

# Call for Sessions - WEHC 2015 [S20025]

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## **Proposed title of the session**

The State and Economic Development in Early Modern Japan and China: Continuity and Discontinuity from the 17th Century to the 20th Century

## **Abstract**

The state is indispensable to economic growth; it secures property rights, regulates market transactions, and provides public goods such as infrastructure. Modern states equipped with a centralized fiscal system and a central banking system can stimulate economic growth by means such as investing in education and infrastructure or maintaining the stability of financial markets so as to encourage private capital formation. This modern state-centered framework, however, is of very little help to examine the contribution of early modern states, which lacked centralized fiscal institutions, to economic development. What is the role that early modern states with decentralized fiscal system could play in the development of market economy? Could private economic actors or local organizations in early modern times successfully resolve cross-regional business disputes or inter-regional conflicts of interest independent of state intervention and thus build the sophisticated and vibrant market economies upon which modern states emerge?

This panel consists of specialists in the economic, social and legal history of China and Japan. It aims to address these important questions by examining the role of the state in the development of market economy in Japan and China from the seventeenth to the early twentieth century. The existence of vibrant market economies before the coming of the West in the mid-nineteenth century is well-documented for both cases. Their early modern states constituted the highest authority in the use of political power, which was similar to their counterparts in early modern Western Europe. Although state fiscal institutions remained decentralized in both Japan and China before the mid-nineteenth century, each government endeavored to legitimate its coercive power by providing concrete public services such as the centrally coordinated transfer of money and grain for famine relief, construction and maintenance of transportation facilities, legal protection of business contracts, settlement of cross-regional conflicts of interests in water use, and prevention of epidemic diseases. The political authority enabled the fiscally decentralized central authority to shape regional societies and local governments in providing public goods which were indispensable for economic growth. The modern state built in Meiji Japan in the late nineteenth and early twentieth century serves as a comparative template to show the different roles of the state in early modern and modern economic development. Did fiscal centralization and enhanced state capacities allow the modern state to do those things that the early modern state wished to do but was incapable of? Or did fiscal centralization prompt the modern state to conceive the content of public welfare differently from early modern states?

Paper topics of panelists include the state intervention in cross-regional conflicts of interest in using water and the provision of public goods such as Grand Canal transportation in Qing China, the commercial self-regulation and tax collection through broker-house in late Qing China, the shogunate's protection of private property rights involved in the inter-regional rice trade and the financial bills secured by the stored rice in Tokugawa Japan, and the Meiji state's contribution to knowledge transfer in railway construction and public health in modern Japan.

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## **I. Corresponding Session Organiser**

Prof. Wenkai He (Hong Kong University of Science and Technology [China])

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## **II. Co-Organiser(s)**

1. Corresponding Organiser.
2. Prof. Peng-sheng CHIU (The Chinese University of Hong Kong [China])
3. Prof. Mark Metzler (The University of Texas at Austin [United States of America])

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## **III. Expected Participant(s)**

1. same as correspondent.
2. Taisu Zhang (Duke University [United States of America])
3. Young-hun Cho (Hongik University [Republic of Korea])
4. Lin Zhou (Sichuan University [China])
5. Naofumi Nakamura (Tokyo University [Japan])
6. Yasuo Takatsuki (Kobe University [Japan])
7. Takeshi Nagashima (Senshu University [Japan])