the ruling class had sufficient political resources to force the peasantry to abide by.

Instead, the rural elite and the *bakuhan* ruling class were merely competitors for the surplus that was, still, primarily produced by peasant agriculture. *Bakuhan* officials' attempts to increase revenue were beaten back by mass peasant political action, in which the wealthiest strata played a key organizing role as village officials. Nonetheless, between 30 and 50% of the annual agricultural product flowed into the coffers of the shogunate and domains, and members of the peasant landlord class pursued the samurai consumption market, made loans to domains and individual samurai, emulated samurai style of life, and sought (as their most ambitious political aim) not to overthrow *bakuhan* institutions but instead to enter them by officially acquiring the perquisites of noble status—such as the right to carry swords and claim a surname.<sup>38</sup>

### 3. *Towards Restoration*

If it was not a deep rot caused by maladaptation to economic change, what was the source of the fragility of the *bakuhan* system when it was confronted with geopolitical pressure in the 1850s and 1860s? What follows is a first, somewhat speculative, attempt at an alternative account. The first point to remember is that there is reason to doubt the degree to which the *bakuhan* system was “strong” in the first place. It was, primarily, an arrangement to eliminate the endemic military conflict of the Warring States period—in other words, a truce of the lordly class. A key component of it—the removal of the samurai from their fiefs and concentration in castle-towns—caused, from the very beginning, considerable problems in rural administration and tax collection (see p. 23 above). It was, indeed, the village self-administration almost universally adopted by the shogunate and domains that created the political space for the enrichment of the peasant elite. The *bakuhan* settlement was never an instrument for strength in international relations, and the failure of Hideyoshi's invasion of Korea only testifies to this. It

instead created an environment in which the military capacity of ruling class could be allowed to decay, the massive notional armies of the shogunate and domains becoming paper fictions, without serious consequences (Totman 1967: 49-53).

As a result of peasant resistance, tax revenues did largely stagnate in the latter half of the Tokugawa era, but it is important to be clear about who actually lost out because of this. It was not, by and large, the daimyo or their great vassals. Instead, the pain of fiscal pressure was concentrated above all on the stipended samurai, whose income was reduced through “loans” to their lords. It also was associated with a substantial easing of the discipline and impositions placed on the daimyo by the shogunate. Beginning in the eighteenth century, the frequency and intensity of daimyo contributions in material and labor to the shogunate's construction projects decreased, the shogunate's surveillance of the daimyo became an almost empty formality, and attempts by the shogunate to regulate the economic policies of the domains were increasingly and openly defied (Bolitho 1974: 19-37).<sup>39</sup> By the 1840s, an attempt to transfer daimyo holdings in order to consolidate shogunate land around Edo and Osaka was scuttled by daimyo opposition (ibid. 218-21; Hauser 1974: 54-7). Indeed, the balance of power between the shogunate and daimyo is a far better lens than the challenge of commercialization through which to understand the frequent shifts in economic policy in the eighteenth century. The officials who were removed for “unorthodox” policies were precisely those who attempted to assert the shogunate's primacy over the domains' attempts to profit from long-distance trade (Bolitho 1974: 190-8).<sup>40</sup>

It is noteworthy that many of the most prominent domains in the conflicts of the Restoration movement were those that were most successful in leveraging additional revenue from commerce—coastal maritime trade around the Western tip of Honshu in Choshu, lumber in Tosa, and sugar in Satsuma (Craig 1967: 62-75). In each case, the domain in effect extracted a

rent by controlling the transport of goods destined for the large pool of consumer demand concentrated in Edo. For this reason, the involvement of the main anti-Tokugawa domains in commerce should not be taken to indicate that the Restoration represented the victory of some kind of “contradictory” or “progressive” social force over the quasi-feudal *bakuhan* order. Instead, it merely shows that control of long-distance trade was a useful resource in the renewed political conflict among domains set off by the breakdown of the stable equilibrium of the Pax Tokugawa. This equilibrium was broken—symbolically, at least<sup>41</sup>—by the Shogunate's attempt to involve the input of the daimyo in the question of how to respond to American demands for opening Japanese ports in 1853. The result was an arms race among leading domains beginning in the 1850s (Bolitho 1974: 226). Once *some* change in the political balance of power was clearly in the cards, the imperative to maximize one's own political capacity reasserted itself in full force for each individual daimyo and samurai—at least for those with the resources to make a bid for power. The struggles that culminated in the Restoration were thus the product of different actors seeking privileged positions in the new order—especially as the ongoing conflict confirmed the ultimate fragility of the old order.

In contrast, while the dominant interpretation sees the developments of the Meiji era as perfectly natural—the delayed blooming of the commercial seeds of the Tokugawa era—it renders puzzling the almost complete absence of the supposed forces of commerce in the Restoration drama itself, which leads to the conclusion that it was a purely “political” or “nationalist” event (Sakata and Hall 1956; Craig 1967: 359-60; Beasley 1972: 423-4).<sup>42</sup> According to the reinterpretation presented here, however, it is to be expected that the Restoration movement would be based fundamentally on a conflict within the ruling class set off by the breaking of the truce of the *bakuhan* system under the pressure of a foreign military threat.

Instead, this reinterpretation highlights as a question what is taken as almost unproblematic by accounts of the Restoration: how and why was it that the victory of one faction in the conflict of shogun, daimyo and samurai was followed by a deep transformation of the political and economic structures of Japan in the direction of capitalism?

#### CONCLUSION

The Meiji Restoration and the political reforms and economic transformation that came in its aftermath represent one of the major cases, and the earliest outside of Europe and North America, of the establishment of a national state and transition to a capitalist economy. The Restoration occurred under the shadow of policies of coerced commercial opening pursued by the major imperial powers in East Asia, but unlike other countries subjected to similar pressure, Japan neither fragmented politically nor was colonized but instead emerged as a competitor with the Western powers after a rapid period of state-building and industrialization. Historians have rightly sought to look to the Tokugawa era to understand the domestic context that, subjected to foreign pressure, produced the Restoration and its subsequent reforms. It has been rarer—though even of the theorists mentioned above, both Moore and Anderson pay the case of Japan some attention—but theorists of the processes of transformation that characterize the emergence of the modern state and capitalist economy should also consider how Japan fits into any account of how and why those transformations occur.

This paper has sought to criticize one conception of the economic dimension of that transformation and of the influence the economic process exerts on political structures. In this conception, underneath the surface of an institutional structure fundamentally oriented to subsistence economy and unintentionally enabled by elements of that very structure, commercial

relations gradually spread through the rural sector of the economy. These developments represent a considerable economic potential, but for the existing rulers, they constitute a challenge to the form their rule has taken up to that point. They must either adapt themselves to the new political economy, or else they will be swept away by the flow of history. This conception is in fact shared by both theorists of the transformation on a comparative and world-historical level and historians of pre-1868 Japan in particular. For the historians, it is rarely explicitly developed into a theory of commercial development and state formation, but it remains as an implicit assumption bestowing plausibility on their account of how Tokugawa-era developments laid the groundwork for the Restoration and the transformations that followed from it. Explicitly or not, their account normalizes the Tokugawa era to prevailing “common sense” accounts of the paradigmatic development of Western Europe.

In order to critically assess the the argument that Tokugawa-era commercialization gradually undermined the political institutions of the *bakuhau* system setting the stage for their dramatic collapse in the 1860s, it was necessary to draw out the assumption that underlies it, that commercialization as such is a transformative force that challenges pre-capitalist political institutions. That assumption has been fully developed into accounts of the causal link between economic and political transformations by Moore, Anderson, and Wallerstein, and so a critical consideration of their arguments and of Brenner's alternative provides a lens through which the significance of the political and economic trends of Tokugawa-era Japan can be reinterpreted.

What the reinterpretation reveals is that the types of commercial activity that appeared and the signs of political “weakness” on the part of the shogunate and the daimyo that were revealed by their inability to raise tax rates in the eighteenth century can be better understood not as the seeds of a new society developing underneath the surface of the *ancien regime* but instead

as the product of dynamics internal to pre-capitalist social property relations. The spirit of this reinterpretation remains in line with that of the dominant historiographical accounts—to grasp both the extent to which generalizable processes were in operation in Tokugawa-era Japan and the specific factors that conditioned the Japanese experience—but it finds different processes at work, with different consequences for the understanding of the events of the latter half of the nineteenth century.

On a theoretical level, this analysis suggests that the interpretation of historical developments depends on (often implicit) models of the limits and dynamics of a particular social structure. Such models provide the basis for inferences about the broader significance of observed trends of economic and political behavior. The model of progressive commercialization on the one hand and the the model of pre-capitalist social property relations used here on the other suggest very different understandings of largely uncontested historical evidence. This is not to say that the difference is entirely a matter of interpretation rather than fact; an improved theory highlights and integrates evidence that is minimized or anomalous in previous accounts. It is also impossible to approach the question of the historical significance of diffuse developments in economic activities “without preconceptions.” It would be impossible to judge how expanded tenancy or by-employments fit into the economic system of Tokugawa-era Japan without a schematic account of what that system consists of. The historical account that has been criticized here does indeed adopt an *erroneous* preconception about how commerce can and cannot fit into the kind of political economy that Tokugawa-era Japan was, but it could only be improved, not by demanding that such assumptions (implicitly “Euro-centric” no less) be excluded, but instead by elaborating a sounder alternative theory.

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NOTES

- 1 Even in the West, Spain was held back by the relatively unmodified aristocratic character of its absolutism, and as a whole the “backwardness” of the East was an important condition of its form of absolutism pushed along by the second-hand effects of Western developments.
- 2 Thus, “Spain was an empire when what was needed in the sixteenth century was a medium-size state” (Wallerstein 1974: 179). The subject that implicitly “needed” a medium-size state in the 16th century was the world-system, or more specifically the role of core state in the modern world-system.
- 3 “This model implies that there is a natural course of capitalist development which has little to do with the real historical process that produced the world's first capitalist system, and probably also that the evolution of capitalist was inevitable, though when it actually emerged it did so at the wrong time and in the wrong place” (Wood 1991: 2).
- 4 In Europe, “[a] succession of urban manufacturing sectors could therefore grow by virtue of their ability to seize, by means of their superior cost competitiveness, significant portions of the trans-European feudal market in luxury goods and weaponry; but, after a point, their gains had to come by means of their rivals' loss, because that market was strictly limited” (Brenner 2001: 286). The historical uniqueness of English agrarian capitalism was that when Continental Europe entered an epochal feudal economic crisis in the seventeenth century and thus export demand for English woolens plummeted, broad-based *domestic* consumption demand fueled by greatly improved agricultural labor productivity picked up the slack and continued England's economic growth (Brenner 1985b: 325).
- 5 Who, if anyone, has sufficient liquid resources to lend to small peasants depends on the particular case. In the example of inland Flanders that is the basis of Brenner's analysis, the lenders were usually townspeople (Thoen 2001: 133-4). In Japan, it was usually the peasant landlords who will be analyzed in detail below.
- 6 Brenner describes this process as it developed in inland Flanders: “Especially after around 1600, moreover, as a result of both subdivision and increasing levels of taxation, Flemish peasants were gradually obliged to yield ever more of the land they owned to take up leases instead, so that the proportion of land in the hands of leaseholders as compared to owner-operators grew steadily. Still, there was no tendency to the build-up of ever larger leaseholdings. On the contrary, the peasants showed that they could compete with larger farmers in the market for leases, and the proportion of leased land in the hands of small and mini leaseholders grew, as landowners saw that peasant tenants who intensified their labor and reduced their consumption levels could pay a higher rent per acre than could farmer tenants with the potential to invest. Even if capital investing farmer tenants could increase labor productivity more than could peasants, peasant tenants could out-compete them for leases by offering landlords a larger share of what might have been a smaller pie by adding labor inputs (including proto-industrial labor) and lowering their effective earnings” (Brenner 2001: 307).
- 7 “Paradoxically then, far from Smithian growth, the spread of proto-industry in the Yangzi delta manifested the declining capacity of the economy to support a labor force outside agriculture producing discretionary goods because it entailed the further increase in the amount of family labor required--direct and indirectly--to secure subsistence (i.e., necessary food supply) and thus the decrease in the size of family potential surpluses and family potential for discretionary spending” (Brenner and Isett 2002: 28)
- 8 E.g. in the Yangzi delta in the eighteenth century, “Peasants thus involved themselves in the market to secure the gains of trade, but did so only to the extent that their doing so did not render them subject to the competitive constraint and thus compelled to eschew highly desired objectives” (Brenner and Isett 2002: 616)
- 9 For Howell, “proto-industrialization” is an intermediate step between mere “commercialization” (of agriculture) and “capitalism” (profit maximization), with the degree of commodification of labor being the key differentiating factor (Howell 1991: 277). The typological refinements aside, Howell retains the basic idea that the process at work is a progressive deepening and extending of market relations.
- 10 Edo was renamed Tokyo when it became the capital of the newly established Imperial state in 1868.
- 11 The major exception was Satsuma, on the southwestern corner of the island of Kyushu. There, rural samurai remained the petty lords over villages or even fractions of villages, supervised by a network of small outpost forts throughout the countryside (Sakai 1968; Brown 1997). It deserves note only because its exceptional social and political structure persisted right up to the Restoration, in which Satsuma played a central role.

- 12 “In short, because of these developments, the warriors were removed from their private landholdings which served as their power base; they were integrated into the feudal lord-vassal system in which the dominance of lords became better established; the collective strength of the warriors was enhanced; and both residence and occupation of warrior and peasant came to be fixed, all of which created a new system of social status” (Wakita 1982: 353).
- 13 In this respect, the “progressive” character of the the rural policies of Hideyoshi and the Tokugawa shogunate should not be exaggerated (Wakita 1982). Confusion arises from misreading of the significance of the surveys especially by taking too much at face value the contents of the documents themselves (Brown 1997). While the main argument of Brown's article is the trivial empirical point that some sizable minority of Japanese villages practiced the periodic reallocation of land, the broader point about the difficulty of interpreting the significance of the surveys is an important one.
- 14 Thus, although the *bakuhau* authorities officially classified them as 'peasants', they retained much of their original character of surplus-extracting *extremely* small-scale lords. I will nonetheless refer to them as 'peasant elites' or, later, 'peasant landlords'. The gain in theoretical precision does not, I think, justify the confusion of breaking with the universal practice of the historiographical literature.
- 15 These offices, in addition to often being accompanied with status perquisites such as the right to have a surname and carry swords, had real economic benefits, such as special tax-free land set aside for officials, the right to dues from the rest of the village, and, far more universally and most importantly, the power to distribute tax and labor corvee obligations among the peasants (Befu 1966: 28-32).
- 16 Lords levied an annual tax, which in theory was a fixed proportion of each year's harvest, augmented by special fees and a labor corvee or a tax equivalent for public works.
- 17 Bolitho (1991: 217) gives an alternative figure of 3% for the Tokugawa period after 1720.
- 18 From the beginning of the Tokugawa era into the first half of the eighteenth century, Osaka was the commercial center of Japan. In addition to running the all-important market in tax-rice, the Osaka merchants at first coordinated and financed interregional trade, and Osaka was itself a major center of handicraft production, especially textiles produced from cotton grown in surrounding areas. By the late eighteenth century, however, local merchants were increasingly breaking away from the control of the Osaka merchant houses (Crawcour 1968). Urban craftsmen increasingly lost out to peasants engaging in handicrafts as by-employments at much lower wages, first in the cotton-producing Kinai around Osaka, but eventually the cotton cultivators and rural textile industry of the Kinai too faced increasing competition from other regions, where wages were even lower (Hauser 1974: 136-7; Hanley and Yamamura 1977: 98-9, 104-5; Saito 1978: 98-9). Taking the sales of one wealthy Kinai household as an illustration, rural buyers of cotton had already equaled urban merchants around 1800 and completely supplanted them after the 1820s (Hauser 1974: 166, table 29). A similar process occurred in Okayama domain, on the southern coast of central Japan west of the Kinai. Beginning in the early eighteenth century, overall population stagnated, but the development of trade and a cotton industry connected to the southern ports led to a considerable southward population shift (Hanley and Yamamura 1977: 174-6). In particular, the castle town *lost* population (ibid. 179).
- 19 It is hard to judge the relative importance of the official “small peasant policy,” but it a salient fact that even when, worried by the morcellization of landholdings, officials attempted towards the end of the seventeenth century to prohibit further subdivision by capping the number of officially recognize peasants, the subdivision of peasant households and holdings continued (Ooms 1996: 162-3, 189). Nonetheless, that there was a major change in the household composition of rural areas is confirmed by many case studies. Figure 1 in the Appendix shows the replacement of large households, made up of extended families and hereditary servants, by nuclear families in a village in the region northeast of Tokyo.
- 20 Smith further surmises that subdivision of estates was especially conducive to the use of these innovations, because the individual peasant family was able and willing to work harder and manage its labor much more closely when cultivating independently than when working on a large estate under the management of its owner (Smith 1959: 105).
- 21 This was often hotly contested. Ooms writes, commenting on records of one dispute between three peasants and their (perhaps erstwhile) patron, “It is striking how just about everything is a matter of dispute: the status of kadoya or kakae, the relationship of adoption, the question of inheritance, the meaning of joint versus separate tribute payments” (Ooms 1996: 160).
- 22 To give an illustration of the magnitude of the parcelization, in one village the average plot size fell by over 50%

- from the end of the sixteenth century to the end of the seventeenth, to 6.23 tan (about 1.5 acres), which after taxes of 30-50% of yield, probably would be just enough to support a family of five (Smith 1959: 146, n. d).
- 23 In principle, lords would reduce tax levies in years of poor harvest, but they only had incentive to do so when it appeared that village *as a whole* would be unable to meet its tax obligation (thus inviting protest or mass flight). Moreover, a major component of the attempt to raise taxes in the early eighteenth century was reluctance to modify the levy each year. Finally, despite the limited officials initiatives to open the taxation process to a wider segment of the peasantry, it still could not have helped the situation of poor peasants that the officials responsible for apportioning taxes were the same wealthy peasants who made loans to cover unmet taxes.
- 24 The trajectory of the Kinai core around Kyoto and Osaka was slightly different in this respect. Though land accumulation did occur in the eighteenth century there as well, the middle peasant stratum was able to leverage improved yields, cash crops, and by-employments to remain independent for a relatively long time. By the end of the Tokugawa era, however, the Kinai in fact had the largest proportion of land farmed by tenants.
- 25 Records exist for many examples, but their fragmentary character makes systematic measures difficult to construct. Three examples from the area north and west of Edo show the extent to which rich peasants accumulated land and became landlords in the eighteenth century. In the first, from present-day Nagano prefecture, one landlord, the owner of a significant estate of 7.35 acres at the beginning of the eighteenth century, went from receiving 500 to 600 bales of rice as rental income to around 2000 in 1752 (Kwon 2002: 69). This was not atypical; another landlord family from a nearby village received just under 1000 bales from 96 tenants at the end of the eighteenth century (ibid.). In another village, in Kai domain in present-day Yamanashi prefecture, a dramatic increase in the number of homestead-possessing independently-subsisting peasants at the end of the seventeenth century was followed by a massive lending-driven land concentration. Two of the wealthiest families in the village each quadrupled their already substantial landholdings over the course of the eighteenth century (ibid. 91-97).
- 26 The efficiency of shogunal taxation had been, compared to the domains, unusually low at the beginning of the eighteenth century.
- 27 Most mainstream scholars would reject the terminology, but they nonetheless interpret the situation just as Trimberger does: “The contradiction between a tributary and petty commodity mode of production focused at the political level. The real crisis in Tokugawa society before the impact of the West was the financial plight of the ruling class” (Trimberger 1977: 91).
- 28 Shogunal officials in Osaka attempted towards the end of the eighteenth century to grant exclusive buying privileges for raw and processed cotton and cloth, which the recognized merchants could exploit to keep prices down, but the restrictions were widely circumvented and finally removed completely in 1823, in response to a petition signed by leading peasants in 1007 Kinai villages (Hauser 1974, ch. 7). Officials tried to reinstitute official licensing for buyers in the 1850s, but, “In the face of organized opposition from rural merchants and cotton growers the government was unwilling to force the issue” (ibid. 172). In Morioka domain in the far north, it took a series of massive peasant uprisings to force officials to rescind restrictions on rural commerce (Hanley and Yamamura 1977: 143-6). Crawcour (1968) notes the pattern that only as a group of established merchants was facing upstart competition did the shogunate take steps to organized and regulate it. This was true of the organization of the Osaka rice market in 1670, just as the wholesalers were beginning to make their appearance, of steps taken to protect the specialized wholesalers as regional merchants began to penetrate their markets in the eighteenth century, and of the organization of buyer licensing in the Kinai cotton trade in the late eighteenth century. Frequently, bakuhan officials mistakenly believed they could use official organizations of merchants to keep down prices and thereby increase the buying power of fixed tax revenues and samurai stipends (Hauser 1974, ch. 7 and Tusji 1991 include multiple examples). The appeal of such initiatives to urban merchants increasingly displaced by rural competitors is not hard to understand.
- 29 A similar pattern is visible in the cotton producing areas surrounding Osaka. 1842 data from the village Kowakae in the Fuse area—in which cotton cultivation was particularly concentrated due to the inadequacy of the sandy land, reclaimed through the diversion of a nearby river, for rice production—shows a clear negative correlation between area of land cultivated and the percent of land devoted to cotton to a peak of 75% for households with less than 5 tan (1.23 acres) (Hauser 1974: 122, table 12). Peasants with sufficient land to do so diversified their production away from the risky, market-dependent (both for fertilizer and demand) cash crop, even though it promised far higher income per unit land than any alternative.
- 30 Neither, however, did the capital-labor ratio also did not decrease from its already low level.

- 31 This fact is particularly noteworthy because surviving landlord account books seem to indicate that the directly managed cultivation of large plots of land was more lucrative than renting out micro-plots. For instance, one detailed account of a landlord in 1842 in the Kinai regions shows one third each of his land devoted to cotton, rice, and tenancy. However, the income per unit land, net of taxes, wages and fertilizer, for rice was less than half that of cotton and for tenancy less than a third. Similarly, one of the large landlords from the village in Kai domain mentioned above cultivated only 6% of his land with hired labor, but net income per unit from that land, primarily devoted to growing tobacco, was almost 5 times that from the 94% of his land he rented out to tenants (Kwon 2002: 97 and n. 15). This is despite the fact that both cotton and tobacco benefited from scale and the resources to purchase more and better fertilizer (Hauser 1974: 128; Kwon 2002: 92).
- 32 Kwon tends to be ambivalent on this point. Thus she concedes that there is evidence of “implicit communal understanding of ‘just’ rent rates” even though she insists that “. . . within villages there were not effective official or customary rules on tenant tenure” (Kwon 2002: 82). Her interpretation of the Tokugawa-era economy is different from the one developed here in that she wants to emphasize the extent to which competition for leases put pressure on peasants to increase their output. This is true, but it is important to account for the forces that directed this pressure towards almost exclusively labor-intensification instead of capital investment, specialization, and innovation.
- 33 Befu draws this inference from the frequency of implausible protestations of ignorance by village officials when samurai officials do somehow catch wind of peasant misconduct.
- 34 These actions were typically futile, since tenancy was in large part a result of their own attempts to raise tax rates, and by-employments were an integral part of the strategies of the mass of the peasantry to close a subsistence gap. Still, the attempts show where the ruling class’s loyalties would have been had a critical conflict occurred.
- 35 Moreover, though wealthy peasants avoided transforming rural production relations, they did built up their own economic institutions to rival and replace those of the urban merchant class. Toby (1991), for instance, finds evidence of surprisingly sophisticated “banking” among the rural elite of Mino province, mimicking seventeenth-century developments in the Osaka rice trade (Nakai and McClain 1991: 563).
- 36 Cf. n. 4 above.
- 37 The idea that the entrance of the landlord class into commerce undermined or contradicted *bakuhan* rule is partly based on a false identification of the expansion of commerce with the development of capitalism. “Structural change” was not, as Howell claims, “prompted—indeed required—by proto-industrialization,” and so it is nonsensical to go ahead and blame “the inflexible institutional structure of the Tokugawa polity” as he does. Of course, on an abstract level, the political structures of Tokugawa-era Japan were “impediments” to the development of capitalism. Such a statement is at best meaningless but usually in effect deceptive, however, because there were no actual agents or forces whatsoever in Tokugawa-era Japan pushing towards capitalism that the *bakuhan* political institutions acted as an impediment to.
- 38 Wealthy commoners—both urban and rural—did occasionally acquire from *bakuhan* authorities to some or all the marks of samurai status, especially for doing fiscal service to the domain or shogunate. It was nowhere near as important a fiscal strategy as in France, however, and the samurai class did not significantly expand as a result. As examples, cf. Jansen 1968 and Ooms 1996: 203-216.
- 39 Ravina provides another example of successful evasion by officials of domain of Tokushima of Tokugawa injunctions against the domains’ mercantile policies for the production and export of indigo (Ravina 1995: 1014-5).
- 40 Bolitho shows that the fundamental political conflict within the shogunate was between the interests of the daimyo, including the supposedly loyal Tokugawa “vassal daimyo” and branch houses, and shogunal officials and advisers who had been raised up strictly by their connection with the shogun (Bolitho 1974: 159). The banner of orthodoxy, under which the daimyo did all they could to undermine and bring down such “new men,” was merely a cover for the real issue: the defense of *de facto* daimyo privileges against an activist shogunate. This should be contrasted with Totman (1967) and Ōishi (1990), who largely take at face value the stated reasons for the opposition to controversial officials.
- 41 The symbolism very likely matters in this case, which is on an important level a signaling game. The Tokugawa-era equilibrium was—or, based on its longevity, must have almost certainly seemed—to be such as to easily discipline any single defector. Even as many domains begin to suspect individually that going against the rules of the game is in their ultimate interest, it is not until it becomes clear that the equilibrium is breaking down in

general that pursuing alternative strategies becomes a realistic possibility.

42 Nonetheless, Beasley dutifully recounts the accepted account summarized above of commercialization, leading to socio-economic reconfigurations that created a rift between economic reality institutional expectations, lurking as one of the “troubles at home” setting the context for the Restoration (Beasley 1972: 72).

## APPENDIX

<b>Figure 1</b>	<b>Change in Household Sizes: Suwa County, Jinguji Village</b>			
Household Size	Total Number of Households, by year			
	1671	1691	1699	1733
1 - 5	33	58	70	125
6 - 10	41	45	43	35
11 - 15	11	6	6	1
16 - 20	2	0	0	0
21 - 25	1	0	0	0
26 - 30	1	0	0	0
>30	1	0	0	0

Source: Kwon 2002: 41

<b>Figure 2</b>	<b>Land Distribution in a Shinano Village (Number of Registered Families, by Year)</b>				
<i>Koku</i> <sup>1</sup>	1595	1663	1717	1771	1835
Under 1	16	0	1	9	43
1 - 5	9	1	1	30	35
5 - 10	5	4	7	12	18
10 - 20	6	21	22	7	7
20 - 30	5	14	4	5	2
30 - 40	1	1	2	2	2
40 - 50	0	0	1	1	0
50 - 60	0	1	1	0	1
60 - 70	0	0	0	0	1
70 - 80	0	0	0	1	0
Over 80	0	0	1	1	1
Total	42	42	40	68	110

Source: Smith 1959: 162

1 *Koku* is a measure of volume equivalent to 5.1 bushels. In this context, it indicates the officially recognized yield in terms of rice for an individual family's holdings.

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