

History of Japanese Corporate Philanthropy

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Section 1 Seeking the Roots of Japanese Corporate Philanthropy –*Shonindo* (Japanese Merchant Principles) in Early Modern Japan

(1) The relationship between profiting and corporate philanthropy – Differences between Japan and the United States

Considering that the corporate system is intimately connected with industrialization and modernization of nations and societies and that the kind of philanthropy that characterizes corporations is based on the social systems and sense of values in advanced countries that succeeded in modernizing early, we tend to think of the western concepts, methods, techniques and systems as a standard for verifying the concept and style of Japan's corporate philanthropy. Generally speaking, being in the position of assimilating the western civilization, we work on this issue with a feeling of inferiority or bitterness about our own backwardness and lack of initiative. In such a case, it is all too common that we tend to ignore or make light of our history before modernization.

Papers have been written that convince us of such bitter conclusions. A typical example is “The Philanthropy of Japanese Corporations – The Japanese Philanthropy witnessed by an American” (Nancy London, TBS Britannica, 1992) that pointed out problems of the system of laws and taxation regarding philanthropy in Japan. It can be said to be typical in analyzing Japanese philanthropy critically from the standpoint of modernization. Its title is “The Philanthropy of Japanese Corporations,” but it treats Japanese philanthropy itself in terms of the system of laws and taxation governing corporate foundations in Japan. The author described the reason she studied this issue as follows.

Finally, there is a more mundane and practical reason for stressing the differences between the third sector in Japan and that in the United States, namely, that because of its fledgling state and status, Japanese philanthropy has not been widely studied even in Japan.¹

It is right for her to take the viewpoint that the immaturity and backwardness of Japanese philanthropy has resulted from the failure of Japanese individuals to develop as citizens.

There are, of course, noteworthy exceptions, and times are changing because of greater wealth, increasingly diverse social demands, heightened social and international awareness, and more exposure to the West. Nonetheless, there is no tradition as such of individual giving, premised on the assumption that the individual has an obligation (religious or otherwise) and the ability to contribute to society through unilateral action.²

London's viewpoint is certainly true, but her logic of demonstration is crude and markedly lacking in insight and persuasion. She simplistically affirms that the lack of Japanese social awareness is the result of our traditions. I think the weakness in her logic, knowledge and historical perception is displayed in her conclusion that there is no tradition of assuming that the individual has an obligation and the ability to contribute to society through unilateral action, as she fails to verify the relationship between the establishment and the people that has formed over the course of more than a thousand years of Japanese history since the Hakuho and Nara eras (the end of the 7th Century A.D.), when the national system was established in Japan.

The purpose of this paper is not to demonstrate the historical reasons for the Japanese sense of immature citizenship, so I won't discuss this issue further. Nonetheless, I must stress that this is not such a simple issue that it can be demonstrated by her vague and superficial analysis that "there is no tradition to assume that the individual has an obligation and the ability to contribute to society through unilateral action."

She also criticizes Japanese corporate philanthropy. I think her severe evaluation of Japanese corporate philanthropy is naive and even arrogant.

Although corporate philanthropy in Japan can be as public relations and market-oriented as it is anywhere else – Waldemar Nielson called it "primitive" in this regard – at least some of the soul-searching, agonizing, and perhaps even dissembling involved in the search for a justifiable motive in the United States has been avoided in Japan.³

The soul-searching and agonizing for a justifiable motive in the United States that she describes here means that corporations' struggle to have society recognize corporate philanthropy carried out by for-profit corporations belonging to shareholders in the first half of the 20th Century in the United States where philanthropy by individuals had been a long tradition, people struggled to define an appropriate justification and role for philanthropy by for-profit corporations belonging to shareholders. – London's argument for the popularization

of accepting corporate philanthropy in the United States is grounded on the charitable deduction for corporations (See (3) Sociality and Culture of Corporation, Section 2 Concept and Philosophy, Chapter 1 What is Corporate Philanthropy). According to her, what U. S. corporations were seriously concerned with was whether or not there was justification for philanthropy by for-profit corporations. She concludes that Japanese corporations have never undergone the process of soul-searching and agonizing on this issue, and are therefore very primitive.

In my view, however, Japanese corporations have wracked their brains and searched their hearts in a different context. What they have been concerned very much with is whether or not making profits, as such, is justifiable ethically. More specifically, in the 18th Century, those who were considering this issue earlier than the modern enterprisers were the merchants and the thinkers who protected them. They had already found a solution.

They, i.e., the Japanese early modern merchants and the thinkers who protected them, were the pioneers of the modern style of companies in Japan. They asked themselves the fundamental question whether making profits would be justifiable or not. Based on their religious beliefs, they constructed their own philosophy and way of life in which making profits could be justified by considering their participation in such secular activities (business) as religious austerities. In a period when the value system was established by the political regime and the samurai spirit was dominant, the concept of keeping a business as a religious and ethical austerity gave the merchants awareness that they, who were ranked in the lowest social class, could stand on a level ethically equal to the samurai who had been dominating the regime. A way of life of keeping a business going through restless constant endeavors (economic ethics such as diligence, honesty and thrift) was established as the principle of merchants in the middle and end of the Edo Era (1603-1867).

(2) Economic Ethics and *Intoku*

In terms of the relationship between *Shonindo* (the principles of the Japanese merchants) and philanthropy, it can be said that philanthropy was included under the term *Intoku*⁴ in the set of virtues that were a part of economic ethics. Matatsugu Miyamoto, a *Shonindo* researcher, studied family and store mottos of merchant families in Omi,⁵ Ise⁶ and other areas in the Edo era. Based on his results, he insisted that religion placed a special emphasis on those mottos, and there were many mottos that preached to endeavor for *Intoku* in relation to religion.⁷

More precisely, *Intoku* means, “Performing an altruistic deed without expecting

recognition.” The origin of this word isn’t in Buddhism but “to practice *Intoku*” was introduced as an article in the rules of practice at Zen Buddhist temples.⁸ Thus it came to be related closely to Buddhism. *Intoku* is an abbreviated form of a proverb which states that practicing *Intoku* inevitably brings *Yoho* (a visible reward). *Intoku* is also combined with *Sekizen*, and expressed sometimes as a phrase *Sekizen Intoku*. *Sekizen* is an abbreviation of a phrase meaning, “Ancestors’ good deeds bring descendants’ happiness.” This phrase appears in *Ekikyō (I Ching. The Book of Changes)*,” one of five respected scriptures of Confucianism. It emphasizes that a chain reaction of cause (ancestors’ good deeds) and results (descendants’ happiness) happens within a family. *Yoho* brought by *Intoku* is not a reward limited to within a family, but both words *Intoku* and *Sekizen* suggest that altruistic deeds shouldn’t be done for the purpose of receiving a reward even if there is some cause-and-effect relationship between the deed and the reward. This is the most important lesson in these words.⁹ This idea was an important factor in the traditional culture of Japanese corporate (merchants’) philanthropy.

Japanese merchants recognized *Intoku* (philanthropy) as one of the factors of economic ethics. Since they were thinking that only by practicing economic ethics would they be allowed to make a profit, as a natural result there were no contradictions or conflicts between their business and philanthropy.

There were no ethical claims or sense of guilt among corporations making profits in the United States, but they needed to find a reason for contributing their profits to philanthropy because contributing their profits to philanthropy caused social and ethical controversy. On the other hand, to balance profit-making with being moralistic and ethical presented a big question to early modern Japanese merchants as the pioneers of today’s business leaders in Japan. The samurai regime considered the merchants’ profiting unacceptable or immoral. To counter such a social condition of viewing commerce in a negative light, they tried to enhance recognition of the rightness of their business by showing themselves to be followers of ethical principles equal to those of the samurai. Making profits became an integral part of their ethical principles through contributing these profits to charitable activities that were practiced as religious austerities. The merchants of the Edo era established a footing for their business by elevating their ethical level through the practice of *Intoku*. The modernization of Japanese commerce and industry since the Meiji era (1868-1912) was accomplished on the basis of the footing established by the merchants in the Edo era.

The reason philanthropy is regarded differently between Japan and the United States should be noted. The United States was established by people who considered human rights a universal value in the 18th Century. Economic values were fundamental there in the creation

of an affluent society. Japan, on the contrary, has a history of two thousand years and the Japanese people were sovereign subjects during the most of those years. After the Warring State Period (about 1493-1573) in Japan, when the samurai had the strongest influence on the governing structure and political values, the merchants were ranked as the lowest class among the subordinate classes, so they asserted trade and business based on economic ethics to be a way of being loyal to the nation and to be equivalent to the samurai values. They made a case for removing the stigma on profit-making, that had been thought of as greed.¹⁰ It was a matter of life or death for the early modern merchants in this period to find moral values of economic behavior and hold tenaciously to these economic ethics and therefore they strived to demonstrate their philanthropy. Eiichi Shibusawa who helped establish footing for the modern industrialization of Japan was just one of the people who succeeded and updated such economic ethics of the early modern merchants. The standard bearers of *Shonindo* in the Edo era had already been seeking solutions for settling the conflict between profit-making and following economic ethics. After much self-examination, speculation and practice, they finally found a solution and disseminated it. They accomplished this two hundred years before people in the United States did.

To find the precise roots of corporate philanthropy in Japan, we have to study the way *Shonindo* evolved in the Edo era, the early modern age before the Meiji era.

In the subsections that follow, I will show that the evolution of religious values corresponded to that of the secular economic ethics by describing the cases of the Jodo-Shinshu Sect of Buddhism and Sekimon Shingaku philosophical movement¹¹ in the Edo era.

Notes

1. Nancy R. London, *Japanese Corporate Philanthropy*, Oxford, 1991, p. 7.
2. *Ibid.*, pp. 12-13.
3. *Ibid.*, p. 14.
4. *Intoku* is a word which appears in the *Huainanzi*, an encyclopedia compiled mainly from articles on Taoism in the Former Han Dynasty (206 BC–AD 9). Originally, *Intoku* was based on the Chinese traditional concepts of Yin and Yang. Taoism played a part in the systematization of Chinese-style religious principles of Buddhism, which originated in India. It can be said that Taoism functioned as a transformer to adapt Buddhism to Chinese values.
5. Omi is the former name of Shiga Prefecture. The merchants from Omi prospered in business during the Edo era. Double-entry bookkeeping was invented by the Omi merchants and they revolutionized the distribution system of the time through thorough rationalization.

6. Ise is a region occupying a major part of the present Mie Prefecture. The merchants from Ise prospered in business during the Edo era, making a fortune through business in cotton clothes.

7. Matatsugu Miyamoto, *A Study of the Consciousness of the Early Modern Merchants*, Yuikaku, 1941.

8. “To practice *Intoku*” in a Zen Buddhist Temple means to perform kitchen duty. The person on kitchen duty is not noticed ostensibly but makes an effort in the background. The reason kitchen duty is counted as *Intoku* is not from the external form of performing a good deed in secret but rather from the altruism automatically shown through one’s attitude and behavior by eliminating egoism. *Intoku* is a practice of offering service with internal affection.

9. Another religion which had a big influence on *Shonindo* was Confucianism. It lacks the *Sekizen Intoku* doctrine, but *Jingi* and *Jinai* are words from Confucianism that signify behavior similar to *Intoku*. These words mean loving all the public or having mercy on the poor. *Sekizen Intoku* is also based on charity or love of all living things, that is to say, Buddhism and Confucianism have similar concepts. In interpreting “family” as “a merchant family” or “company,” *Sekizen Intoku* can be considered a concept whose meaning overlaps corporate philanthropy.

10. The political values of the samurai were strongest after the Warring State Period. In the Middle Ages in Japan, “Buddhism” was regarded as equivalent to the principles of the king. (Yasuo Yuasa, *Japanese Religious Consciousness*, Kodansha Gakujutsubunko, 1997).

11. See (5) Relationship between Sekimon Shingaku and economic ethics.

(3) The relationship between religion and economic ethics

Before considering the relationship between religion and economic ethics, we need to define what is meant by “religion” in this paper. The religions considered in this paper include not only Buddhism (especially the Jodo-Shinshu Sect of Buddhism) but also Confucianism. Since many people do not recognize Confucianism as a religion, I must explain why Confucianism is recognized as a religion in this paper.

In this paper I define religion as some kind of faith in a sacrament, i.e., a supreme existence that transcends the physical world, and acts done according to this faith. If we posit the premise on this definition of religion, we have good grounds for considering Confucianism a religion. Chen Shunchen¹ described Confucianism as follows in his book *Three Thousand Years of Confucianism*.²

Confucianism is a system of principles governing the way of life of people who believed in immortality of the soul. It came to perfection as a metaphysical system during the Sung dynasty (960-1279), expressing the principles of the universe as “Li.” “Li” provided a ranking for transcendental existence as well as absolute existence. Furthermore, it observed rites of raising ancestral spirits based on belief in immortality of the soul brought forward from primitive Confucianism. Confucianism came to Japan, however, as a subject or cultural matter to study without any such rites. Therefore, it has long been recognized as a secular system of ethics. (Actually, the Confucian rites for commemorating one's ancestors had been gradually adopted by Shingon and Tendai Buddhism as important rites in Japan. That is to say, the system of ethics and rites of Confucianism were integrated in China but they reached Japan separately, with Confucianism as a system of ethics and Buddhism containing the rites.³)

Confucianism is recognizable as a religion because of its belief in the immortality of the soul, its religious rites and its transcendental view of the universe.

(4) Beliefs and ascetic training in Buddhism (especially the Jodo-Shinshu Sect of Buddhism)

The principles of the Jodo-Shinshu Sect of Buddhism were established by St. Shinran⁴, who taught that devotion to the Amida Buddha⁵ was only the approach to salvation and that obedience, worship, prayer to all other Buddhas were meaningless, as were magical rites. Therefore, the Jodo-Shinshu Sect of Buddhism dismissed magic earlier than other Buddhist sects. Shinran sought spiritual cures for people entirely from within, so he didn't attempt to create a set of worldly ethics. In order to popularize the Jodo-Shinshu Sect of Buddhism, though, it was necessary for the sect to provide principles of life to believers devoted to the Amida Buddha. Rennyo,⁶ who did more than anyone else to make the Jodo-Shinshu Sect of Buddhism the largest religious sect in Japan, preached to the believers that they should obey the principles of the Jodo-Shinshu Sect of Buddhism, chiefly with great faith in the divine protection of the Buddha, but they should also treat Confucianism as a set of worldly ethics. In his teachings, worldly ethics were positioned parallel to devotion to the Amida Buddha but the reasons for and meaning of that were vague. Finally, from the middle of the Edo era to the beginning of the Meiji era, the Jodo-Shinshu Sect asserted that the highest truth was that devotion to the Amida Buddha would lead the believers to paradise and the secular truth was that it was important to observe worldly ethics and national laws. After that, ethical activities in the secular world attained religious significance in the Jodo-Shinshu Sect of Buddhism.

Buddhism in Japan has preached since antiquity that we must take four favors into

our heart and reward them. The first is the favor of our parents. The second is the favor of the Buddha, the doctrine and the priesthood. The third is the favor of the king. The fourth is the favor of all living things. The urge among the Buddhists of the Jodo-Shinshu Sect to repay their obligation to the immense power of salvation of the Amida Buddha is greater than that among other Buddhist sects because the core of the Jodo-Shinshu Sect teachings is that however sinful a person may be, he or she can attain salvation simply by embracing the Amida Buddha devotedly. To repay the obligation one merely needed to repeat the name of the Amida Buddha. Shinran taught that devotion to the Amida Buddha would enable the devotee to be reborn in Paradise, so the Buddhism of the Jodo-Shinshu Sect preached that those who embraced the Amida Buddha once could attain a position equivalent to that of the Buddhas. On the other hand, it might be not easy for those who embraced the Amida Buddha to be free from trouble in their continuing worldly life. It would be difficult for people to make their devotion to Buddha unshaken and attain Nirvana, so they might think that they could not repay their obligation to the Buddha and ensure rebirth in Paradise by engaging in worldly activities with common ethics and a sense of duty. Thus their profound heart-searching and earnest religious feelings needed to be driven by the teaching of the Jodo-Shinshu Sect of Buddhism that “To repay one’s obligation for the great mercy of the Buddha and express appreciation to the masters who open one’s eyes to truth, one should sacrifice oneself to one’s devotion.”

Thus in addition to the lessons mentioned in the texts for the followers of The Jodo-Shinshu Sect of Buddhism, merchants and farmers who embraced the Amida Buddha began leaving wills that exhorted their descendants to engage in secular activities as religious austerities to make their devotion to Buddha unshakable. Masao Arimoto noted with emphasis in his book *The Framework of Religious Social History* that the desire of the Buddhists of the Jodo-Shinshu Sect to eliminate the uncertainties toward making their faith unshakable could motivate them to attempt excessive ascetic practices based on secular morality and donations/services to their sects/temples.

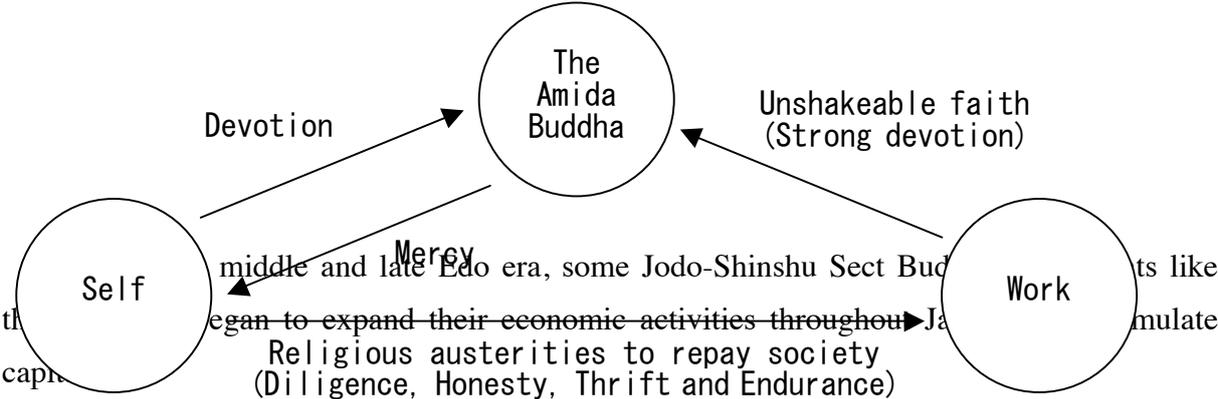
As a result of his study on family mottos, wills and local traditional laws of Jodo-Shinshu Sect Buddhists not only in Omi but also throughout Japan, Arimoto came to the conclusion that Jodo-Shinshu Sect Buddhists practiced the four virtues in their economic ethics, including diligence, honesty, thrift and endurance. Each of these virtues is stoic, specific and practical. Jodo-Shinshu Sect Buddhists who practiced these secular virtues as religious austerities bore a resemblance to the business warriors who thoroughly confronted secular affairs.⁸ This is completely opposite from the way of life of those who try to attain nirvana and seclusion by regarding this world as a transient or dream world. “Be diligent in

the dream world” was the message from Kansuke Tanaka in *Echizen Domain* to his son. This brief message shows the great depth and eagerness of inner ethos of a Jodo-Shinshu Sect Buddhist who devoted himself to business.

Intoku as a key subject of this section was preached as a virtue of thrift, urging that a margin should be reserved for hunger and cold, being mindful of *Intoku*. It should be considered that this includes loving all the public and showing mercy to the poor. Thrift was most important for the merchants, who had a lot of ups and downs, but the purpose for their thrift included repaying society. This is much notable.

The following chart correlates faith with religious austerities in the Jodo-Shinshu Sect of Buddhism as mentioned above.

[Correlation of faith with religious austerities in Shin Buddhism]



What rules on the use of wealth were Jodo-Shinshu Sect Buddhist merchants judged by? According to Arimoto’s studies, these were summed up as follows.

- (1) Treat family fortune as a trust from ancestors.
- (2) Give charity and donate to temples.
- (3) Have mercy on many people in need and give charity and service to them.

They often supplied rice porridge and everyday goods to people with difficulties when crops failed.

The present ITOCHU Corporation has roots in an enterprise founded by Chubei Ito, an earnest Jodo-Shinshu Sect Buddhist, in 1858. He considered trading an austerity for the Bodhisattva. He gave each staff member at his shop a book on Shinran’s lessons and a rosary to use in praying to the Amida Buddha in front of the household Buddhist altar and urged them to do this every morning and evening. He left a will to his son exhorting him not to lose his unshakable faith even if he were to lose his enterprise and all his money.¹⁰

It was not only in Omi where many Jodo-Shinshu Sect Buddhists were living. Arimoto pointed out five regions, including Hokuriku, West Chugoku, North Central Kyushu, Kinki and Tokai as major spheres of Jodo-Shinshu Sect Buddhists. Devotees’ faith was

particularly firm in Hokuriku because of *Ko*, the mutual aid religious associations which were organized in each village, neighborhood and group and lasted over the long term, with Jodo-Shinshu Sect Buddhists encouraging and elevating each other in their faith and ethics. The drug venders of Ecchu¹¹ are famous for the big scale of their business, which has expanded throughout Japan. The major factors in their success were the integration of their strong diligence and patience, which were cultivated in the mutual aid societies, and the traditions of Shin Buddhism, which rejected prayers and relied on medicine to cure people.

Notes

1. Chen Shunchen (1924-) is a mystery and period novel writer and has written many history books, including some on China.
2. Chen Shunchen, *Three Thousand Years of Confucianism*, Asahi Shinbunsha, 1992, pp. 197-202.
3. Nobuyuki Kaji, *Religion of Silence - Confucianism*, Chikuma Library, p.71.
 “Such Buddhism at the Heian period became the starting point for Chinese Buddhism, which had taken in both Confucianism and Taoism, to take firm hold in Japan. From this time on commemoration of ancestors practiced in Confucianism and prayers based on divine favor in this world have become a main pillar of Japanese Buddhism.
4. St. Shinran (1173-1263) was a Japanese monk at the beginning of the Kamakura era and the founder of the Jodo-Shinshu Sect of Buddhism.
5. The Amida Buddha presides over the Western Paradise.
- 6.. Rennyō (1415-1499) was a Japanese monk in the Muromachi era.
7. Masao Arimoto, *Religious Social History of the Joso-Shinshu Sect of Buddhism*, Yoshikawa Kobunkan, 1997, p.36.
8. *Ibid.*, p.51.
9. Kanji Naito, *Religion and Economic Ethics – Shin Buddhism and the Omi Merchants*, Ochanomizu Shobo, 1941. This is a classic essay, verifying that the economic ethics of the Omi merchants were based on their faith in the Amida Buddha.
10. Kuninori Nagasue, *Omi Merchant*, Chukou Shinsho, 2000, p.208.
11. Ecchu is currently known as Toyama Prefecture in the Hokuriku area.

(5) The relationship between Sekimon Shingaku and economic ethics
[Establishment and principles of Sekimon Shingaku]

Sekimon Shingaku is a movement for practicing economic ethics and was established by Baigan Ishida (1685 – 1744) on the basis of his religious ideology. His followers, Shoan Tejima (1717 – 1786) and Doji Nakazawa (1725 – 1803), continued his work, spreading the practice mainly in big cities in various parts of Japan. As a result of their efforts, Sekimon Shingaku was adopted not only by merchants but also by the samurai and farmers. This phenomenon continued for over 100 years until the late Edo era. Some say that among ethical religious movements it had one of the biggest impacts on the morals and way of life of the people of early modern Japan.

Baigan was born in Toge Village in the Province of Tanba¹ and was the second son of a farming family. He became an apprentice to a merchant family in Kyoto when he was 11 years old, according to the general custom in those days. Then he came home when he was 15 and engaged in farming for eight years until he undertook service as an apprentice in Kyoto again. The eight years away from apprenticeship during his adolescence made him miss his opportunity to become an ordinary merchant, but it gave him a chance to choose another way of life. He agonized over his argumentative, unpopular and ill-natured character in his youth and therefore he had strong aspirations to reinvent himself so as not to be aggressive or heartless to people. When he returned to Kyoto, he had a strong will to preach Shinto² and moral principles. He may have been seeking a solution to his inner agony in Shinto, which taught people to purge their heart. Shinto was his starting point and lifelong keystone of his thoughts.

He needed to master the philosophy to have it serve as his grounds for preaching moral principle. He went out for trading with books inside his kimono, devoting every spare moment to studying and reading the books, rising before the other apprentices woke up and studying after they went to bed. When he was 40, he came to believe that he mastered the truth. Three years later, he quit his apprenticeship and then at age 45, started giving free lectures at his home. He continued lecturing until his death. His audiences were small at the beginning but gradually the number of his followers increased. It became a large group a few years later. He not only positioned honesty and thrift at the core of his practical ethics but also lived the life reflected by his thoughts to the letter. He had no wife, but cooked for himself. He continued lecturing and answering his followers' questions, with reading as part of his daily routine. He also worshiped the Buddha and Shinto and Confucian dieties every morning and evening. In addition, he performed relief work with his followers, such as supplying food for victims in times of disaster.

In the process of establishing Sekimon Shingaku almost completely on his own, Baigan was influenced by both the Jodo-Shinshu Sect and the Zen Buddhism. The second

merchant family he served were earnest followers of the Honganji temple.³ The family requested its all employees including child apprentices to visit the temple. Since Baigan embraced Shinto, he visited the temple very few times, but, later, he began to pray to the Amida Buddha. Therefore we may acknowledge that he was influenced by the Jodo-Shinshu Sect of Buddhism. On the other hand, the influence of the Zen Sect Buddhism on him was also big. Ryouun Oguri, whom Baigan respected as a teacher, learned Sogaku (Another name for Shushigaku, one of the academic theories of Confucianism established in the Sung era in China; 960-1279) and mastered the Zen Sect Buddhism and Taoism. Since Ryouun taught his followers Zen, Baigan could attain spiritual enlightenment through meditation after becoming a follower of Ryouun.

Thus both Shinto and Buddhism influenced Baigan's thoughts. The basis of the framework of his thoughts, however, was Confucianism, especially Shushigaku and Mencius (Moshi).⁴ The enlightenment he attained was the knowledge that "the ultimate goal of learning is to know the *Sei* (truth of the Universe) by wholeheartedly learning. If we know the *Sei*, we can understand the *Ten* (Divine Providence)."⁵ This corresponds to the words of Mencius that "Those who devote themselves wholeheartedly to learning will come to know the *Sei*. Those who know the *Sei* can understand the *Ten*."⁶ Baigan thought that knowing the *Sei* meant that his mind united with the mind of The Deity. This was his enlightenment.

[The ultimate goal of learning]

The keyword of Shingaku is "knowledge of the *Sei* (truth of the Universe)." In this case, knowledge of the *Sei* is the same as "knowledge of Divine Providence." Baigan was certain that people had already gained knowledge of the five morals and five virtues when they could understand the *Sei* through wholehearted learning. The five morals were the ethical virtues that people needed to observe in Confucianism; *Jin* (Kindness), *Gi* (Righteousness), *Rei* (Respect), *Chi* (Wisdom) and *Shin* (Trustworthiness). The five virtues were behavior with the goal of creating order in human relations in Confucianism. They were (1) respect toward one's parents, (2) loyalty of vassals to the monarch, (3) distinction between men and women, (4) respect toward elders and (5) trustworthiness. In other words, the core philosophy of Shingaku is that if our mind unites with the mind of The Deity, we gain morality and ethics automatically.

Then how can we attain enlightenment? In other words, how can we throw ourselves wholeheartedly into learning?

Baigan preached that the way of uniting with the mind of The Deity was to be unselfish and to practice selflessness by rejecting self-interest. One of the ways of achieving

that is through meditation. Another way is through discipline of the intellect; in his case, this was by giving lectures and answering questions.⁷ Meditation and discipline of the intellect, however, were just supplementary measures for Baigan. The primary way of the learning that Baigan preached was stoic devotion to work with a mind for business. He considered secular practice another method of learning. People are apt to connect meditation and discipline of the intellect with liberation from the material world or seclusion from society, but Baigan preached the opposite. He expressed the essence of his ideal learning in the following compact sentence.

*Respecting the sovereign in righteousness, serving parents with kindness and love, being trustworthy in keeping company with friends, loving people widely, feeling compassion for the needy, not boasting about achievements, keeping all possessions from clothes to utensils plain and living modestly, mastering family business, saving property by keeping expenditures within income, obeying laws and keeping family order; this is the outline of the way of learning.*⁸

What he preached in this sentence were simply principles and common practices of the five morals and five virtues, but the essence of his thought appears plainly in the context of placing “respecting the sovereign in righteousness” at the beginning of the sentence. “Respecting the sovereign in righteousness” was a duty primarily of the samurai. Most of his disciples were merchants. We must study his view of his work in more detail to know which sovereign it was the merchants were serving.

*The Shi-nou-kou-shou (four principal classes of pre-modern Japan: the samurai, farmers, artisans and merchants) help the sovereign govern the country. Each of them is indispensable to the governing. To govern the four principal classes is the role of the sovereign. To help the sovereign is the duty of the people of the four classes. The samurai are vassals who held rank originally. Farmers are vassals who live in the field. Merchants and artisans are vassals who live in the town. All people as vassals must help their sovereign. Therefore, the business of the merchants helps the government. Without business, there is nothing to help the government or the people establish their livelihoods.*⁹

There are two clear and strong insistences in this sentence. First, he insisted that every samurai, farmer, artisan and merchant was a vassal of the sovereign or the nation, so each of them needed to be loyal to the nation. He preached a sense of positive, active social responsibility. His philosophy was a very vertically oriented loyalism. It was far superior to the ordinary and mundane sense of ethics constrained by the framework of the *Shi-nou-kou-shou*.

Second, he insisted that the business of merchants played an essential role in

helping the government. He expressed a message of sympathy for merchants, who were ranked lower than other three classes. He mentioned the *Shi-nou-kou-shou* in order to do merchants justice and rank them in the same level as the other three classes.

*The principles of the merchants do not differ from the principles of the samurai, farmers or artisans on account of their different classes. Mencius also said all people had common principles. Every samurai, farmer, artisan and merchant is a creature of The Deity. The Deity didn't create two different sets of principles.*¹⁰

Baigan went further in his liberal assertions. By considering the profits of merchants equivalent to the salary of the samurai, he insisted that the principles of merchants were equivalent to the principles of the samurai.

*To merchants, business constitutes a salary permitted by the government. Despite this, the samurai think that merchants seek only self-interest through business and have no principles. They hate and shun the merchants. Why do they have such disdain only for merchants? Merchants can't carry on a business without getting a profit. The samurai, likewise, cannot do their duty without receiving a salary from their sovereign. To say that receiving a salary from the sovereign is in the samurai's self-interest is the same as saying that no one including Mencius (Moshi) and Confucius (Koshi)¹¹ understands the principles of this world.*¹²

[Shingaku and secular ethics – honesty and thrift]

Merchants have a moral obligation equivalent to the samurai's and must practice the principles of merchants with normative consciousness. It is connected to being loyal to the sovereign or nation. This sense of responsibility and devotion to work makes people unselfish. It helps them discover their true mind which can unite with the mind of the Deity. This is the core of the doctrine of Shingaku that was preached by Baigan.

His lectures gathered many townspeople—artisans and merchants—because those who had been looked down on could learn principles to justify their existence and ethics to provide emotional support for their daily life.

Baigan made honesty and thrift the basis of ethics for merchants devoting themselves to work with a sense of responsibility. Through his experience as an apprentice, he realized personally that merchant families could fall into ruin easily. He pointed out that the causes of that were “complaints and extravagance.”

There is only one cause of a family's prosperity or fall. Extravagance can easily become a long-term habit. It is a behavior to be dreaded and forbidden. The Master said, “To express Rei (respect), practice thrift rather than being extravagant.” He also said, “There are

very few people who become disrespectful by practicing thrift.”¹³

Thrift was an ethical virtue that was realized by Baigan personally but was also one of old norms that was preached in Analects of Confucius. Moreover he distinguished between thrift for self-interest and honest thrift, that is, thrift without self-interest. He considered thrift for self-interest unfavorable because it would bring about stinginess and he strongly recommended to practice honest thrift as a common-sense behavior.

I recommend people to practice thrift because I just hope for them to be honest like they were at birth. Since The Deity created people, everybody is a child of The Deity. Thus everybody is a small Deity. If a person is a small Deity, he can't have self-interest. Therefore we must not confuse other's things with our own things. We have our claim to what we lent but also must give what we borrowed back. We must be honest in order to surrender our self-interest. If everybody became honest, people would live in harmony with each other and everybody would be like brothers and sisters in the world.¹⁴

[Shingaku and philanthropy]

According to Baigan, practicing thrift was a way to return to being honest as at birth. He also thought about *Jin* (Love) in practicing thrift. “Spending property thriftily is a way to extend your love to others. While you want to give your love to others, you can't do it without enough property, so we should tighten our belts when managing family finances or governing a nation,”¹⁵ he said. We can build up our savings by spending less and extend our love to others to help the poor or distressed using the savings.

I have discussed Baigan at length. As a result, we can understand that Baigan considered philanthropy and thrift two sides of the same coin. We can also see that the essential motive urging people to practice philanthropy is *Jin-Ai* (Love) in the doctrine of Confucianism. It reminds us that *Intoku* ties in with thrift as a virtue in the Jodo-Shinshu Sect of Buddhism.

In the period when Baigan started lecturing on Shingaku, Japanese feudalism was tottering because of the development of a monetary economy. Yoshimune Tokugawa, the eighth Shogun¹⁶ of the Tokugawa Shogunate,¹⁷ tried to restore the feudal system by carrying out the Reform of Kyoho.¹⁸ Administrative reforms and strict official discipline were enforced. The capacity of agricultural production was increased and control over money, the price of rice, etc., was strengthened. Consumption and hedonism were discouraged. Thrift and diligence came to be considered virtues. Many merchants went bankrupt in the aftermath of this situation. Moreover the Tokugawa Shogunate forbade law suits between the samurai and merchants over borrowing and lending and virtually discharged the samurai from their

debts through a government ordinance. The keynote of the Reform of Kyoho was expressed succinctly in the opinion of Sorai Ogyu,¹⁹ who said, “Don’t mind about the merchants going bankrupt.”²⁰ This was a hard time that tested Japanese merchants, who had only begun prospering. They had to endure ruthless, despotic policies of the Shogunate and establish their footing by themselves to keep their business steady. Baigan had just started his lectures at his house at that time under those conditions. What he was preaching must have penetrated into the mind of the audience like water sinks into dry ground.

The Shingaku movement incurred little cost, because it was maintained by followers who adopted the norms of the humble life prescribed by Baigan. Costs were covered by donations from very charitable supporters. The Shingaku movement was said to be running 180 schools in 34 provinces at its peak. These schools employed clerks and lecturers. Their salaries were covered by donations from students and supporters. Generous supporters offered land for the schools. Besides providing religious and educational programs, the schools practiced philanthropy such as helping the needy and providing disaster relief. Medicines for patients were supplied and nursing mothers stood by at the schools to help mothers who weren’t lactating. These places of study were rich with asceticism and humanism.²¹

Gido Wakisaka (?-1818), who was a pupil of Toan Tejima²² and is known for his many books and philanthropic activities, left the following admonitions. These show how simply secular ethics were preached in Shingaku.

- *Respect Shinto, Buddhism and Confucianism. Always be honest.*
- *Obey prohibition. Know your place. Maintain thrift.*
- *Live with your family in perfect harmony. Work hard for your business.*
- *Always be loyal and pious. Be patient.*
- *Be merciful. Practice Intoku. Stay healthy. Take care of your family.*
- *Be clean. Obey your ancestor’s precepts.*
- *Don’t spare yourself to happiness. Concentrate on the immediate work.*

He preached about philanthropy as *Jihi* (Mercy) and *Intoku* in his fifth admonition. Shingaku was a religion (ethical thought) compounded of elements of Shinto, Buddhism and Confucianism. Therefore it was often happened that the lecturers used religious concepts related to their specific religious background or character, such as describing philanthropy in the words of Buddhism. The important thing is not what religious concepts were used in describing philanthropy, but whether that philanthropy was included in the ethical thoughts.

Since Shingaku was widely adopted mainly in urban areas, it seemed that many townspeople practiced philanthropy (*Intoku*).

[The philanthropy of Gido Wakisaka and Ryosuke Genzaemon Nakai]

Gido Wakisaka served as a lecturer at an institution established for the homeless by Sadanobu Matsudaira.²³ He left his mark on history as a promoter of efforts to construct a wagon road across Mt. Osaka.²⁴ He made a proposal for road construction to the Shogunate with advocates and funds he raised himself. The Shogunate accepted his proposal and executed repair work on a poorly maintained road between Kyoto and Otsu, paving it with granite. The main sponsor of this repair work was Ryosuke Genzaemon Nakai (1716-1805) who was an intimate of Gido and a wealthy merchant in the Omi area. He was said to have donated 100 ryo (1 ryo was equivalent to 100,000-120,000 yen in the middle of the Edo era). Ryosuke Nakai was so rich that his name was on the ranking list of millionaires of his time. This relationship between Gido and such an influential man represents the commitment of merchants at that time to Shingaku. Since Gido and Ryosuke Nakai were both very competent men who achieved remarkable success in their respective fields, their opinions and behavior were very influential on the people at that time. It can be said that their relationship was not exceptional but representative of a variety of relationships between merchants and Shingaku.

Ryosuke Nakai is known for his success in a form of business spanning wide regions, called “Sanbutsu-mawashi.”²⁵ He is also noted for his accounting method which corresponds to the current practice of double-entry bookkeeping, for his sophisticated family motto and business rules and for his broad philanthropy. He made his first business trip for combination drug sales to the Kanto²⁶ area with 2 ryo (200,000-240,000 yen) at the age of 19. His practice of diligence and thrift gradually increased his accumulation of wealth and enlarged his business to where he had branches across the country. He traded products among more than 20 branches throughout the country using the “Sanbutsu-mawashi” technique, such that the branches in Kyoto and Osaka would send used clothes to the branches in the Tohoku²⁷ district to put them on the market there, which in turn would send raw silk, safflower and Japanese lacquer to the branches in Kyoto and Osaka. “Sanbutsu-mawashi” brought his accumulated wealth up to 87,255 ryo (about 9 billion yen) by the time he transferred it to the second-generation.²⁸

Ryosuke’s family believed in Jodo Sect of Buddhism and he was also a devoted believer. He contributed to the repair and construction of his local temples and shrines many times. He had a strong spirit of philanthropy. His *Ichimai Kishoumon*²⁹ written as a family

motto to be rich was introduced in one of Gido's books and left its mark on history as a typical set of family precepts. Its contents, explaining the connections among business, ethics and philanthropy, are as follows.

Many people say that those who become rich are lucky. Saying "I am not rich because I am unlucky" is silly and wrong. If we want to be rich, we should not expect fortune and there is no way to accumulate wealth, except to forbid excessive spending, to try to stay healthy, to practice thrift and to work hard at business. If we become greedy, our ancestors won't save us and we will violate the mind of The Deity. To be thrifty and to be mean are different.³⁰ Ignorant people think there is no difference, but a mean person can't provide sparkle. The sparkle of a person who has practiced thrift based on honesty can bring light to a great number of people and places. If people know and practice this, they will inevitably save 50 thousand ryo to 100 thousand ryo. However, if we are blessed with good luck we might be rich enough to be called as the millionaires of the nation. We should know that it will not be realized in a single lifetime. To that end, good nature must be carried on in the next and the third generation, and Intoku and Sekizen are essential. I leave this message behind to prevent extravagance among my descendants after my death.

[Shingaku and Nationalism]

Shingaku was a religious and ethical movement which had a big influence on townspeople. To be more accurate, it not only gave people in the Edo era awareness and self-confidence in their way of life at that time, but also filled the role of preparing the people for the next era (the Meiji Restoration).

Every component of the philosophy in Shingaku converges on a religious consciousness of harmony with the mind of The Deity. Baigan's pupils were mostly merchants who were ranked as it were, as lowly, despised people. In order to help them hold up their heads with strength and dignity, he propagated a social consciousness in which all the people, including merchants, were equal as vassals to the monarch. He requested his pupils to work on their business as an ascetic practice, namely through thrift and honesty. He exhorted them to be selfless and absorb setbacks in self-sacrifice.

The important matter here is that he had believed in Shinto since he was young.³¹ He preached the worship of Amaterasu-Omikami³² as the Deity of Japan. "When I probe the *Sei* to the bottom, I don't find out any God or Buddha. Therefore once we grasp this truth, it can be said that any religion such as Confucianism, Taoism and Buddhism, and any sect or school is a branch of Japan, a divine land which was created before these religions, sects and schools were established," he said.³³ He also said, "Every soul in our country was endowed

by Izanagi-no-mikoto and Izanami-no-mikoto.³⁴ It can be said that our country is a divine land because it is not only the center of the system containing the sun, the moon and the planets, but also the center of all things in the universe. Unlike China, our country's reign has been taken over generation after generation by the descendants of Amaterasu-Omikami. A people, including people of low rank, worshipping and visiting the shrines of Amaterasu-Omikami in Japan, as people look up to the shrine as the ancestor of unbroken line of only one deity.³⁵ His view of the nation, therefore is based on his worship of the Emperor, who was a descendant of Amaterasu-Omikami. When he said "Respecting the sovereign in righteousness," the sovereign he referred to was the Emperor, whose imperial male lineage had been unbroken from ages eternal. He preached the importance of loyalty to the holy Emperor.

Robert N. Bellah pointed out that the most of the rise of nationalism in the Edo and early Meiji eras or earlier times could be regarded as the rise of National Shintoism. He also expressed the interesting view that "as nationalism increased, National Shintoism kept on rising steadily throughout the Edo era. By the end of the Edo era, most of the religions in Japan had reached a consensus on the special holy roots of the Emperor, the imperial system and Japan as a divine land. In the context of the rise of Japanese nationalism, National Shintoism could stand equal with other religions. As a result of that, the Japanese Government in the Meiji period insisted that National Shintoism was not a religion."³⁶

It can be said that Shingaku helped to set the stage for the Meiji Restoration in that emphasizing a view of the nation with the imperial sovereignty had awaken nationalistic political awareness of the people in general, acting in concert with Emperor-first ideology. Ryotaro Shiba noted in his book *Konokuni no Katachi (What Japan should be)* – Vol.4 that "The ideology of all people loyal to the emperor was shared by many people at the end of the Edo era."³⁷ The ideology of all people loyal to the emperor meant that equality among the samurai, farmers, artisans and merchants could be realized by putting the Emperor at the top of the system.³⁸ The political awareness of the people at the end of the Edo era may have been a kind of desire for a utopia with the nation unified under the emperor system, establishing peace and the ethics of equality among the four classes.

There was nothing realistic in striving to make an ancient fairyland where the Emperor and the people lived together in perfect harmony, as under the circumstances in the 19th century, Japan faced tense situations both at home and abroad. After the lower classes of samurai gained power, the Meiji government over which they seized control created fanatical "emperor worship ideology." It obsessively built an authoritarian, centralized governmental system with emperor worship as the driving force.

Notes

1. Tanba is currently Kameoka City in Kyoto Prefecture.
2. Shinto is Japan's native religion.
3. The head temple of the Honganji sub-sect of the Jodo-Shinshu Sect of Buddhism in Kyoto.
4. Mencius (372 B.C.-289 B.C.) was a Confucian in China.
5. Minoru Shibata, *The collected works of Baigan Ishida*, Volume 1, Seibundo, 1972, p. 71.
6. Katsundo Kobayashi, *Moshi*, Iwanami Shoten, 1994, p. 318.
7. Baigan used meditation, lectures and question and answer sessions for preaching Shingaku. These were adopted as the three basic cultivation methods in the later history of the subsequent development of Shingaku.
8. Minoru Shibata, *op.cit.*, p. 36.
9. *Ibid.*, p. 82.
10. *Ibid.*, pp. 82-83.
11. Founder of Confucianism; 551 B.C.-479 B.C.
12. Minoru Shibata, *op.cit.*, p. 90.
13. *Ibid.*, p. 192
14. *Ibid.*, p.217
15. *Ibid.*, pp. 211-212
16. Yoshimune Tokugawa was the eighth Shogun of Tokugawa Shogunate.
17. The Japanese feudal military dictatorship established by Ieyasu Tokugawa.
18. The Reform of Kyoho occurred in the period from 1716 to 1736 in the middle of the Edo era.
19. Sorai Ogyu (1666-1728) was a Confucian in the Edo era.
20. Seiichi Takenaka, *Philosophy on Economy in Sekimon Shingaku*, p. 228.
21. Robert N. Bellah, *Tokugawa Religion*, Iwanamibunko, 1996 (originally published in 1957 and translated by Akira Ikeda in 1996), pp. 321-324.
22. Toan Tejima (1718-1786) was a pupil of Baigan.
23. Sadanobu Matsudaira (1758-1829) was a politician in the middle of the Edo era and a grandson of Yoshimune Tokugawa.
24. Mt. Osaka is located between Kyoto and Shiga Prefecture. It was an important point on the road connecting Edo and Kyoto.
25. *Sanbutsu-mawashi* was a business model in which goods were purchased in one place where the company was doing business and sold in other places where it was also doing

business.

26. Kanto is the area including Tokyo and its surrounding prefectures, Ibaraki, Tochigi, Gunma, Saitama, Chiba and Kanagawa.

27. Tohoku is the northeastern region of the main island of Japan.

28. Kuninori Nagasue, *The Omi Merchant*, Chukoshinsho, 2000, pp. 41-42.

29. A paper of the outline to die peacefully and be born anew in Paradise written by Honen, the founder of the Jodo Sect of Buddhism, at his deathbed. Ryosuke Nakai may have modeled himself after Honen when he wrote important knowledge on being rich in his paper.

30. According to Baigan, thrift caused by self-interest differs from thrift based on honesty. Practicing thrift for the benefit of customers, such as cutting costs and shortening delivery periods, and thrift for the sake of philanthropy are not mean but can be seen as thrift based on honesty.

31. Shinto is an animistic and polytheistic religion involving many subjects of worship. It was the state religion of Japan and was utilized for strengthening the Emperor system and militarism from the Meiji era to the end of World War II. At that time, people were forced to worship the Emperor as living God.

32. Amaterasu-Omikami is the deity from which the imperial family is descended. She is the sun goddess in Japanese mythology.

33. Minoru Shibata, *op.cit.*, p. 526.

34. Izanagi-no-mikoto and Izanami-no-mikoto are a pair of deities, the original married couple, described in Japanese mythology as the roots of Japan.

35. Minoru Shibata, *op.cit.*, p. 48.

36. Robert N. Bellah, *op.cit.*, p. 117.

37. Ryotaro Shiba, *What Japan should be – Vol.4*, Bunshunbunko, 1994, pp. 127-128.

38. Yasuo Yuasa related in his book *The Religious Beliefs of the Japanese* (Kodansha-gakujutsubunko, 1999, p. 292) that “Norinaga Motoori (1730-1801) conceived the basis of such an idea. In his report to the lord of the Kishu domain, he suggested, ‘Don’t forget that the people are entrusted with and bestowed by Amaterasu-Omikami. Consider them very holy and endeavor not to treat them wrongly.’ He foresaw the integrity of Japan as a racial society superior to the feudal class system. Since the people are bestowed by Amaterasu-Omikami, they can be viewed as the same Japanese regardless of the class differences among the samurai, farmers, artisans and merchants. The symbol of this Japanese identity was the Emperor, connected with ancient Japanese mythology.”