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Research on the Development of Rural Commodity Economy in the Edo Period

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Abstract The rural commodity economy in the Edo period developed by leaps and bounds under the influence of institution, policy, technology and other factors. From the mid 17th century, the specific area of cash crops gradually took shape in Japan and the largescale cultivation of cash crops greatly promoted the development of rural handicrafts, thereby creating the conditions for the initiation of the capitalist relations of production. The development of rural commodity economy not only changed the traditional mode of operation and production of Japanese farmers, but also accelerated the class differentiation, shook and disintegrated the economic foundation and class basis of Bakuhan society, and created the preconditions for the later Meiji Restoration.

Key words Edo period, Rural commodity economy, Development conditions, Influence

The Edo period, is the period between 1603 and 1868 in the history of Japan, when Japanese society was under the rule of the Tokugawa shogunate and the country's 300 regional Daimyo. The period was characterized by economic growth, strict social order, isolationist foreign policies, sustainable forest management policies, and popular enjoyment of arts and culture. The shogunate was officially established in Edo on March 24, 1603, by Tokugawa Ieyasu. The period came to an end with the Meiji Restoration on May 3, 1868, after the fall of Edo. Urbanization accelerated the development of feudal lord economy while making commodity money relations penetrate into rural areas and stimulating farmers' commodity production. With the continuous improvement of productivity in rural areas, the rural commodity economy with farmers' commodity production and exchange of goods as the center, continued to grow apace, and eventually replaced the feudal lord economy and mastered absolute right to rule over the commodity economy. Undoubtedly, it is necessary to ascertain the development conditions of rural commodity economy in the Edo period except the stimulating role of lord economy, as well as the influence of these conditions on the world community.

1 The development conditions for the rural commodity economy

1.1 Institutional conditions As put by the Chinese scholar Zhu Chengfeng, "It was just Bakuhan System itself that had the greatest influence on the commodity economy in the Edo period^[1]. Bakuhan System is a basic political system based on Kokudaka System, with a clear aim to implement closed door policy to maintain the national stability. The real intention of Shogun implemen-

ting Kokudaka System lies in underpinning the feudal rule based on rice and cereal economy, but the single rice cultivation brought the possibilities to the emergence of surplus products. Japanese scholar Yagi AkiraHiroshi pointed out that the farmers at the middle and upper levels could take more than 50% of the rice harvest as the goods for sale in exchange for other necessary living materials^[2], indicating that the implementation of Kokudaka System promoted the commercialization of rice and also spawned a large number of businessmen engaged in rice trade. These businessmen were active between urban and rural areas, meeting the majority of farmers' needs for commodity exchange, and they played a very important role in developing the rural commodity economy. In this sense, Kokudaka System is seen as the driving force for the development of rural commodity economy in the Edo period^[3].

1.2 Policy conditions Bakuhan rulers once implemented a series of effective policies in the early Edo period in order to maintain their feudal domination. These policies and measures promoted the development of rural commodity economy while strengthening the basis of the peasant economy, and the Heino – Bunri policy is most representative. For the samurai, despite being separated from the agricultural production, they could keep sustenance by relying on farmers' tribute (namely rice). Enough rice was left for ration, and the remaining part could be replaced with money to buy other consumer goods such as tobacco, rapeseed and cotton products, which were almost all from the rural areas. Thus, the huge urban consumer class undoubtedly brought a huge market for rural commodity economy. For farmers, the significance of the Heino – Bunri policy lies in not only that the urban consumer class brought opportunities for the production and exchange of commodities, but also that the policy implementation created unprecedented freedom. The warrior class lost the opportunities and possibilities of exploit farmers in economic activities while being out of the agricultural production, which helped to stabilize the rural economy and rural order.

1.3 Technical conditions In *Study on the Agronomy*

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Achievement in the Edo Period, we pointed out that the traditional agronomy with farming techniques and crop cultivation and management techniques as the center in the Edo period made great strides; the progress of traditional agronomy not only enhanced the growth and development of peasant economy, but also promoted the prosperity of rural commodity economy^[4]. The influence of traditional agronomy on rural commodity economy lies in the fact that the breakthrough of cash crop cultivation techniques effectively improved crop quality, production and planting limitations, so as to give a strong impetus to the cultivation and management of cotton, tobacco, rapeseed and other commodity crops. The Japanese agricultural historian Toshio Furushima posed a typical example of agricultural commercialization in *History of Japanese Agriculture* which pointed out that the output value of food and cotton produced by Imanishi's family in Shinie Village of Wakae District was many times the rent, and the product merchandise rate reached 81.1%^[5]. The emergence of farmers' surplus products directly contributed to the development of rural commodity economy, and the farmers bartered surplus products for money after meeting the basic production and living needs, so that this production had a sense of commodity production. This production aimed at obtaining exchange value provided possibility for the expansion of reproduction and promoted the generation of capitalism factors^[6].

2 Development manifestation of the rural commodity economy

2.1 The formation of specific cultivation area of cash crops

Shogunate prohibited the cultivation of cash crops from the Kamakura period in order to defend the social and economic foundation built on natural economy. However, with the development of urbanization in the past few centuries, the ruling class had a growing demand for money. To increase the monetary tribute, each vassal state allowed the farmers to trade in grain to pay the money tribute from the mid-17th century, followed by the further liberalization of cultivation of cash crops such as cotton, tobacco, rapeseed and sugarcane. Especially the production of cotton, mulberry, tobacco and rapeseed went through the fastest development, and the specific production area of cash crops emerged. The cotton production was concentrated in Kinai, Settsu and other regions, and more than 60% of arable land was cultivated with cotton in Hirano of Settsu in the early 18th century^[7]. The tobacco was grown mainly in Kyushu, Setouchi, Shinetsu and Kanto, and there were a total of 15 vassal states with the annual production capacity of 250,000 kilograms^[8]. The rapeseed was planted widely, forming four main rapeseed producing areas (Kinki, Kyushu, Kanto and Hokuriku), and there were a total of 24 vassal states with the yield of more than 500,000 kilograms^[9]. Regionalization of cash crops and centralized planting reflect the scale and extent of the development of rural commodity economy during this period, far greater than that of the previous fragmented rural operation.

2.2 Highly developed rural handicrafts The cultivation of

cash crops greatly promoted the development of the handicraft industry. In the early Edo period, the handicraft center was mainly in the cities, but with the formation of specific crop planting area, the handicraft center began to shift to the countryside. The cotton industry, silk industry, oil industry and paper industry in rural handicrafts were most developed, and the cotton industry centers were Kawachinokuni, Settsu, Izumi and Daiwa. The silk industry centers were Nishijin, Hakata, Kiryu and Oumi, the oil industry centers included Nadame, Hyogo, Owari and Ise, and the paper industry centers included Echizen, Tosa, Mino and Nagato^[7]. Thus, it can be found that the rural handicraft centers basically overlap with the corresponding specific cash crop planting areas. Nadame was once the rapeseed cultivation center in Kinki, but with the development of commodity economy and agricultural technology, the division of labor arose between rapeseed industry and oil industry in rural areas of Nadame. Rapeseed was no longer sent to Osaka Central Market for oil pressing, and the localization of oil pressing reduced the long-distance transport costs added to rape oil sales price, so the commodity rate and circulation rate of rape oil constantly increased, and in turn contributed to the development of rural commodity economy.

2.3 Initiation of capitalist relations of production Commodity is the cell of capitalist economy, and capitalism is the inevitable outcome of commodity economy developing to a certain degree. Japan's capitalism burgeoned from cotton processing industry, and a complex class emerged among urban wholesalers and rural commodity producers, mainly comprising rural businessmen and master handicraftsmen. The rural businessmen were mainly engaged in purchasing goods in the origin and transferred them to wholesalers, in order to earn business profits. The master handicraftsmen were mainly the local prosperous landed peasants and they were the local investors and organizers of commodity production, whose business model had strong nature of capitalist business^[10]. Part of the rich farmers purchased weaving machines to build household textile factory" where the family members and nearby employed labor forces worked. There were 18 household textile factories in Uda Otsu Village in 1842, using 137 workers, including 50 family workers and 87 employed workers^[11]. Obviously, it was a relationship of capital and wage labor. The capitalist relations of production appeared in Bakumatsu (Late Tokugawa Shogunate), and although it was at the transitional stage from family handicraft to factory handicraft, it was an important signal of the commodity economy transforming into capitalist economy. In nature, it reflects the boom and prosperity of rural commodity economy during this period.

3 The development influence of the rural commodity economy

3.1 Change in the traditional mode of production and operation of farmers The development of rural commodity economy firstly changed the traditional mode of production and operation of farmers who relied on land to simply plant the rice. Many empiri-

cal studies of Japanese scholars demonstrate that the farmers with multiple occupations were quite common during Bakumatsu, and especially in economically developed areas, many farmers were completely off agriculture and relied on other means of production. In 1845, only 52 out of 265 farmers in Oshu Okoshi Village relied entirely on agriculture for living, and for the remaining part, 198 farmers had multiple occupations, and 67 farmers were off agriculture. In terms of the operation content, for the remaining part, there were 86 farmers engaged in cotton processing, 27 farmers engaged in manual production of living tools, 22 farmers engaged in food and fertilizer processing, 58 engaged in business and hotel services, 9 farmers engaged in individual operation such as doctors, cooks and hairdressers, and 20 farmers engaged in other industries^[12]. In the vortex of the commodity economy, the landless farmers might become tenants in order to survive or engage in other industries to make a living. The farmers having land must rely on the sale of handicraft products to increase household income. Objectively speaking, in the context of commodity money economy, the production and exchange of commodities other than rice could indeed bring more profits and returns for farmers, so the majority of farmers abandoned land management and naturally changed the original mode of production and management.

3.2 Internal differentiation of peasantry After rural areas were involved in the commodity currency economy, the feudal natural economy crumpled and the internal differentiation of the peasantry became more serious. In the vast rural areas during the Edo period, farmers gradually evolved into three types. (i) Wealthy farmers with triple identity of landlords, village officials and businessmen. They quickly accumulated wealth in the trend of commodity economic development, invested in rural commerce, or purchased land. Due to the interest conflicts between local wealthy farmers and urban vested interests, they were often oppressed by the Bakuhan rulers, so they hankered for reform to shatter the shackles of feudalism, to obtain greater freedom of space for development. (ii) Smallholders continuing to cultivate the land. They kept sustenance relying on agriculture or multiple occupations or relying on family handicraft and service supplemented by farming. (iii) The bankrupt farmers who partially or completely lost their land, farm tools and other production materials. Some of them degenerated into tenants and farm laborers while the remaining part became rural proletarians into the city. According to the research, among 120189 farmers in OkoKo manor of Owari – han during the early 18th century, there were 90048 farmers with land and 28041 landless farmers. By the late 18th century, the number of landless farmers had reached 47 206^[13]. Through the above analysis, it is found that the development of rural commodity economy divided the farmers into wealthy farmers, smallholders and bankrupt farmers, and the wealthy farmers and bankrupt farmers were most dissatisfied with the current system, so they became the important forces in social change of Bakumatsu.

3.3 Impoverishment of samurai and role change Impoverishment of samurai stems from the pursuit and enjoyment of mate-

rial, which is the characteristic of feudal society in general. 260 years of peace and rapid development of commodity economy greatly changed the social atmosphere, and the thrift habit of samurai did not exist. According to statistics, the assets of three treasuries of Bakufu decreased by 65000 kg from 1786 to 1787^[14]. In order to support the family, the impoverished samurai sold their assets, sold the identity, or sold the labor to earn money. As recorded by Kasshi Yawa, most of the impoverished samurai were engaged in handicraft industry^[15]. Fukuzawa also wrote in *Kyuhanzo* (*Conditions in an Old Feudal Clan*) that the annual income made subordinate samurai unable to afford the food and clothing, so they toiled all day long in family labor, handwork or spinning^[15]. The changes in the economic status of the samurai inevitably led to the changes in political standpoint of warrior class who played a vanguard role in the movement of overthrowing Bakumatsu.

4 Conclusions

The lord commodity economy and rural commodity economy coexisted in the Edo period, and the rural commodity economy was the commodity economy combining commodity production and circulation. Both institutional and policy factors contributed to its development, and the improvement of level of agricultural technology was an important aspect that can not be ignored. Under the influence of multiple factors, the development of rural commodity economy reached a record high, and the emergence of capitalist relations of production during Bakumatsu was the best proof. Along with the development of rural commodity economy, the traditional mode of operation and production of Japanese farmers began to change, and the class divisions were also sharp. The class changes fundamentally shook the feudal rule and created the conditions for the subsequent Meiji Restoration.

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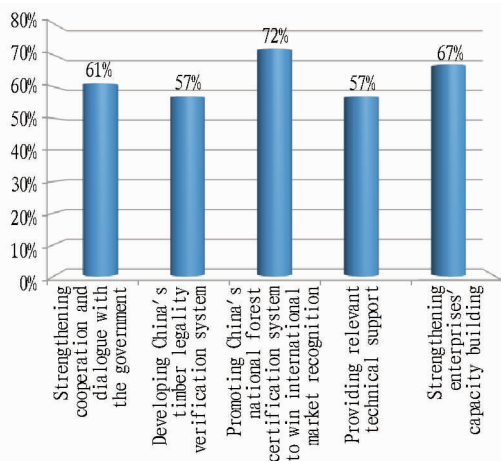


Fig. 8 The policy recommendations for helping enterprises to cope with the international market's legality demands

strengthen their own capacity building. They should know the relevant trade regulations, develop forest procurement policies, establish the wood tracing system and responsibility investigation system, strengthen the timber supply chain management, and select the necessary coping tools in accordance with specific international market requirements.

7.3 Strengthening cooperation and dialogue with the government For the trade regulations on timber legality introduced by major trading nations, China should sign a bilateral memorandum of cooperation or consolidate the existing bilateral mechanisms for cooperation to actively carry out negotiations, eliminate the irrational factors in the trade policy, improve the recognition of China's policies and measures, and create a favorable international environment for the normal development of China's timber trade.

7.4 Developing China's timber legality verification system

How to identify the legal and illegal timber is the key to solving the problem of illegal logging and related trade. It is necessary to strengthen the timber legality assessment and certification work, actively promote the timber source certification, timber tracking and supply chain management. Internationally speaking, the legality of forest products needs the third-party verification or enterprises' on-the-spot verification, to improve its credibility, so it is necessary to develop China's timber legality verification system based on international requirements, and improve the credibility of the Chinese forest product legality.

7.5 Providing relevant technical support for the enterprises

For the current difficulties that arise in the process of meeting international market legality demands, the research institutes should strengthen enterprise supply chain management and tracking technology research and development, make simple and operable technical guidelines, develop the guidelines for legal timber procurement from various countries on the basis of analyzing the laws and regulations on timber production, transportation and processing in various countries, and provide technical and advisory services to the enterprises to help them to meet the requirements of the international market.

8 Conclusions

(i) The Chinese enterprises have known something about the international market trade policy demands for legality or sustainability, and the vast majority of enterprises believe that these trade regulations on legality will have a great impact on China's forest product trade, but the specific impact has not been fully demonstrated. (ii) Currently, some customers of China's forest product enterprises have raised the requirements on legality or sustainability of forest products. According to market requirement differences, some enterprises have taken a number of measures, including carrying out third-party forest certification, developing the green procurement policies, establishing the timber supply chain management system, carrying out the timber legality verification and participating in the NGO initiatives. (iii) Currently, there have been many difficulties and challenges faced by the Chinese enterprises when meeting the international market legality demands. The supply chain management is complex; the legality evidence is difficult to collect; the market support for legal products is insufficient, and the cost is too high; the enterprises do not know the requirements of international market, the requirements of international market policy are not clear; the enterprises' awareness is weak, and their capacity is not enough. It is necessary to provide support from policy, technology, management and capacity building.

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