

# THE RECEPTION OF ADAM SMITH IN JAPAN: THE FORMATION OF THE IDEA OF *SHIMIN* *SHAKAI*, OR CIVIL SOCIETY, BY ZENYA TAKASHIMA BEFORE THE END OF WORLD WAR II

BY  
SHINJI NOHARA

*From the late 1930s to the end of World War II, the Japanese government restricted freedom of expression and research. Nevertheless, Zenya Takashima (1904–1990), one of the most influential social scientists in Japan, continued to publish his writings. On an initial reading, he seems to have supported totalitarianism, even though he did not; moreover, he seemed to have agreed with a model of a controlled economy as a historical step, although he did not see this as inevitable. Rather, in order to resist the totalitarian ideology, he adopted a Smithian view of “Shimin Shakai,” or civil society, in which people, by protecting justice, acted freely in the economy. Before Takashima, the concept of civil society was used to express the German concept “bürgerliche Gesellschaft,” but Takashima changed the meaning of the term to a society of equal citizens.*

## I. INTRODUCTION

From the late 1930s to the end of World War II, the Japanese government became totalitarian; it tried to control people and restricted freedom of expression and research. Most intellectuals were forced to follow this policy or risk being arrested. Even before the Sino-Japanese War (1937 to 1945), intellectuals such as Marxists had been oppressed. As Germaine Hoston has noted, “already by 1930, the Special Higher (Thought) Police had ‘rounded up’ thousands of known and suspected Marxists.” Furthermore, in 1931 and 1932, “200 leading members” of the Japanese Communist Party were tried. In 1933, “the communist movement was stunned” when two of its leaders renounced their commitment to the cause (Hoston 1986, p. 251). After the

---

Shinji Nohara: Graduate School of Economics, University of Tokyo. Email [nohara@e.u-tokyo.ac.jp](mailto:nohara@e.u-tokyo.ac.jp)

ISSN 1053-8372 print; ISSN 1469-9656 online/22/03000370-392 © The Author(s), 2022. Published by Cambridge University Press on behalf of the History of Economics Society. This is an Open Access article, distributed under the terms of the Creative Commons Attribution licence (<https://creativecommons.org/licenses/by/4.0/>), which permits unrestricted re-use, distribution, and reproduction in any medium, provided the original work is properly cited.  
doi:10.1017/S1053837221000201

outbreak of the war with China in 1937, the military gradually mobilized the entire nation, requiring all Japanese people to contribute to the interests of the state. The government announced that intellectuals who opposed this mobilization were traitors and went about suppressing them.

It was under such conditions that the economist and historian of economics Zenya Takashima (1904–1990), born in Gifu, Japan, and educated at the Tokyo College of Commerce, published his anti-totalitarian writings in 1941. Although Takashima was critical of totalitarianism at that time (Takashima et al. 1993 [Takashima's remark], p. 13), he had to adopt a more measured tone in his writings; indeed, he had been arrested in 1933 because of his translation of Karl Marx's *Theorien über den Mehrwert* (Kamioka 2000, p. 198). Takashima thus produced a work that, on the surface, appeared to support totalitarianism yet in intent attempted to undermine it.

I call this “strategic ambiguity” because if Takashima had explicitly come out against the regime, the publication of his work would have been prevented and he likely would have been arrested. Strategic ambiguity was the only way for anti-totalitarians to incorporate resistance into their writings. Social scientists could oppose the regime by using what James Scott has called “hidden transcripts,” namely, “those offstage speeches, gestures, and practices that confirm, contradict, or inflect what appears in the public transcript” (Scott 1990, pp. 4–5). In both hidden writings and public transcripts, some social scientists disseminated anti-totalitarian ideas. Understanding strategic ambiguity thus enables us to explore how dissenters under an oppressive regime were able to disseminate their ideas. This essay takes Takashima as its example. When he published his inquiry into Adam Smith and Friedrich List, Takashima used strategic ambiguity in his famous *Keizaishakaigaku no Konponmondai* (The fundamental problems of economic sociology; hereafter *KK*), published in 1941.

In resisting totalitarianism, Takashima created his ideal of civil society. Originally, civil society was a Aristotlian concept defined as “*politike koinonia*.” Aristotle used the term to refer to a truly independent society composed of citizens—in other words, the state as the assembly of free citizens (Riedel 1975, pp. 721–723). From Cicero onwards, the term took its Latin form as “*societas civilis*” (or “*communitas civilis*”). In the middle ages, “*societas civilis*” referred to the secular political community as opposed to the non-secular, godly community (“*communitas divina*”) (Riedel 1975, pp. 726–729). Thomas Hobbes argued for “the maintenance of Civill Society, depending on Justice; and Justice on the power of Life and Death ... residing in them that have the Sovereignty of the Commonwealth” (Hobbes 1996, p. 306). For Hobbes, “civill society” meant the assembly of politically united people under a sovereign. In this sense, the term meant political society, or the state. However, as he said, “Nature hath made men so equal” (Hobbes 1996, p. 86); hence, equal people constitute civil society. It was this Hobbesian sense of civil society as a secular society composed of equal citizens that influenced Takashima's ideal of “*Shimin Shakai*” (hereafter, civil society).

Takashima developed his ideal of civil society by mixing this Hobbesian usage of civil society (as a secular, equal society) with Adam Smith's view of non-state society (commercial society). Furthermore, Takashima insisted that Smith regarded civil society as liberation from feudal, hierarchical relationships and the enjoyment of modern, non-hierarchical relationships. These relationships were fully established in the French Revolution, after which people were considered to be legally equal (Takashima 1941, p. 126).

Takashima's idea of civil society is worth critical attention. Although politicians and many people did not seem to endorse it during the war, it was accepted by many younger Japanese intellectuals and social scientists after World War II. They propagated the idea of civil society to change Japanese society. Indeed, Takashima's vision of civil society led Japanese intellectuals and social scientists to establish the *Shimin Shakai-ha* (Civil Society School). Believing that Japanese feudalism was the cause of the rise of totalitarianism in Japan, the postwar Civil Society School tried to establish civil norms in Japan to build a society of equal, democratic, anti-Fascistic citizens. Yoshihiko Uchida (1913–1989) and Hiroshi Mizuta (1919–), two influential historians of economic and social thought in postwar Japan, advocated the idea of civil society after the end of World War II, drawing directly on the legacy of Takashima's ideas.

As I clarify in [section III](#), the propagation of the ideal of civil society reflected the Japanese situation. Although Japanese society became more democratic, after the war, it arguably remained in some ways “feudalistic.” As Kan'ichi Asakawa argued in 1931, in both Japanese feudalism and European chivalry, warrior behavior was based on personal faith and personal honor, yet the samurai, or warrior, “was bound to far more than his contractual obligations and owed to his lord an absolute and unlimited devotion” (Block et al. 1931, p. 217). For some intellectuals, Japanese feudalism, as a form of absolute subjection, continued in Japan after Westernization. Because of this, in the postwar, intellectuals and social scientists concentrated on reforming Japanese society to remove elements of feudalism. Many of them regarded the idea of civil society as an ideal way to liberate the country from its feudal remains.

Despite the importance of the formation of the ideal of civil society under the totalitarian regime, there has been little attention to the ways Takashima used strategic ambiguity or how he incorporated his anti-totalitarian idea of civil society into discourses that could be read as supporting the totalitarian regime. To be sure, the development of the idea of civil society in Japan (Onodera 2015; Uemura 2010) and the reception of Smith in Takashima's time (Niimura 1998; Sakamoto 2017) have been well researched. However, these studies do not elucidate how Takashima originally formed his ideal of civil society under the totalitarian regime. This remains the case despite the existence of a biography of Takashima (Kamioka 2010), studies of his economic thought (Niimura 1998), an intellectual biography (Nishizawa 2007; Wada 2007), and research on his relationship with Marxism (Matoba 2007).

More broadly, the history of how Japan's social scientists capitulated to totalitarianism is well documented. One joint research project on the conversion of Japan into a totalitarian regime (Shisonokagaku Kenkyukai 1960) found that many intellectuals abandoned their earlier ideas and supported totalitarianism. More recent research has clarified how the totalitarian regime forced social scientists to reformulate their ideas of society (Yamanouchi, Koschmann, and Narita 1998; Dower 1999). Still other studies show that some intellectuals even advocated totalitarianism (Yanagisawa 2008). As Fletcher (1982) notes, some prominent Japanese social scientists gave up their original Marxist ideas and embraced totalitarian ideology because they came to regard the totalitarian regime as an opportunity to transform Japan's economy into a more equal one. However, these studies do not address how some intellectuals such as Takashima opposed totalitarianism in their published writings.

This paper focuses on how, based on his Japanese intellectual background, Takashima resisted totalitarianism by articulating his idea of civil society. After showing how

Japanese scholars, including Takashima, studied Adam Smith (section II), this paper investigates why Takashima became interested in civil society in the context of economics (section III) and Japanese capitalism (section IV). It also discusses how the advent of Fascism in the 1930s influenced Takashima's argumentation about Smith (section V). Under these conditions, Takashima published his *KK*, elucidating Smith's notion of civil society (section VI). The final section (VII) discusses how Takashima's ideas influenced postwar thinking on civil society.

## II. A BRIEF HISTORY OF THE CHANGING IMAGE OF ADAM SMITH IN JAPAN

Although the reception of Adam Smith in Japan has been widely researched,<sup>1</sup> a relatively less studied issue is the changing image of Smith, which had a direct impact on Takashima's vision of civil society. Scholars have generally identified at least three stages of Japanese scholarship on Smith, from the period of Smith's introduction to the rise of academic studies and, finally, to the development of specialist research.<sup>2</sup> Takashima was part of the third stage.

Although Smith's books were imported into Japan before the Meiji Restoration, that is, the beginning of Japanese Westernization (Sugihara 1980, p. 7), it was during the Meiji period that Smith came to be well known to Japanese intellectuals. Yukichi Fukuzawa (1835–1901), the most influential advocate of the Westernization of Japan, notably mentioned Smith. In his *Bunmeiron no Gairyaku* (An outline of a theory of civilization) in 1875, Fukuzawa referred to Smith as one of the key figures of Western civilization, remarking that “Adam Smith discovered the laws of economics, and world commerce took on a new dimension” (Fukuzawa 2008, p. 107). Fukuzawa focused in particular on how Smith saw social wealth as the result of individual behavior, saying that “even if one does not become directly involved in doing things, the evaluation of the relative merits and demerits of things, as for example Adam Smith's discussion of the laws of economics, will serve as a guide to men's minds and in general increase the sources of wealth” (Fukuzawa 2008, p. 101). “Doing things” meant promoting the public interest. Although Fukuzawa regarded this aim as essential for civilization, free individual behavior based on evaluating costs and benefits also promoted the public

<sup>1</sup> On the reception of Adam Smith in Japan, Okouchi (2000) traced how Smith was translated into Japanese. Sugihara (1956, 1972, 1980, 2000) and Sugiyama, Omori, and Takemoto (1993) described how Smith was researched in Japan. Yamazaki (1971) also narrated the history of Japanese scholarship on Smith. Sugihara (1980) emphasized the impact of Marxism on Smith studies, while Ikee and Wakatabe (2000) focused on non-Marxian scholarship on Smith.

<sup>2</sup> Sugihara (1956) divided Japanese scholarship on Smith into three stages: the early stage introduced Smith (the Meiji era), the second saw the rise of Smith's studies (the Taisho era), and the third established the true implantation of Smith into Japan (the Showa era). Okouchi and Tazoe (1965) separated research in Japan on Smith into four stages: the introduction of Smith (1863 to 1907), the development of academic studies on Smith (1909 to 1923), the age of research by Smith specialists (1923 to 1940), and the specialization and articulation of Smith investigations (1940 to 1952). Yamazaki (1971) divided Smith's scholarship into three early phases (1863 to 1919) and three stages during which professional studies of Smith became popular (1920 to 1970). Despite the differences, scholars have identified at least three distinct stages of scholarship on Smith.

good. The minds of individuals were cultivated by this calculation, and the benefits of individuals resulted in social wealth. This interpretation of Smith as an advocate of freedom is also evident in Takashima's idea of civil society.

During this introductory period of studies on Smith, *The Wealth of Nations* was translated into Japanese for the first time from 1884 to 1888 under the title *Fukokuron*. The translators were Ishikawa Eisaku (1858–1886) and Shosaku Saga (1853–1890), who worked for *Tokyo Keizai Zasshi* (Tokyo economist), the first economic journal in Japan.

The introduction to the translation maintained that Smith found “economic truth,” especially when he advocated free trade. According to this view, Smith revealed how governmental intervention and economic protectionism became harmful (Smith 1884–1888, vol. 1, pp. 3–7). Even though the German historical school and associated social policy studies became popular at the time, largely supplanting British political and economic theory, the volume's translators strongly advocated free trade (Yamazaki 1971, pp. 140–141).

After the early period of Smith studies, especially with the establishment of the departments of economics at the Imperial University of Tokyo and Kyoto Imperial University in 1919, the establishment of universities of commerce, and the reorganization of Waseda and Keio colleges into universities, scholars at universities began to study Smith. When approaching Smith, many of them were primarily interested in examining Marx. From a Marxist perspective, they investigated Smith's political economy, especially since around 1920. Scholars then began researching Karl Marx, whose *Das Kapital* was subsequently translated (Sugihara 2000, pp. 197–198). One notable example was Hajime Kawakami (1879–1946), a professor in the Department of Economics of Kyoto Imperial University (1915 to 1928), who was one of the most influential social scientists at the time.

Kawakami studied Smith from a Marxist perspective. In his *Kinsei Keizai Shiso Ron* (A treatise of modern economic thought) of 1920, Kawakami came to think of Smith as the founder of “individualistic political economy.” This was “an ideology for capitalists,” in opposition to the “socialist political economy” (especially Marx). Whereas he hoped for the transformation from a capitalist to a socialist society, in this “individualistic political economy,” capitalists controlled the economy, ignoring the interests of propertyless workers (Kawakami 1982–1986, vol. 10, pp. 11–12). Kawakami saw Smith as the advocate of liberty, since his political economy insisted on *laissez-faire* and on natural liberty, that is, the liberty of individuals to freely pursue their self-interest. For Kawakami, Smith's political economy advocated free competition in capitalism, in which anyone could compete with others (Kawakami 1982–1986, vol. 10, pp. 39–40).

Takashima took great inspiration from Kawakami. He believed that although Kawakami and Fukuzawa differed intellectually, both were concerned with Japanese modernization and attempting to absorb “the world into Japan,” or at least Western thought into Japan. In particular, Takashima believed that Kawakami grasped “the end of Japanese modernization” (Takashima 1984, pp. 64–65). This “end of Japanese modernization” meant the Marxist understanding of the end of capitalism. Takashima thus learned from Kawakami the Marxist idea of capitalism in which Smith was seen as its ideologue. Kawakami helped to develop the image of Smith as an ideologue of capitalism among Japanese scholars.

This image was especially relevant for Takashima's understanding of Smith. Takashima developed the idea of civil society through his mentor, Kinnosuke Otsuka (1892–1977), at the Tokyo University of Commerce (Takashima 1984, p. 66). Like Kawakami, Otsuka interpreted Smith according to Marx. In *Shihonsyugi Hattatsushi Bunken Kenkyu* (An inquiry into the literature of the history of the development of capitalism; 1932), he maintained that Smith defended the interests of industrial capitalists. These were, of course, incompatible with feudal privileges and privileged merchants who tried to monopolize economic activities. Feudal aristocrats, allied with merchants, adopted mercantilist policies that conferred these privileges on the merchants, while industrial capitalists requested the aristocrats to abandon the policy. Otsuka thus regarded Smith as an advocate of industrial capitalists (Otsuka 1980–81, vol. 2, p. 218). As I argue in section VII, it was this image of Smith as an ideologue of capitalism that Takashima utilized in forming his idea of civil society.

In addition to this Marxist study of Smith, non-Marxist scholars influenced Takashima's thinking about Smith. Tokuzo Fukuda (1874–1930), another of Takashima's supervisors at the Tokyo University of Commerce, also researched Smith. As Aiko Ikee has made clear, Fukuda "played a very important part in cultivating neoclassical economic analysis in Japan" (Ikee 2014, p. 71). Fukuda was "the most important forerunner of economics in Japan, and introduced Alfred Marshall's neoclassical economics and then A. C. Pigou's welfare economics into Japan in the 1910's and 1920's" (Ikee and Wakatabe 2000, p. 208). In Fukuda's *Kousei Keizaigaku no Toshi toshiteno Adam Smith* (Smith as a fighter for welfare philosophy) of 1923, Fukuda criticized the view of Smith as ignoring the role of the state in the economy. Fukuda insisted that, in fact, Smith emphasized the role of the state, especially concerning national defense (Fukuda 1923, pp. 392–393, 403; on this point, see also Ikee and Wakatabe 2000, p. 208). Fukuda refuted the image of Smith as an "apostle of capitalism ... in opposition to Karl Marx" (Fukuda 1923, p. 395), arguing that Smith and Marx believed in the same laws of nature (Fukuda 1923, p. 395). Fukuda insisted that economic life, according to Smith, did not include any "teleology," and that moral sentiments needed to be controlled by reason. For Fukuda, Smith reconciled contradictions by emphasizing the role of the state, which could enhance education (Fukuda 1923, pp. 412–416). It seems that, for Fukuda, the state could correct the defects of natural economic laws since these laws did not necessarily lead to the achievement of people's welfare or final purpose. In other words, welfare could be achieved through the intervention of the government. In 1989, Takashima said that this view of Smith as a welfare economist was correct (Takashima et al. 1993 [Takashima's remark], p. 9). As I argue in sections V and VI, Takashima also accepted the role of the state or policy in the economy. By contrast, many Japanese scholars before Takashima (such as Ukichi Taguchi (1855–1905), Kawakami, and Otsuka) regarded Smith as a liberal and did not perceive him as emphasizing the function of the state.

Scholarly views on Smith also changed due to the rise in specialist studies on his moral theory, which also later influenced Takashima. Although, before the end of World War II, Smith's *The Wealth of Nations* was widely studied and was translated into Japanese several times (by Seiki Mikami in 1910, Kenji Takeuchi in 1921–1923, Kanju Kiga in 1925, Suekichi Aono in 1928–1929, and Hyoe Ouchi in 1940), it was not until 1948–49 that Smith's *Theory of Moral Sentiments* was translated into Japanese for the first time by Tomio Yonebayashi (1905–1968). However, this work had been researched

before that translation. Takashima maintained that Yoshio Ota's (1904–1967) "Adam Smith no Doutoku Tetsugaku ni Tsuite" (On Adam Smith's moral philosophy) was the "first authentic study of Adam Smith in view of Adam Smith's principles of sympathy." Ota inspired Takashima to undertake study of Smith's moral theory (Takashima 1984, p. 73). As Ota argued, Smith's notions of moral philosophy were divided into discussions on morality, jurisprudence, and economy. These three fields were based on Smith's moral theory, the theory that made clear how social order was established. Smith emphasized a sense of duty as leading to the maintenance of social order (Ota 1938, p. 700). Takashima also subsequently divided Smith's moral philosophy into three parts, as formulated in *The Wealth of Nations*, *The Theory of Moral Sentiments*, and *Lectures on Jurisprudence*. These studies on Smith encouraged Takashima to see Smith as a liberal who did not ignore the function of the state and morality. Based on this, Takashima developed his idea of civil society, as I discuss in section VI.

### III. TAKASHIMA'S CONTRAST OF MARXIST WITH NON-MARXIST ECONOMICS

When Takashima developed his idea of civil society, he compared non-Marxist with Marxist economics. On the one hand, he researched Austrian economics and Joseph Schumpeter to elucidate the essence of economics. On the other hand, Takashima investigated Marx, focusing on the labor theory of value. Both non-Marxist and Marxist economics thus combined to help Takashima create his idea of civil society.

When Takashima began studying economics, he drew inspiration from Fukuda, his mentor, who advocated Austrian as well as Marshallian economics. When Takashima entered the Tokyo College of Commerce in 1924, the core text in Fukuda's seminar was Carl Menger's *Grundsätze der Volkswirtschaftslehre* (1923), which he and other participants read in German. Under Fukuda, Takashima also studied the Austrian School economists, including Eugen von Böhm-Bawerk and Friedrich von Wieser. In his 1927 dissertation, "Keizai Seigaku to Keizai Dogaku no Kokuminkeizaiteki Igi: Joseph Schumpeter no Ichi Kenkyu" (The significance of economic statics and economic dynamics in view of National Economics: An inquiry into Joseph Schumpeter), Takashima studied the Austrian School, which he called "pure economics." Inspired by von Wieser, Takashima maintained that pure economics had to be distinguished from economic phenomena, abstracted into its essence, and formulated into an idealized economic model (Takashima 1997–98, vol. 1, pp. 20–23).

Before pure economics as mathematical economics became popular in Japan, Takashima had already thought of "pure economics" as important for grasping the essence of the discipline. Takashima became interested in Schumpeter when he attended lectures by Yasuma Takata (1883–1972) on the history of economics at the Tokyo University of Commerce in the early 1920s (Takashima et al. 1993 [Takashima's remark], p. 6). Later, in his 1927 dissertation on Schumpeter, Takashima recognized how pure economics, which was abstract, could approach reality by incorporating economic phenomena. Takashima understood that it was of primary importance to make models, according to the Austrian School's approach, because models clarified the essence of economic phenomena scientifically. For Takashima,

making models was relevant to the type of economic behavior on which economic statics was based. He insisted that Wieser's models failed to recognize irrational economic behavior because he focused on the rationality of economic acts (Takashima 1997–98, vol. 1, pp. 23–27). Takashima argued that rational behavior leads to economic statics.

For Takashima, it was Schumpeter who distinguished economic statics from economic dynamics. While statics focused on economic equilibrium, which is unchanging over time, dynamics focused on changes in an economy. As Takashima argued, Schumpeter saw that economic dynamics was derived from innovations in the manner of production (Takashima 1997–98, vol. 1, pp. 54–57). Although Takashima mentioned Schumpeter's five causes of innovation in his dissertation (Takashima 1997–98, vol. 1, p. 58; see also Schumpeter 1996, p. 67), as I argue later, in his *KK* of 1941, Takashima ignored other types and focused only on productive processes. Takashima was critical of Schumpeter's distinction between economic statics and economic dynamics because both ignored substantial changes in an economy. Schumpeter overlooked the social and economic realities of life. Takashima was thus critical of pure economics, including economic statics and dynamics, because it failed to understand real social and economic life (Takashima 1997–98, vol. 1, p. 60).

To understand economic realities, Takashima referred to Marxist economics. In his essay titled “Kachiron naki Ryutsuron: Liefmann no Genkai Shueki Kinto no Hosoku wo Chushintoshite” (A theory of circulation without that of value: Centering on Liefmann's law of the equality of marginal return) in 1925, he said that he aimed to refute Robert Liefmann as an Austrian school economist. Takashima maintained that Liefmann erroneously thought of the value of goods as subjective; or as Takashima put it, “the proletariat alone can grasp value as labor objectively and historically.” This “true value theory” was the Marxist labor theory of value (Takashima 1997–98, vol. 1, pp. 228, 251). For Takashima, the core of Marxism was the labor theory of value, which grasped economic realities such as the situation of the working class or proletariat in capitalist society.

Takashima's 1925 publication of the above-mentioned essay angered Fukuda, who respected Liefmann and was critical of Marx. Fukuda labeled Takashima a “Marx boy,” and Takashima was forced to resign from his job at the Tokyo University of Commerce (Takashima 1985, p. 45). This episode does not suggest that Takashima ignored “modern economics.” When, in his *KK*, he called Austrian as well as British (classical and Marshallian) economics “modern economics” (Takashima 1941, p. 2), he was opposing the concept to Marxism (Takashima et al. 1993 [Takashima's remark], p. 9). It was the comparison of pure or “modern” economics with Marxism that formed the basis of Takashima's economics.

By comparing both, Takashima came to advocate, in his *KK* of 1941, an “economic sociology,” which was neither “pure economics nor political economy” (Takashima 1941, p. 27). As I argue in section V, he refuted “political economy” as totalitarian (Takashima 1985, pp. 64–65). However, Takashima also contrasted “pure economics” with Marxism. He insisted that “pure economics” grasped only quantitative aspects of the distribution of goods. In contrast to “pure economics,” “economic sociology” tried to elucidate a qualitative understanding of the economy and comprehend society as a whole rather than as separate parts. Unlike “political economy,” or Marxism, “economic



sociology” did not deny given assumptions of “pure economics”; rather, it tried to theorize these assumptions (Takashima 1941, pp. 28–31).

For Takashima’s economic sociology, theorizing the assumptions meant elucidating the action of subjects on the economy. He admitted that economic sociology had been advocated by German economists, including Friedrich List, Werner Sombart, Max Weber, and Friedrich Gottl. As Takashima insisted, Sombart’s *Der Moderne Kapitalismus* (1902) tried to synthesize economics and sociology, but, like Weber, it denied value judgments, that is, those judgments that incorporated one’s own beliefs (Takashima 1941, pp. 68–70). On the other hand, Takashima believed that Gottl affirmed value judgments and grasped the interaction between subjects and circumstances but understood only the adaptation of subjects to circumstances and paid little attention to how subjects affected circumstances. Takashima’s economic sociology aimed to comprehend not only this adaptation but also the action of subject to circumstances (Takashima 1941, pp. 73, 79). To understand the action, Takashima focused on Smith because Smith regarded society not only as objective and rational but also as based on subjects’ actions (Takashima 1941, pp. 10–11). For Takashima, Smith especially understood how people built modern civil society (Takashima 1941, pp. 237). As a result, Takashima made clear how, for Smith, people built civil society. To understand what civil society is, Takashima compared Smithian or British with Japanese civil society. He then examined a debate about Japanese capitalism, a debate that I discuss in the next section.

#### IV. THE DEBATE ON JAPANESE CAPITALISM

Influenced by Marxism, especially in the early half of the 1930s, some Japanese scholars debated about the essence of Japanese capitalism. This debate influenced Takashima’s later idea of civil society. The debate on Japanese capitalism was closely linked with the Japanese communist movement. The Japanese Communist Party was established in 1922, disbanded soon thereafter, and re-formed in 1926.

At that time, the party and its adherents believed in *Fukumoto-ism*, or the doctrine of Kazuo Fukumoto (1894–1983). Fukumoto insisted that the communist movement should be based on “separation and union.” Because he saw world capitalism as in decline, he maintained that the Japanese proletariat should collaborate with the global communists to accomplish the communist revolution. To do so, the pure Marxist movement of the proletariat needed to be separated from the various types of movements that were not purely based on Marxism. After the establishment of the pure proletariat party, the party should unite with the populace as a whole to bring about the revolution (Nagaoka 1984, pp. 8–16; for the debate on Japanese capitalism, see also Hoston 1986, ch. V; Barshay 2007, ch. III).

Party politics influenced the understanding of Japanese capitalism. In 1927, the Comintern in Moscow criticized Fukumoto-ism. As the *Thesis of 1927* of the Comintern declared, Japanese society was still dominated by the great landlords, the “feudal” element of Japan. Although, as mentioned above, Japanese and Western feudalism differed in many respects (Block et al. 1931, p. 217), the Comintern said that the domination of most lands by landlords in Japan forced farmers to be subject to landlords,

not only economically but also personally. According to the Comintern, modern bourgeois society needed to eliminate such hierarchical relationships. Since it had not done so, Japanese society was not yet a fully “bourgeois” society and remained “feudal.” Thus, the Comintern insisted that Japanese society required a “Bourgeois Revolution,” which, like the French Revolution, would achieve universal suffrage and the abolition of the monarchy (Nagaoka 1984, pp. 45–49).

Inspired by the *Thesis of 1927*, Eitaro Noro (1900–1934) described how Japanese capitalism developed. Although he had been arrested due to his participation in the Marxist movement, he published *Nihon Shihonshugi Hattatsushi* (The history of the development of capitalism in Japan) in 1930. He contended that whereas the Meiji Restoration (1868), or the regime change from Japanese feudalism to imperial rule, led to the Westernization of Japan, the regime deprived farmers of the feudal tenure of land. Under this modern Japanese feudalism, landlords exploited farmers and a small number of great landlords monopolized farmlands. This monopoly was sustained by the Japanese monarch, who was absolute and tyrannical. Because farmers who lost land became workers for manufacturers, the capitalist mode of production developed in Japan. Noro insisted that Japanese capitalism was thus different from Western capitalism (Noro 1983, pp. 201–206). Takashima was, of course, critical of Japanese feudalism. Indeed, in his *KK* of 1941, when he mentioned Smith as denying Western feudalism, Takashima intended to criticize the remnants of Japanese feudalism in modern times (Takashima 1985, pp. 214–215).

Affected by the Comintern, some scholars intensified their research on Japanese capitalism. In 1931, Kinnosuke Otsuka, Eitaro Noro, and others began working on a new series on Japanese capitalism called *Nihon Shihonshugi Hattatsushi Koza* (Lectures on the history of the development of capitalism in Japan). They were called the “Koza-ha,” and they sympathized with the Communist Party. In 1932, the Comintern issued the so-called *Theses of 1932*, or *The Theses of the West European Bureau of the ECCI on the Situation in Japan and the Tasks of the Japanese Communist Party*, which viewed the Japanese emperor as “the chief pillar of political reaction and of all the remnants of feudalism in Japan.” In addition, the Japanese government was described as a “backward, Asiatic, semi-feudal regime ... which hampers the development of its productive forces and promotes the degradation of agriculture and the pauperization of the greater part of the peasant population.” Moreover, Japanese capitalism was “predatory” and “monopolist” because its wages were lower than those in Europe (Degras 1965, pp. 196–197). The *Theses* focused on the “parasitic feudal class as a landlord” class (Hoston 1986, p. 73) that relied for its livelihood on exploiting farmers. Indeed, during the early 1930s, the International Labor Organization (ILO) criticized Japanese policy as “social dumping” because wages were reduced to increase exports (Johnson 1982, p. 105). In the Japanese cotton industry, the main source of exports, wages decreased by 29% during the 1930s, whereas wages in the British cotton industry decreased by only 9% (Hatase 2002, p. 155). As a result, the *Theses of 1932* declared, “The Communist Party of Japan, whose main goal is to establish socialism, must clearly and fully realize that in present Japanese conditions the road to the proletarian dictatorship must lead through the bourgeois-democratic revolution,” that is, “the overthrow of the monarchy, the expropriation of the landowners, and the establishment of the dictatorship of the workers and peasants. This will take the form of councils of workers, peasants, and

soldiers” (Degras 1965, pp. 197–198). Because the *Theses of 1932* denied a direct socialist revolution in Japan and encouraged a bourgeois revolution, they influenced the Koza-ha scholars, who shared the view promulgated in the *Theses* that Japanese society was still not fully Westernized. On the other hand, scholars with opposing views, called the *Rono-ha*, argued that the Meiji Restoration had indeed been a bourgeois revolution and that Japanese society was already modernized.

Among the Koza-ha scholars’ writings, the most influential book was Moritaro Yamada’s (1897–1980) *Nihon Shihonshugi Bunseki* (An analysis of Japanese capitalism), published in 1934 and included in *Nihon Shihonshugi Hattatsushi Koza*. Inspired by Noro and other Koza-ha scholars, Yamada developed his notions about Japanese capitalism. He was also inspired by the *Theses of 1932*, which viewed Japanese society as “semi-feudal.” Accordingly, Yamada described Japanese capitalism as a system in which landlords dominated farmers both economically and personally and to which farmers were required to submit. Although farmers legally had human rights, these rights were not respected in reality. Under this hierarchical relationship, farmers were exploited as quasi-slaves. When the Japanese capitalist mode of production developed, the capitalists exploited these quasi-slaves as a labor force. Under this situation, Japanese industries developed to help the Japanese army. The industries backed by the army were able to render wages as low as possible (Yamada 1934, pp. 160ff).

This line of argument influenced Takashima. In his 1942 essay “Tosei Keizai no Ronri to Rinri” (The logic and ethics of controlled economy), where Takashima analyzed Japanese society under the totalitarian regime, he made a direct comparison with British society. Takashima maintained that British society in Smith’s day had already fully developed individual freedoms. In contrast, Japanese society experienced no such freedoms. In Japan, companies were not fully capitalistic; they employed workers as if workers were family members, implying that their employees were required to be personally subject to employers. To make companies more fully modernized or capitalistic, government bureaucrats encouraged them to develop production power (Takashima 1997–98, vol. 1, pp. 353–354). This recognition of the semi-feudal condition of Japan was reminiscent of Yamada’s argument, but unlike Yamada, Takashima expected the government to modernize the Japanese economy. This argument became especially influential in the latter half of the 1930s and the early half of the 1940s, as I argue in the next section.

Takashima also later reflected that he formed the idea of civil society under the influence of Koza-ha notions (Takashima 1985, p. 216). Koza-ha theorists such as Noro and Yamada contended that the remnants of Japanese feudalism prevented Japan from developing Western-style capitalism. For Takashima, only Westernization, or the modernization of society, could lead to the establishment of civil society or liberation from hierarchical servitude. To understand how civil society is built, Takashima referred to Smith. When discussing Smithian civil society, Takashima himself insisted in his *KK* of 1941 that Smith denied hierarchy just as Takashima intended to refute Japanese feudalism, which was, of course, hierarchical, requiring people to submit to their superiors. However, as I discuss in the next section, Takashima also identified an obstacle that prevented Japanese society from developing civil society: totalitarianism.

## V. THE TOTALITARIAN REGIME

After the commencement of Sino-Japanese War (1937 to 1945), the Japanese government became increasingly totalitarian. The Showa Kenkyukai (Showa Research Association, a political think tank launched in 1933 to advise the prime minister) advocated that the state should control the Japanese economy. Its members maintained that the existing parties could not solve economic problems such as the domination of conglomerates over the economy (Ito 2015, ch. I). The leader of the Showa Kenkyukai was Fumimaro Konoe (1891–1945), the offspring of a prestigious aristocratic family. Konoe became a leading figure in the totalitarian movement in Japan, which aimed to abolish party politics by uniting all parties into one and uniting all people and companies in service to the state (Ito 2015, ch. VI).

Many Japanese Marxists and communists also came to support the totalitarian regime and its controlled economy. When Japanese society was transformed into a wartime economy in which all people and companies were obliged to contribute to government programs to support the war effort (Shirakizawa 1999, pp. 3–13), communists and Marxists were severely oppressed by the government. Most of them renounced communism, coming to believe that the totalitarian, controlled economy could dismantle the existing order under which the owners of conglomerates controlled the economy.

However, not all Marxists supported totalitarianism. Although both totalitarianism and socialist society could be seen as a controlled economy, Kinnosuke Otsuka, Takashima's supervisor at the Tokyo College of Commerce, had already distinguished the two. Before the rise of totalitarianism, Otsuka wrote in 1931 that while the Great Depression caused poverty and misery in the West, the Soviet Union did not suffer any adverse effects from the Depression because the economy was controlled by the government (Otsuka 1980–81, vol. 3, pp. 99–103). Although some such as Shikamatsu Mukai (1888–1979) saw the Fascist Italian regime as a model of a controlled economy, in contrast, Otsuka posited the Soviet Union as the ideal model. He also insisted that capitalism was incompatible with any properly planned economy (Otsuka 1980–81, vol. 3, p. 268). This suggests that he wished for a socialist revolution, not a Fascist regime. Takashima also rejected totalitarianism when he wrote *KK* in 1941 (Takashima 1985, p. 224). Takashima advocated civil society to counteract the state-controlled economy, much as Smith had envisaged a society not controlled by the state but rather formed democratically, as I argue in section VI.

Against the backdrop of increased control over capitalism, some intellectuals began to portray liberalism as old-fashioned. In his *Toseikeizai no Riron* (The theory of controlled economy) of 1938, Yoshio Honiden (1892–1978) argued that the liberalistic world order was finished. The end of that order also meant that the domination of a small number of companies over the economy was over. In place of monopolistic companies, the government now controlled the economy (Honiden 1938, ch. I).

In this atmosphere, totalitarian theory became more and more prominent. In 1939, Shintaro Ryu (1900–1967), a member of the Showa Kenkyukai (Hara and Nakamura 1973, p. 81), published *Nihonkeizai no Saihensei* (The rearrangement of Japanese economy), one of the most influential sources of propaganda for the wartime regime and its economic priorities. According to Ryu, because of the war, the Japanese economy was suffering from a shortage of goods. To alleviate this shortage, the government

rearranged and controlled the economy (Ryu 1939, pp. 8–12; about Mukai, Honiden, and Ryu, see also Yanagisawa 2008). The profits of companies were controlled by the state because pursuing profits could make companies produce less than necessary for the whole economy. Accordingly, companies were obliged to separate ownership from management or capitalists from managers because capitalists sought only profits. With this reorganization, capitalists were excluded, and managers and workers had no reason to be in conflict over who obtained profits. In short, managers and workers united. This was the true spirit of Sangyo Hokoku Undo (the movement of industry to serve the nation, a movement that made managers and workers establish unions under government fiat) (Ryu 1939, p. 157). Even though Ryu did not declare himself Marxist, his understanding of the economy was implicitly quasi-Marxist because he presupposed a class struggle in which capitalists and workers (or the proletariat) were in conflict in a capitalist society. He maintained that this conflict could be solved by governmental control of the economy.

Influenced by Ryu and the Japanese army's policy of restraining the profit of companies, the new regime was launched in 1940. This new regime, led by Konoe, attempted to control the activities of companies and their production. By merging companies, the regime attempted to enhance the productive powers to consolidate the military power of Japan (Hara and Nakamura 1973, pp. 86, 88–89). In 1940 and 1941, Konoe established a new economic order, the government mandating the productive output of companies, controlling industry, and separating capitalists from managers. Specifically, the government urged companies to restrict their profits and to increase their production of war material (Hara and Nakamura 1973).

Control of the economy was seen as enhancing national productivity. Takashima recognized what this meant politically. As he later reflected, national productive power was what the military advocated to mobilize the Japanese. In his *KK* of 1941, because he could not criticize the military directly, he criticized List's notion of national productive power to challenge totalitarianism indirectly. In doing so, of course, Takashima utilized Smith's view of society (Takashima et al. 1993 [Takashima's remark], pp. 11, 13–14). As he reflected later, since approximately 1935, Japanese society had gradually become totalitarian. At that time, scholars increasingly supported List's views (Takashima 1985, pp. 214–215). List's idea of national productive power emphasized the importance of the nation-state as essential for the economy. Takashima recollected that this coincided with the campaign to enhance wartime national productive power (Takashima et al. 1993 [Takashima's remark], pp. 13–14).

One background for the argument on productive power was the debate about social policy. Without affirming totalitarianism directly, Kazuo Okouchi (1905–1984), who studied social policy and the history of economic thought, insisted that social policy, or governmental policy, could enhance this productivity. In his *Roudou Hogo Rippo no Riron ni Tsuite* (On the theory of the legislation of protecting workers) of 1933, he maintained that workers in capitalist society must be protected; otherwise, the number of workers would decrease (Okouchi 1981, vol. 1, pp. 3–6). In his 1936 *Doitsu Shakai-seisaku Shisoshi* (The history of German social policy thought), in describing the history of social policy in Germany, he maintained that after World War I, social policy no longer aimed at the wealth of the working class but that of all classes of society. Social policy was not merely for distributing goods for workers but also for sustaining the economy (Okouchi 1936, p. 675). Indeed, for Okouchi, enhancing production required

the welfare of workers, and welfare must be advanced through governmental intervention in the economy. Against this stance, Yasoji Kazahaya (1899–1989), a scholar on social policy, published *Nihon Shakaiseisakushi* (The history of Japanese social policy) in 1937. For Kazahaya, both enhancing production (or the maintenance of economy) and distributing goods for workers were necessary for social policy. Kazahaya insisted that Okouchi ignored the distribution (Kazahaya 1937, p. 5; on this debate, see also Kishimoto 1950, ch. III).

Okouchi emphasized that enhancing production required national policy. In his *Smith to List: Keizairinri to Keizaiseisaku* (Smith and List: Economic ethics and economic theory) of 1943, he argued that whereas Smith thought that individuals were the main actors of the economy and ignored the role of the state and nation (Okouchi 1943, p. 5), List attached great importance to the domestic or national market. List lived in Germany, where there was no nation-state. According to Okouchi, divided states obstructed the development of the domestic market that led to increased productive power because the national market could lead to the abolition of domestic customs and the adoption of protective tariffs (Okouchi 1943, pp. 322, 410). In other words, the domestic or national market was crucial for economic growth. Okouchi admired List because List recognized that the nation-state and its policy were decisive for increasing productive power. Despite advocating the rational control of the economy by the government, Okouchi thus theoretically justified a controlled economy (Takahata 1960, pp. 204, 216–217).

Takashima did not consider the controlled economy as permanent. In his 1942 essay “Tosei Keizai no Ronri to Rinri” (The logic and ethics of controlled economy), Takashima suggested that the wartime controlled economy was only transient, and that the controlled economy in his day was not liberated from business cycles and unemployment, so it remained the same economic structure as the liberal economy (Takashima 1997–98, vol. 1, pp. 325–326).

While Takashima's controlled economy was based on a liberal economy, he also differentiated a controlled from a planned economy. Distinguishing between them was important for Takashima and his contemporaries as they tried to come to terms with their political moment. Like Otsuka, his former mentor, who separated the Fascists' controlled economy from the planned economy of the Soviet Union, Takashima drew a distinction between a planned and a controlled economy. To create a planned economy, Japanese society would, of course, have to undergo a regime change because the controlled economy was based on the liberal means of production (or capitalist mode of production). The manner of productive power decided the essence of the economy (Takashima 1997–98, vol. 1, p. 350). Takashima here implicitly rejected a totalitarian vision like Ryu's, in which the controlled economy could overcome the conflict between capitalists and the proletariat.

## VI. TAKASHIMA'S PROMULGATION OF ADAM SMITH

In the early 1940s in Japan, scholars such as Takashima could not speak or write freely. Takashima's writings had to be acceptable to the totalitarian regime, whose ideology was anathema to his ideal of Smithian civil society, as he made clear in his *KK* of 1941. Although Takashima seemed to accept the totalitarian campaign to enhance national

productive power, he saw “productive power” as the core of civil society. The military, under the totalitarian regime, advocated national mobilization and asked people to contribute to the enhancement of “national productive power,” an idea that Takashima regarded as similar to List’s view (Takashima et al. 1993 [Takashima’s remark], pp. 13–14). However, in his *KK* of 1941, Takashima’s vision of “productive power” was Marxist, and not based on List’s terminology. As he reflected later, unlike List, Marx’s “productive power” was associated with human relationships. As humans, workers engaged in production (Takashima et al. 1993 [Takashima’s remark], pp. 14–15). In this sense, Takashima believed that Marx grasped the humane, social, and political background of capitalist modes of production. Although Takashima did not mention Marx publicly, he used the term “productive power,” implying a Marxist economic framework in the name of List and totalitarianism. Since Takashima’s idea of productive power did not affirm a controlled economy, his vision of society was more Smithian than Marxist.

Takashima found that he could utilize the Marxist term “productive power” to promulgate Smithian notions. In Japanese translations of *The Wealth of Nations*, “productive power” was usually translated as “*seisanryoku*.” However, the term “productive” was also translated as “*seisanryoku*” (Smith 1976b, I.i.4, p. 16; Smith 1931 [Kenji Takeuchi’s translation], p. 105). In this way, Takashima embraced Marxist terminology in reality, and he did so “cunningly,” as he recollected (Takashima et al. 1993, pp. 13–15). Because he did not define what “productive power” was, his usage of it was intentionally ambiguous.

This ambivalent usage of words was also seen in his intentionally ambivalent idea of civil society. Smith himself did not use the term “civil society” frequently. In his *Lectures on Jurisprudence*, he mentions it twice, as society “enter’d into contract to obey one common sovereign,” that is, political society (Smith 1978, pp. 397, 401). In *Theory of Moral Sentiments*, Smith used the expression “civil society” once as incompatible with brutish society (Smith 1976a, I.ii.4-3, p. 40). In *The Wealth of Nations*, he refers to “civil society” once as a non-ecclesiastical society (Smith 1976b, V.i.g., p. 807). This usage, as I argued in the introduction to this paper, was reminiscent of the Aristotelian and Hobbesian usage of the term as a society of citizens. Takashima said, “Civil society was the word British people used continuously since Hobbes.... In English, ‘civil’ ... meant secular against ecclesiastical, military against civilian, popular against commonwealth.” Nonetheless, “civil society” primarily meant “the modern social relationship which was liberated from medieval bondage economically, politically, and culturally” (Takashima 1941, p. 126). Takashima viewed “civil society” as a society of free citizens who were liberated from feudal, hierarchical relationships. This notion of a society of equal citizens was inspired by Hobbes. Hobbes emphasized the subjection of people to their sovereign, but Takashima focused on his egalitarian notions, namely, that equal citizens constituted political society. Therefore, Takashima espoused his own version of civil society.

Whereas Takashima himself said later that the translation of “civil society” (Shimin Shakai) was first used by Kinnonsuke Otsuka (Takashima et al. 1993 [Takashima’s remark], p. 19), Otsuka did not use the term in published writings before the end of World War II, according to my research. It was Takashima who changed the meaning of “civil society.” Before him, as noted earlier, “civil society” was the translation of the German expression *bürgerliche Gesellschaft*, used to refer to Marx’s bourgeois society

(or to a society composed of the bourgeoisie) or to Hegel's economy as a transitional period from family to state (Uemura 2010, pp. 143, 162–181).<sup>3</sup>

In his *KK* of 1941, Takashima conceded that his age saw the end of liberalistic civil society. However, because he was concerned about the type of society that would replace liberalistic civil society, it was necessary to understand what civil society was (Takashima 1941, p. 116). While conceding that the superseding society could be totalitarian, he focused not on totalitarianism but on civil society. In other words, he tried to elucidate Smith's civil society, in which people enjoyed freedom and equality under the law.

Takashima concentrated particularly on the moral, legal, and economic aspects of civil society. Having read the 1923 edition of Glenn R. Morrow's *Ethical and Economic Theories of Adam Smith*, Takashima maintained that Smith had been the first to distinguish moral capacity from virtue. As Takashima explained, in Smith's morality, sympathy was based on moral judgment and not moral virtues per se. Sympathy was the imaginary changes in situations and made people see their passions objectively. Thus, Takashima believed that people could control their behavior (Takashima 1941, pp. 173–174). As he explained, when seeing another's behavior, one recognizes the self-control of the other, the control that leads to moral virtue such as prudence. Because prudence is self-interested, self-interest was therefore not morally vicious (Takashima 1941, p. 177–178).

For Takashima, self-interest was not socially harmful so long as people protected against injustice. Because people live in society, it is their duty to protect justice. This sense of justice emerged from moral sentiments; when they saw someone do something wrong, they felt indignation and came to have a sense of justice. As a result, Takashima believed that morality preceded justice (Takashima 1941, p. 154). Because people shared this sense of justice, they could establish legal justice under the principles by which government is managed. This is what Takashima considered Smith's model of the formation of civil society, the society in which people protect morality, justice, and law.

Takashima's civil society also had an economic dimension, meaning capitalist society. For Takashima, in civil society, like capitalism, productive power could develop fully, so agriculture, manufacturing, and commerce were able to flourish (Takashima 1941, p. 133). As the economy developed, so did governments and laws. Since government development was connected with economic development, Takashima thus concluded that Smith did not ignore the role of the state in civil society (Takashima 1941, p. 198).

For Takashima, the function of a state was necessary for true liberalism in Smith. Takashima cited Fukuda's view of Smith as realizing the function of a state (as I argued in section II). Because Smith's liberalism was based on "propriety and justice" rather than ultra-individualism, Takashima regarded Smith as "truly liberalistic" (Takashima 1941, p. 199). Takashima contended that Smith thought that both individuals and their

---

<sup>3</sup> On the terminology of civil society and *bürgerliche Gesellschaft*, see Riedel (1975); Riedel (1984, ch. IV); Colas (1997, ch. VII); Yoshida (2005, ch. III). On the Japanese reception of the term "civil society," see Yoshida (2005; ch. V), who deals with the postwar reception of the term, while Onodera (2015) deals with the genealogy of civil society from the pre-war to the postwar era. Onodera (2015, ch. II) and Watanabe (2007, ch. II) address Takashima's notion of civil society. However, these studies do not elucidate why Takashima emphasized the idea of civil society.



protecting justice were essential for social maintenance (Takashima 1941, pp. 199–200). For Takashima, individuals mattered, and their protection of justice and morality was essential for civil society.

Takashima said that Smith also referred to commercial society as “civil society” (Takashima 1941, p. 130). For Takashima, Smith’s commercial society centering on the economy was basic to civil society because an economy in which goods were exchanged by people formed the essential framework of society. Nevertheless, Takashima did not see Smith as an economic determinist. Takashima insisted that, for Smith, people exchange goods in civil society because their lives depend on their social relationships (Takashima 1941, pp. 235–236), and these relationships include morality in civil society. Civil society was based on the division of labor and the exchange of goods, wealth was created by labor, and the exchange and circulation of goods were part of the process (Takashima 1941, p. 235).

Although, in his 1927 dissertation, Takashima enumerated Schumpeter’s five causes of innovation, he focused only on innovation in productive processes (Takashima 1998, vol. 1, p. 58), ignoring Schumpeter’s consideration of “the introduction of a new good” and “the opening of a new market” as the causes of innovation (Schumpeter 1996, p. 66). In productive processes, Takashima focused on labor. In his *KK* of 1941, he argued that Smith understood the sources of income as derived from the labor of workers and farmers. Labor was the source of income (Takashima 1941, pp. 225–227), and civil society was based on people’s labor as productive power. Takashima called Smith’s system of society the system of “productive power” (Takashima 1941, pp. 235–237). However, Takashima also understood the limits of Smith’s system. For Takashima, as List argued, Smith did not clarify how productive power is created. Unlike Smith, List had a theory of productive power that explained how a nation creates it (Takashima 1941, pp. 237–241).

Nonetheless, Takashima was critical of contemporary views of List. When Takashima compared Smith with List, List had become popular in Japan and Germany. The German scholars who reinterpreted List (such as Edgar Salin [1892–1974], whose *Geschichte der Volkswirtschaftslehre* was translated by Takashima in 1935) distinguished Smith from List, depicting the latter as the representative theorist of a controlled economy or of a national political economy. As Takashima argued, although he described the story of the developmental stages of a nation, this story has not yet been historically evidenced; when List emphasized the unification of a nation, he did not clarify how a nation could move forward to the next stage (Takashima 1941, pp. 320–321). Takashima admitted that Smith was sometimes considered more cosmopolitan than List. However, for Takashima, cosmopolitanism and nationalism both aimed at the development of productive power, and they denoted different stages in its development. Takashima recognized that both standpoints should be grasped historically from the perspective of civil society (Takashima 1941, pp. 364–368).

By historicizing civil society, Takashima tried to understand the controlled economy of his day, which moved from the control of the circulation of goods to that of social productive power. While liberty from control had been seen as contributing to the development of productive power, when Takashima was writing, overcoming the non-control of the economy was seen as contributing to economic development. This change from non-control to a controlled economy was only a step in the development of productive power (Takashima 1941, pp. 360–363). Here, Takashima opposed his

contemporaries, who saw the controlled economy as the final goal of social development.

Accordingly, although Takashima recognized contemporary views of the controlled economy, he did not think of it as the final, ideal state of society. Instead, he believed that the goal of society was civil society. As I argued above, he later reflected that he was inspired by Marx in his perspective on Smith. However, regardless of his intention, in the prevailing political situation, he could not refer to Marx. By studying Smith, Takashima found a social vision that was not necessarily Marxist. Indeed, his ideal of civil society was thoroughly Smithian. Takashima's advocacy of Smith created a unique vision. Takashima himself later reflected that his idea of civil society was a unique concept espoused only in Japan (Takashima et al. 1993, p. 21). This unique vision inspired many intellectuals in Japan, especially after the end of World War II.

## VII. TAKASHIMA'S IMPACT ON POSTWAR THINKERS

Takashima's vision of civil society inspired postwar thinkers to establish Civil Society School (*Shimin Shakai ha*) in Japan.

The end of World War II liberated Japan from totalitarianism. Nevertheless, Takashima did not stop studying Smith. His *KK* of 1941 was revised in 1947 and 1974. His book of 1947 and 1974 was titled *Adam Smith no Shiminshakai Taikei* (Adam Smith's system of civil society). As the title suggests, Takashima advocated his idea of civil society more explicitly here.

Takashima focused on his Marxist stance more after the war. As Takashima himself recollected, Marx's social view was based on Smith's notion of civil society. Takashima saw Smith as crucial to understanding Marx. Takashima regarded the labor theory of value as the core of civil society because, by understanding the theory, people could see how wealth was produced by labor. For Takashima, this understanding enabled Smith and other classical political economists to discern the capitalist mode of production (Takashima 1997–98, vol. 6, p. 216).

Nonetheless, Takashima maintained his vision of civil society. After the war, Takashima more openly advocated civil society. Takashima argued that Smith saw civil society as contributing to the liberation of humanity because Smith affirmed human nature (Takashima 1947, pp. 239–241). Therefore, liberation meant freedom from feudalism. Takashima continued to hold his vision of civil society as not merely an adjunct of Marxist socialism but also an equal and non-hierarchical society and not subject to hierarchical relationships because he saw Japanese feudalism as a problem to be overcome (as I discussed in section IV).

Takashima inspired other social scientists to have a vision of civil society. This egalitarian vision encouraged them to advocate a more equal, non-feudal, and anti-totalitarian society in Japan. Yoshihiko Uchida, in his 1953 book *Keizaigaku no Seitan*, claimed that Smith saw civil society as a free and liberal society. First, Uchida viewed Smith's civil society as free from feudalism. Farmers were liberated from the feudal relationship and became independent and free (Uchida 1988–89, vol. 1, p. 91).

Uchida, like Takashima, investigated Smith's view of society not only economically but also morally and politically. For Uchida, Smith examined civil society on the basis of

his moral philosophy. Uchida insisted that Smith was not solely an economist who wrote the *Wealth of Nations* but also a moral philosopher who published *The Theory of Moral Sentiments*. The latter book was the foundation of his legal and economic view of society. When Uchida mentioned this point, he referred to Takashima as his precursor (Uchida 1988–89, vol. 1, pp. 59–60).

When arguing for civil society, Uchida elucidated how civil society developed in the West. Uchida insisted that in the West, even after the liberation of farmers from the feudal relationships, landlords continued to exploit farmers through harsh rent so that farmers were obstructed from growing economically. Under this condition, free citizens in cities outside this feudal relationship became wealthy (Uchida 1988–89, vol. 1, pp. 129–133). Accordingly, Western civil society developed. However, Uchida noted that Smith recognized a problem in Western civil society. Free citizens in cities were merchants and manufacturers who were forced to export their commodities because the domestic, agricultural market was narrow due to the poverty of farmers who were exploited by landlords. Merchants and manufacturers tried to obtain a monopoly on trade or manufacturing to earn extra profits from export. They were supported by the absolutist government. For Uchida, Smith saw that kind of government as problematic because it waged war against other countries to obtain the monopoly of trade (Uchida 1988–89, vol. 1, pp. 129–133).

At that time, Uchida argued that Smith thought of absolutism as resulting in imperialism, like the Seven Years War (1756 to 1763). Uchida recollected later that when he referred to that war, he had World War II (the Pacific War) on his mind (Uchida 1988–89, vol. 1, pp. 313). Uchida thought of civil society as a society of citizens liberated from feudalism and absolutism. Whereas Takashima focused on freedom from feudalism in elucidating civil society, Uchida had in mind the feudal aspects of pre-war Japan, which he believed included absolutism, or totalitarianism as the Japanese version of absolutism.

In addition to Uchida, Hiroshi Mizuta advocated the idea of civil society after the end of World War II. When Mizuta was a student at Tokyo College of Commerce, his supervisor was Takashima. At a seminar with Takashima, Mizuta read Smith's *Wealth of Nations* as well as Thomas Hobbes's *Leviathan* and John Locke's *Second Treatise of Government* (Mizuta 1994, pp. 244–245). Mizuta was inspired by Takashima's *KK* as well as his lecture on the history of economics, the lecture that corresponded to that book. In that lecture, Mizuta studied Smith's view of civil society (Mizuta 1994, p. 262). In his *Adam Smith Kenkyu Nyumon* (Introduction to Adam Smith's study) of 1954, Mizuta maintained that Smith grasped capitalist society as civil society, or a society composed of citizens. According to Mizuta, in understanding civil society, Smith defended the position of manufacturing capitalists. However, after Smith's time, the capitalists did not represent all members of society and battled with workers to earn profits, whereas in Smith's time, they spoke for all members. Smith saw capitalists as citizens who were liberated from feudal relationships and were free. Later, the capitalists became only one class of society; in his age, the capitalists acted for all citizens who would like to be free (Mizuta 1954, pp. 175–176). Inspired by Takashima, Mizuta held the ideal of a free, equal society as civil society. Mizuta and other people have continued to advocate the ideal of civil society to make society equal and free.

## VIII. CONCLUSION

In his *KK* of 1941, Takashima seemed to acknowledge that the controlled economy was a historical stage. However, his goal was a Smithian civil society where people, based on their spontaneous maintenance of morals, protect justice and act freely. This spirit of civil society was the opposite of the totalitarian view of society.

## REFERENCES

- Barshay, Andrew E. 2007. *The Social Sciences in Modern Japan: The Marxian and Modernist Traditions*. Berkeley: University of California Press.
- Block, Marc, Albert Howe Lybyer, Otto Franke, and Kan'ichi Asakawa. 1931. "Feudalism." In E. R. A. Seligman and A. Johnson, eds., *Encyclopaedia of the Social Sciences*. Volume 5. New York: Macmillan, pp. 203–220.
- Colas, Dominique. 1997. *Civil Society and Fanaticism: Conjoined Histories*. Translated by Amy Jacobs. Stanford: Stanford University Press.
- Degras, Jane, ed. 1965. *The Communist International 1919–1943 Documents*. Volume III, 1929–1943. London, New York, and Toronto: Oxford University Press.
- Dower, John W. 1999. *Embracing Defeat: Japan in the Wake of World War II*. London: Allen Lane.
- Fletcher, William Miles, III. 1982. *The Search for a New Order*. Chapel Hill: University of North Carolina Press.
- Fukuda, Tokuzo. 1923. "Kousei Keizaigaku no Toshi toshiten Adam Smith" [Smith as a fighter for welfare philosophy]. *Shogaku Kenkyu* 3 (2): 389–424.
- Fukuzawa, Yukichi. 2008. *An Outline of a Theory of Civilization*. Revised translation by David A. Dilworth and G. Cameron Hurst, III. New York: Columbia University Press.
- Hara, Akira, and Takafusa Nakamura. 1973. "Keizai Shintaisei" [The new regime of economy]. In Nihon Seijigakkai, ed., *Konoe Shintaisei no Kenkyu* [The study of Konoe New Regime]. Tokyo: Iwanami Shoten, pp. 71–133.
- Hatase, Mariko. 2002. "Devaluation and Exports in Interwar Japan: The Effects of Sharp Depreciation of the Yen in the early 1930s." *Monetary and Economic Studies* 20 (3): 143–180.
- Hobbes, Thomas. 1996. *Leviathan*. Edited by Richard Tuck. Cambridge: Cambridge University Press.
- Honiden, Yoshio. 1938. *Toseikeizai no Riron* [The theory of controlled economy]. Tokyo: Nihon Hyoronsha.
- Hoston, Germaine A. 1986. *Marxism and the Crisis of Development in Prewar Japan*. Princeton: Princeton University Press.
- Ikeo, Aiko. 2014. *A History of Economic Science in Japan: The Internationalization of Economics in the Twentieth Century*. Abingdon and New York: Routledge.
- Ikeo, Aiko, and Masazumi Wakatabe. 2000. "Adam Smith in Japan: Reconsidered from a Non-Marxist Perspective." In Cheng-chung Lai, ed., *Adam Smith Across Nations: Translations and Receptions of The Wealth of Nations*. Oxford: Oxford University Press, pp. 207–220.
- Ito, Takashi. 2015. "Taisei Yokusankai heno Michi: Konoe Shintaisei" [The road to the Imperial Rule Assistance Association: The new regime of Konoe]. Tokyo: Kodansha.
- Johnson, Charlmers. 1982. *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925–1975*. Redwood City, CA: Stanford University Press.
- Kamioka, Osamu. 2000. "Takashima Zenya no Seijikatsudo heno kakawari: aratani kakunin sareta shiryō to no kankei ni tsuite" [Zenya Takashima's political commitment: Newly discovered documents and his relationship with the party]. In Masao Watanabe, ed., *Symposium Takashima Zenya: sono gakumonteki sekai* [Symposium Zenya Takashima: The world of his scholarship]. Tokyo: Kobushi Shobo, pp. 181–212.

- . 2010. *Takashima Zenya Kenkyusha heno Kiseki: Kodoku deha aruga koritsu deha nai* [Zenya Takashima: The trajectory for a researcher: lonely but not in isolation]. Tokyo: Shinhyoron.
- Kawakami, Hajime. 1982–1986. *Kawakami Hajime Zenshu* [The complete works of Hajime Kawakami]. Tokyo: Iwanami Shoten.
- Kazahaya, Yasoji. 1937. *Nihon Shakaiseisakushi* [The history of Japanese social policy]. Tokyo: Nihon Hyoronsha.
- Kishimoto, Eitaro. 1950. *Shakaiseisakuron no Konponmondai* [The fundamental problems of the theory of social policy]. Tokyo: Nihon Hyoronshinsha.
- Matoba, Akihiro. 2007. “Seisanryoku to Kachiron womeguru Ronso to Soryokusen Taisei” [The debate on the power of production and value theory and the regime of the total war]. In Masao Watanabe, ed., *Takashima Zenya: Sono Gakumonteki Sekai* [Zenya Takashima: His scholarship]. Tokyo: Kobushi Shobo, pp. 86–107.
- Mizuta, Hiroshi. 1954. *Adam Smith Kenkyu Nyumon* [Introduction to Adam Smith’s study]. Tokyo: Miraisha.
- . 1994. *Hyoronshu Critical ni* [Critical essays]. Tokyo: Ochanomizu Shobo.
- Nagaoka, Shinkichi. 1984. *Nihon Sihonshugironso no Gunzo* [Figures of the Japanese capitalism debate]. Kyoto: Minerva Shobo.
- Niimura, Satoshi. 1998. “Modernization and the Studies of Adam Smith in Japan during and after the World War II: Kazuo Okouchi, Zenya Takashima and Yoshihiko Uchida.” In Shiro Sugihara and Toshihiro Tanaka, eds., *Economic Thought and Modernization in Japan*. Cheltenham and Northampton: Edward Elgar, pp. 117–130.
- Nishizawa, Tamotsu. 2007. “Takashima Zenya: Keizai Shakaigaku no Tankyu” [Zenya Takashima: His quest for economic sociology]. In Masao Watanabe, ed., *Takashima Zenya: Sono gakumonteki sekai* [Zenya Takashima: His scholarship]. Tokyo: Kobushi Shobo, pp. 37–60.
- Noro, Eitaro. 1983. *Nihon Shihonshugi Hattatsushi* [The history of the development of capitalism in Japan]. Tokyo: Iwanami Shoten.
- Okouchi, Kazuo. 1936. *Doitsu Shakaiseisaku Shisoshi* [The history of German social policy thought]. Tokyo: Nihon Hyoronsha.
- . 1943. *Smith to List: Keizairinri to Keizaiseisaku* [Smith and List: Economic ethics and theory]. Tokyo: Nihon Hyoronsha.
- . 1981. *Okouchi Kazuo Shu* [Collected writings of Kazuo Okouchi]. Volume 1. Tokyo: Rodo Shunposha.
- . 2000. “A Short History of Japanese Translations of The Wealth of Nations.” Translated by Tatsuya Sakamoto. In Cheng-chung Lai, ed., *Adam Smith Across Nations: Translations and Receptions of The Wealth of Nations*. Oxford: Oxford University Press, pp. 181–193.
- Okouchi, Kazuo, and Kyoji Tazoe. 1965. “Nihon niwokeru Adam Smith Kenkyu no Shodankai” [Various stages of Adam Smith’s scholarship in Japan]. In Adam Smith no Kai, ed., *Adam Smith no Aji* [The taste of Adam Smith]. Tokyo: Tokyo Daigaku Shuppankai, pp. 65–110.
- Onodera, Kenta. 2015. *Sengo Nihon no Syakaishisoshi: Kindaika to Shimin Shakai no Hensen* [A history of postwar Japanese social thought: Modernization and the transformation of civil society]. Tokyo: Ibunsha.
- Ota, Kazuo. 1938. “Adam Smith no Doutoku Tetsugaku ni Tsuite” [On Adam Smith’s moral philosophy]. *Hitotsubashi Ronso* 2 (6): 696–716.
- Otsuka, Kinnoyuke. 1980–81. *Otsuka Kinnoyuke Chosakushu* [The writings of Kinnoyuke Otsuka]. Tokyo: Iwanami Shoten.
- Riedel, Manfred. 1975. “Bürgerliche Gesellschaft.” In Otto Brunner, Werner Conze, and Reinhard Koselleck, eds., *Geschichtliche Grundbegriffe*. Stuttgart: Ernst Klett Verlag, pp. 719–801.
- . 1984. *Between Tradition and Revolution: The Hegelian Transformation of Political Philosophy*. Cambridge: Cambridge University Press.
- Ryu, Shintaro. 1939. *Nihonkeizai no Saihensei* [The rearrangement of Japanese economy]. Tokyo: Chuokoronsha.

- Sakamoto, Tatsuya. 2017. "Adam Smith's Dialogue with Rousseau and Hume: Yoshihiko Uchida and the Birth of *The Wealth of Nations*." In Fonna Forman, ed., *Adam Smith Review* 9: 127–144.
- Schumpeter, Joseph A. 1996. *The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle*. New Brunswick and London: Transaction Publishers.
- Scott, James C. 1990. *Domination and the Arts of Resistance: Hidden Transcripts*. New Haven: Yale University Press.
- Shirakizawa, Asahiko. 1999. *Daikyokoki Nihon no Tsushomondai* [The trade problem in Japan during the Great Depression]. Tokyo: Ochanomizu Shobo.
- Shisonokagaku Kenkyukai. 1960. *Kyodokenkyu Tenko* [Joint research: Conversion]. Tokyo: Heibonsha.
- Smith, Adam. 1884–1888. *Fukokuron* [Wealth of nations]. Trans. by Eisaku Ishikawa and Shosaku Saga, supervised by Shinpachi Shaku. Tokyo: Keizai Zasshisha.
- . 1931. *Kokufuron* [Wealth of nations]. Translated by Kenji Takeuchi. Tokyo: Kaizosha.
- . 1976a. *The Theory of Moral Sentiments*. Edited by D. D. Raphael and A. L. Macfie. Oxford: Oxford University Press.
- . 1976b. *An Inquiry into the Nature and Causes of the Wealth of Nations*. Edited by R. H. Campbell, A. S. Skinner, and W. B. Todd. Oxford: Oxford University Press.
- . 1978. *Lectures on Jurisprudence*. Edited by R. L. Meek, D. D. Raphael, and P. G. Stein. Oxford: Oxford University Press.
- Sombart, von Werner. 1902. *Der Moderne Kapitalismus*. Leipzig: Duncker & Humblot.
- Sugihara, Shiro. 1956. "Wagakuni no Smith Kenkyushi ni kansuru Oboegaki" [A note on bibliography of Adam Smith in Japan]. *Kansai University Keizai Ronshu* 6 (4): 277–295.
- . 1972. "Nihon niwokeru Adam Smith." [Adam Smith in Japan]. In Kazuo Okouchi, ed., *Kokufuron Kenkyu* [The study of *The Wealth of Nations*], pp. 149–186.
- . 1980. *Kindai Nihon Keizaishiso Bunkensho* [An abridged literature of modern Japanese economic thought]. Tokyo: Nihon Keizai Hyoronsha.
- . 2000. "Adam Smith in Japan." Abridged by Cheng-chung Lai, and translated by Aiko Ikee. In Cheng-chung Lai, ed., *Adam Smith Across Nations: Translations and Receptions of The Wealth of Nations*. Oxford: Oxford University Press, pp. 194–206.
- Sugiyama, Chuhei, Ikuo Omori, and Hiroshi Takemoto. 1993. "Adam Smith in Japan." In Hiroshi Mizuta and Chuhei Sugiyama, eds., *Adam Smith: International Perspectives*. New York: St. Martin's Press, pp. 293–313.
- Takahata, Michitoshi. 1960. "Seisanryoku Riron: Okouchi Kazuo to Kazahaya Yasoji" [The theory of productive power: Kazuo Okouchi and Yasoji Kazahaya]. In Shiso no Kagaku Kenkyukai, ed., *Kyodo Kenkyu Tenko* [Joint research: Conversion]. Volume 2. Tokyo: Heibonsha, pp. 201–247.
- . 1941. *Keizaishakagaku no Konponmondai* [The fundamental problems of economic sociology]. Tokyo: Nihon Hyoronsha.
- . 1947. *Adam Smith no Shiminshakai Taikei* [Adam Smith's system of civil society]. Tokyo: Nihon Hyoronsha.
- . 1984. *Mizukara Bohyo wo Tatsu: Watashi no Jinseiron Note* [Setting up a grave-post by myself: a note on my life]. Yokohama: Akiyama Shobo.
- . 1985. *Ningen Fudo to Syakaikagaku: Zoku Watashi no Jinseiron Note* [Human, climate, and social science: A sequel of a note on my life]. Yokohama: Akiyama Shobo.
- . 1997–98. *Takashima Zenya Chosaku Shu* [The works of Zenya Takashima]. Tokyo: Tobushi Shobo.
- Takashima, Zenya, Hiroshi Mizut, Chuhei Sugiyama, Ikuo Omori, and Tatsuya Sakamoto. 1993. "Shimin Shakairon ni mukete" [Toward civil society]. In Hiroshi Mizuta and Chuhei Sugiyama, eds., *Adam Smith wo Kataru* [Talking on Adam Smith]. Kyoto: Minerva Shobo, pp. 1–27.
- Uchida, Yoshihiko. 1988–89. *Uchida Yoshihiko Chosakushu* [Collected writings of Yoshihiko Uchida]. Tokyo: Iwanami Shoten.
- . 1953. *Keizaigaku no Seitan* [The birth of political economy]. Tokyo: Miraisha.
- Uemura, Kunihiko. 2010. *Shimin Shakai towa nanika: Kihon gainen no Keifu* [What is civil society?: A genealogy of a basic concept]. Tokyo: Hei.

- Wada, Shigeji. 2007. "Takashima Sensei to Shiminshakairon to Smith" [Prof. Takashima, civil society, and Smith]. In Masao Watanabe, ed., *Takashima Zenya: Sono Gakumonteki Sekai* [Zenya Takashima: His scholarship]. Tokyo: Kobushi Shobo, pp. 37–60.
- Watanabe, Masao. 2007. *Shimin Shakai to Fukushi Kokka* [Civil society and welfare state]. Kyoto: Showado.
- Yamada, Moritaro. 1934. *Nihon Shihonshugi Bunseki* [An analysis of Japanese capitalism]. Tokyo: Iwanami Shoten.
- Yamanouchi, Yasushii, J. Victor Koschmann, J. Victor, and Ryuichi Narita, eds. 1998. *Total War and 'Modernization.'* Ithaca: East Asia Program, Cornell University.
- Yamazaki, Satoshi. 1971. "Adam Smith: Hitotsuno Josho" [Adam Smith: an introductory chapter]. In Shiro Sugihara, ed., *Kindai Nihon no Keizai Shiso: Kotenha Keizaigaku Donyukatei wo Chushin toshite* [The economic thought of modern Japan: Centring on the introductory processes of the introduction of classical political economy]. Kyoto: Minerva Shobo, pp. 115–172.
- Yanagisawa, Osamu. 2008. *Senzen Senchu Nihon no Keizaishiso to Nazism* [Economic thought before and during the war and Nazism]. Tokyo: Iwanami Shoten.
- Yoshida, Masatoshi. 2005. *Shimin Shakairon: Sono Riron to Rekishi* [A treatise of civil society: Its theory and history]. Tokyo: Otsuki Shoten.