Review: How Japanese Marxism Shaped a Taiwanese Economist

Chinese intellectuals' attention to external debates has historically stemmed from the needs of Chinese social reality. While there is nothing intrinsically objectionable about this approach, this has often led to intellectuals overlooking the evolution of significant scholarly debates. For example, the Japanese intellectual world long served as an intermediary for the transmission of Western thought to China; Japanese scholars' translations and introductions of Marxism played a significant role in its dissemination in China. However, while Chinese scholars were engrossed in efforts to interpret Chinese history through historical materialism, they were indifferent to, or unaware of, contemporaneous debates in Japan about Japanese capitalism and the nature of Japanese society.[1]

It is difficult today to imagine the enormous influence that left-wing and Marxist thought had on Japanese intellectuals from the 1920s to the 1970s. Confronted with the profound contradictions of the modernisation process that began with the Meiji Restoration, many Japanese intellectuals turned to Marxist political economy and modernist critiques of Japanese culture.

With the victory of the Chinese Revolution and the onset of the Cold War, the flow of Chinese students to Japan was interrupted. By the time study abroad programmes resumed in the 1980s, the influence of Marxism in Japanese academia had waned. Postmodernist philosophy became dominant and social sciences shifted towards US-style quantitative approaches. Furthermore, against the backdrop of the Reform and Opening Up process, Chinese scholars were understandably more concerned with Japan's economic successes and showed little interest in the left-wing social scientific critiques of Japan's feudal or backward character. This orientation gave rise to a vulgar Weberian neotraditionalist tendency – the argument that Japanese culture facilitated Japan's modernisation.

In this context, Qiu Shijie's book *Liu Shinkei: An Intellectual Biography* (2022) provides an invaluable perspective for Chinese academia. The book is a biography of Taiwanese economist Liu Shinkei, who spent much of his intellectual life in Japan during the heyday of Japanese Marxism. Steeped in this intellectual milieu, Liu wrote a groundbreaking PhD thesis titled *Analysis of Taiwan's Post-War Economy* (1972), which was published as a book in Japan in 1975 and translated to Chinese in 1992.[2] Qiu's book provides both a valuable resource for academics on both sides of the Taiwan Strait on Taiwan's post-war economy and Japanese Marxist debates through the eyes of Liu.

The Formation of Liu Shinkei's Resistance

In the first chapter of the book, Qiu Shijie sketches Liu Shinkei's life trajectory and the process of his intellectual formation. 'Resistance' is the keyword of this chapter and indeed the entire book. Liu's experience of Japanese colonial rule and the 228 Incident were formative to his praxis of resistance.[3] During his years of study in Japan, Liu was also influenced by the political movements of Taiwanese people in Japan who opposed the dictatorship of the Kuomintang (KMT); his proximity to these movements prevented him from becoming isolated from the masses as many Japanese left-wing intellectuals had become during wartime.[4] Qiu shows that Liu's resistance was both political and scholarly. Politically, he resisted the KMT's autocratic rule and pursued democracy and national reunification. Through his scholarship, he resisted vulgar economics – a reflection of the spirit of Japanese Marxism at the time. In this sense, Liu's political and scholarly resistance was highly unified.

During his studies at the Department of Economics at National Taiwan University, Liu was not compelled to accept the tenets of neoclassical economics; instead, he devoted more energy to philosophy.[5] When he later studied Marxist economics, he felt an immediate affinity with its dialectical methodology. The tension between Liu's political resistance and scholarly resistance manifests in what Qiu terms 'the tension between essence and appearance'. As a result of his political orientation, Liu was committed to analysing the feudal essence of post-war Taiwanese capitalism, thereby underestimating its capitalist character and being unable to adequately explain the outstanding growth of post-war Taiwan.[6] This contradiction led Liu to revise his doctoral dissertation, which had emphasised the strength of the pre-modern vestiges of Taiwanese society.[7] Following the publication of his book *Analysis of Taiwan's Post-War Economy* (1975), Liu sought to provide a critical political economic explanation of Taiwan's rapid economic development without falling into mainstream frameworks of economic growth theory.

Liu Shinkei and the Debates of Japanese Marxism

Liu Shinkei's intellectual struggle to understand Taiwan's economy was, in some ways, inherent to the scholarly tradition he had inherited in Japan. Understanding this requires an elucidation of the intellectual debates of Japanese Marxism.

The second chapter of the book, 'The Transmission of Scholarship: Marxist Economics at the University of Tokyo in the 1960s', provides a genealogy of the debates and factions in Japanese Marxism. These include Moritaro Yamada and the 'Lecture Faction', Kozo Uno and the 'Uno School', and Hisao Otsuka and the 'Otsuka School of Economic History'. Given the paucity of literature in China on this subject, the significance of this chapter far exceeds the study of Liu's individual thought.

Liu's *Analysis of Taiwan's Post-War Economy* was structurally modelled upon Yamada's *Analysis of Japanese Capitalism* (1934).[8] Yamada employed Marx's theory of reproduction to argue that Japanese capitalism was a special 'type' that achieved accumulation through a textile industry sustained by 'semi-servile' labour at 'wages below India's level', with a semi-feudal 'petty peasant' as its foundation, and a military industry forcibly 'engendered by state power as its pivotal axis'. Qiu offers a profound reading of Yamada, pointing out that his analysis is a theory of non-transition.[9] For Yamada, semi-feudal agriculture and low-level textile industry constituted a relationship of mutual determination; this type of Japanese capitalism possessed no inherent developmental dynamic. The result was that society stagnated at the stage of absolutism and could not transition to genuine capitalism.

Liu's absorption of Yamada's theory of non-transition led him to argue that the essence of the post-war Taiwanese economy was semi-feudal. While his adoption of Yamada's methodology helped him achieve a high level of theoretical accomplishment, he also inherited the static characteristics and implications of Yamada's theory, rendering him unable to explain the rapid growth of Taiwan's post-war economy.

Chapter five of *Liu Shinkei: An Intellectual Biography* explores how Liu attempted to resolve this problem through dialogue with various theories of development. In this process, Liu explored two frameworks: theories of state capitalism that emphasised economic nationalism, and theories of merchant capital that emphasised the role of private capital and small and medium enterprises. Liu's conclusions were complex: he affirmed the economic nationalist character of post-war Taiwanese state capital while arguing that it remained an 'exploitative dictatorial economy'.[10] He affirmed that private capital with a merchant character could create outstanding economic performance while maintaining that merchant capital was nonetheless unproductive and essentially 'bad capital'.[11] As Qiu Shijie states, Liu's 'contradictory and complex thinking – building off of Yamada's Lecture Faction – reflects the tension within Taiwan's economy'.[12]

In Japan, Yamada's analysis was criticised by Marxists of the Labour-Farmer Faction, who stood in opposition to the Lecture Faction.[13] The Labour-Farmer Faction contended that Yamada depicted a Japanese capitalism that was 'long frozen in a specific type without development'.[14] Kozo Uno further argued that Yamada's analysis had ossified the English path of capitalist development and failed to recognise that late-developing capitalist countries would necessarily adopt policies appropriate to their respective conditions and need not follow a path of 'pure capitalism'.[15]

Despite these limitations, Yamada provided a more persuasive explanation for the success of Japanese capitalism than Weberian views that simply invoked 'cultural tradition'.

The Challenge of Dependency Theory

In the first chapter of *Liu Shinkei: An Intellectual Biography*, Qiu Shijie vividly portrays scenes of Liu Shinkei researching and writing his doctoral dissertation amid the maelstrom of the 1968 University of Tokyo protests.[16] It was around this time that young students attacked the Lecture Faction and modernist thought as products of authoritarian elitism. These students opposed the argument that modern Japan was backward and the corresponding political conclusion that a 'democratic revolution' was necessary; the students instead advocated for a 'proletarian world revolution'.[17]

In this social context, Uno School economist Hiroshi Iwata's *World Capitalism: Its Historical Development and Marxian Economics* (1964) gained popularity. Iwata opposed comparative analysis premised on the establishment of capitalism in each country and constructed a consistent, unified theory of world capitalist business cycles, starting from the formation of British free trade imperialism in the mid-nineteenth century.[18] Iwata provided a theory in which different parts of world capitalism were interrelated. This was in contrast to Yamada who viewed development as different stages on a single linear model. Although Liu was also influenced by dependency theory in the early 1980s, he ultimately did not adopt dependency theory or world-systems theory to explain Taiwan's post-war economy. Instead, he continued to adhere to the endogenous perspective of economic nationalism and merchant capital theory.

In fairness, the Lecture Faction, and the Otsuka School of Economic History which it influenced, were not obstinately wedded to a single-track theory of 'capitalism in one country'. As early as the wartime period, the economist Yoshihiko Uchida, deeply influenced by Yamada, explored themes that resonated with dependency theory in his research on the so-called 'Greater East Asia Co-Prosperity Sphere'.[19] From the 1950s onwards, Yamada also came to regard post-war capitalism as having formed a 'world economic circulation' structured according to the developmental stages of various capitalist countries, with the Japanese economy incorporated into the reproduction process led by the US.[20] In the 1960s, Hisao Otsuka began to counter the modernisation theory advocated by US scholars such as W.W. Rostow. Otsuka pioneered the study of industrial development in late-developing capitalist countries and developed his theory of 'two paths', arguing that the industrialisation process of late-developing countries necessarily involved 'antagonism and dependence' vis-à-vis advanced countries, thereby forming various types of capitalist development within the world movement of capital and creating 'the simultaneous existence of uneven development'.[21]

Contemporary Relevance of Liu Shinkei

Liu Shinkei's intellectual trajectory – his refusal to go with the tide of dependency theory and world-systems theory, and his return from dependency theory to theories of endogenous development – is worthy of deep consideration. As Qiu Shijie argues, Liu's thinking consistently upheld Weberian-Otsuka-style value standards: he firmly believed that a modern separation of public and private spheres, and an autonomous, endogenous national economy were worthy of pursuit.[22] This search for an idealised modernity and capitalism was based on values that enabled him to resist the actually existing modernity and capitalism in Japan. Proceeding in the direction of dependency and world-systems theory would inevitably lead to centring the emergence of the world market, relativising the emergence of the capitalist mode of production, and even 'completely abandoning the dead-end concept of "capitalism"'.[23]

Within Marxist economics, there has been a long debate about the transition to capitalism between those who focus on the mode of production and those who focus on developments in the sphere of circulation. In the relevant debates within Japanese Marxists, 'Otsuka considered that Uno attempted to portray merchant capital as the ancestor of modern industrial capitalism … Uno, in turn, considered that Otsuka's view of rural industry as the ancestor of industrial capital was overly simplistic reasoning'.[24] Since Weberian-Otsuka capitalism constituted a certain ideal that Liu believed in, it was only natural that he ultimately chose to adhere to the perspective of endogenous development in understanding the Taiwanese economy.

Considering that Liu Shinkei's late-career reflections were accompanied by his experience of travelling constantly between both sides of the Taiwan Strait from Japan, perhaps his propositions concerning economic nationalism and merchant capital were based not only on his contemporary observations of Taiwan's economy but also on the vigorous Reform and Opening Up process in the Chinese mainland. From the mid-1980s onwards, the intellectuals in the mainland enthusiastically debated China's path to modernisation and the relationship between traditional culture and modernisation. It is possible that Liu Shinkei had a vision of coordinated development on both sides of the Taiwan Strait based on economic nationalism and the role of overseas Chinese capital, which could ultimately overcome the negative factors of bureaucratic-comprador capital and move towards national reunification and comprehensive industrialisation.

Liu's economic thought offers both illumination for understanding contemporary Taiwan's economy and inspiration for current questions of economic development in the Chinese mainland. Economic reforms since the 1990s have promoted the operation of market principles and brought economic vitality. However, state-led investment and development have also contributed tremendously to co-producing China's economic miracle. Since the 2008 Global Financial Crisis, the overheating of an export-oriented economy reliant on labour-intensive industries and domestic investment has brought about new problems of insufficient and unbalanced development. The unfolding of the US trade war on China has made Chinese people aware of the importance of autonomous innovation and mastering core technologies.

How can the speculative nature of capital's pursuit of profit be overcome? How can the productive forces be developed to a higher level while balancing the pursuit of profit with the public good? Ultimately, how can history be advanced? Such modernist questions are precisely those that Liu Shinkei sought to answer and remain relevant today.

Notes

[1] Of course, exceptions exist. For example, Taiwan-born renowned journalist and commentator on Japanese affairs, Sung Fei-ju (1903–1947), was keenly interested in the debates on Japanese capitalism and translated related literature to Chinese.

[2] Liu Shinkei, 'Sengo Taiwan keizai bunseki' ['Analysis of Taiwan's Post-War Economy'] (PhD diss., University of Tokyo, 1972).

[3] Editor's note: The 228 Incident refers to a popular uprising in Taiwan on 28 February 1947 that was brutally suppressed by the nationalist Kuomintang.

[4] Qiu Shijie, *Liu Shinkei: An Intellectual Biography* [战后台湾经济的左翼分析—刘进庆思想评传], (National Taiwan University Press [国立台湾大学出版中心], 2022), 94 - 95.

[5] Qiu, *Liu Shinkei: An Intellectual Biography*, 30–33.

[6] Qiu, *Liu Shinkei: An Intellectual Biography*, 211–214.

[7] Qiu, *Liu Shinkei: An Intellectual Biography*, 254.

[8] Qiu, *Liu Shinkei: An Intellectual Biography*, 202–203.

[9] Qiu, *Liu Shinkei: An Intellectual Biography*, 125.

[10] Qiu, *Liu Shinkei: An Intellectual Biography*, 275–276, 281–282.

[11] Qiu, *Liu Shinkei: An Intellectual Biography*, 296–297, 307.

[12] Qiu, *Liu Shinkei: An Intellectual Biography*, 309.

[13] Editor's note: The Labour-Farmer Faction (労農派，*Rōnō-ha*) is named after the coterie journal *Rōnō* (Labour-Farmer). They argued that the Meiji Restoration had essentially completed the bourgeois revolution and that Japan was already a capitalist society, meaning the revolution should proceed directly to the socialist stage.

[14] Qiu, *Liu Shinkei: An Intellectual Biography*, 129.

[15] Qiu, *Liu Shinkei: An Intellectual Biography*, (Qiu 2022: 133.).

[16] Qiu, *Liu Shinkei: An Intellectual Biography*, 60–66.

[17] Eiji Oguma, *'Minshu' to 'aikoku': sengo Nihon no nashonarizumu to kōkyōsei ['Democracy' and 'Patriotism': Nationalism and Publicness in Post-war Japan]* (Shinyōsha, 2022), 569–572.

[18] Mitsunobu Sugiyama, *'Nihon shakai kagaku no sekai ninshiki' ['The World Conception of Japanese Social Science']. In Nihon shakai kagaku no shiso [Post-war Japan's 'Civil Society']* (Misuzu Shobō, 2001), 48–54.

[19] Sugiyama, *'Nihon shakai kagaku no sekai ninshiki' ['The World Conception of Japanese Social Science']*, 25–27.

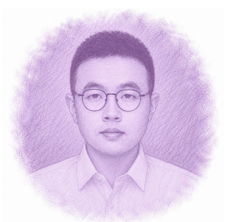
[20] Sugiyama, *'Nihon shakai kagaku no sekai ninshiki' ['The World Conception of Japanese Social Science']*, 14–15.

[21] Sugiyama, *'Nihon shakai kagaku no sekai ninshiki' ['The World Conception of Japanese Social Science']*, 34–36.

[22] Qiu, *Liu Shinkei: An Intellectual Biography*, 309.

[23] Andre Gunder Frank, *ReORIENT: Global Economy in the Asian Age* (Sichuan People's Publishing House, 2017), 338.

[24] Qiu, *Liu Shinkei: An Intellectual Biography*, 139.



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