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For Interchange and Collaboration between Islamic Economics and Buddhist Economics

Hiroyuki Akashi
(明石 博行)

This short paper is a draft of an invited talk in “The First Japan-Egypt International Symposium on Science and Technology (EJISST 2008)”, which was held from June 8th to 10th at Waseda University. The talk took place on the 8th of June. Since the theme of my speech is very broad, I could only touched on some points in a limited time. In addition, English expressions are sometimes inappropriate to reveal Japanese ideas. The title of my speech, for example, is not fully appropriate. I used expressions of Islamic Economics and Buddhist Economics according to prevailing usage, but it would be better to put political economy instead of economics in some aspects. For publication, I deleted and corrected some sentences and added notes on reference papers etc. I also set in some pictures into this paper from my slides of PowerPoint. Apart from that, this paper is basically same as my original draft.

I sincerely appreciate the organization committee of EJISST 2008, the staff of Culture, Education and Science Bureau of the Embassy of the Arab Republic of Egypt in Japan, especially Prof. Dr. Karam Khalil for giving me a chance to make a speech in this honorable symposium.

About a half year ago, Komazawa University concluded an agreement with Cairo University. The agreement, “Agreement for Collaboration in Research, Education and Training between Cairo University and Komazawa University”, was concluded on the 14th January 2008 at Cairo University.

I hope that this agreement will create various kinds of new opportunities for collaboration between not only the two universities but also Egypt and Japan. I hope much more. I am very pleased if the agreement will contribute to better understanding between African, Arabic & Islamic Areas and Buddhist Areas. So today, I would like to make a little speech for commemoration of the agreement and better reciprocal understanding.

I will state here four points as main subjects. The first is to introduce you Komazawa University (KU) and KU’s unique institute named *Bukkyo Keizai Kenkyujo* (BKK: English name is the Institute of Zen Buddhism and Economics) ⁽¹⁾. The second is to explain the importance of Buddhism in the economy and economic thought in Japan. The third is to comment the researches on Buddhist Economics or Buddhist political economy in Japan by using *Journal of Buddhist Economic Research*. The fourth is on a new hope for interchange and collaboration between Islamic Economics and Buddhist Economics.

1. KOMAZAWA UNIVERSITY and BUKKYO KEIZAI KENKYUJO

Let’s start from the first subject. That is on Komazawa University and its interesting institute, *Bukkyo Keizai Kenkyujo*.

KOMAZAWA UNIVERSITY (KU)

Komazawa University is one of the main Japanese Buddhist universities. The spirit of foundation of KU is based upon “the Doctrine of Buddhism and the Spirit founded by Soto School” ⁽²⁾. *Sōtō-shū* (Soto School) is one of the two main Zen

Buddhism Schools in Japan. The other main School is *Rinzai-shū*.

The origin of KU was a school for Buddhist monks named “Sendan-Rin”. *Sendan* is famous aromatic tree (*Byakudan* [sandal wood]). *Rin* means forest. *Rin* is also an abbreviation of *Gakurin* and its meaning is a place to study. “Sendan-

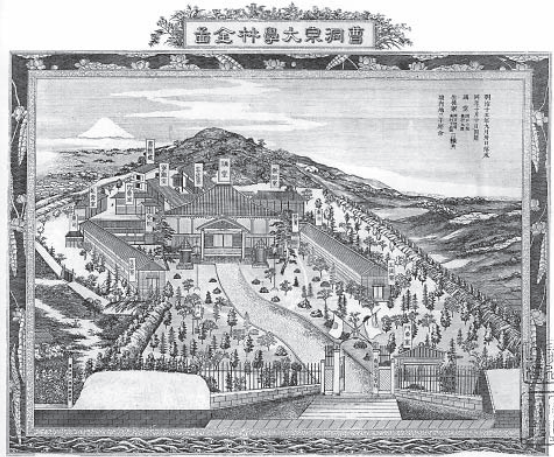
Rin” was founded in 1592 in the precincts of Kichijoji Temple in Surugadai, Edo i.e. Tokyo. In 1882, the Sendan-Rin School was moved to Azabu and reorganized in the form of a modern university administered by the Soto School of Buddhism. The year of 1882 is officially designated as the foundation year of KU. In 1905, the Sendan-Rin School was renamed Soto-shu University and Soto-shu University was renamed Komazawa University in 1925.

Komazawa University has 126 years of official history ⁽³⁾ and has over 400 years history from the establishment of Sendan-Rin School. KU is one of the oldest universities in Japan,

BUKKYO KEIZAI KENKYUJO (BKK)

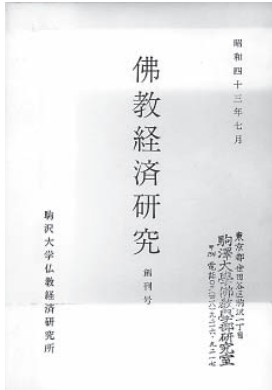
Komazawa University has a unique institute named *Bukkyo Keizai Kenkyujo* (BKK). This institute was established in April 1966. The purpose of the institute is the “research on Buddhist economy, especially economy tied to Zen” ⁽⁴⁾ .

Figure 1. Soto-shu University around the time 1990's.



Source: *120 Years of Komazawa University*, 2002. P.27.

Figure 2. The initial number of *Bukkyo Keizai Kenkyu*



Pioneering Character of BKK

In the Western World, Buddhist Economics became known mainly by Fritz Shumacher's *Small is Beautiful*. This book included a chapter entitled "Buddhist Economics" and published in 1973. The terminology and the concept of Buddhist Economics were accepted on a world-wide level. BKK is an institution developed from a workshop of KU, *Bukkyo Keizai Gakkai*, which was organized mainly by Prof. Denpan KASAMORI (1887-1969) in 1964, succeeding intermittent collaborative research

activities of Buddhist economy by some scholars of the Faculty of Commerce and Economics (it was renamed in 1965 as the Faculty of Economics)⁽⁵⁾. The first *Bukkyo Keizai Kenkyu* (*Journal of Buddhist Economic Research: JBER*) was issued in July 1968, preceding the Shumacher's book. The latest number of *JBER* was issued in May 2008 as No. 37⁽⁶⁾. There are many interesting researches in these Journals.

2. The importance of Buddhism in Japanese economic society

Next, I will turn to the importance of Buddhism in Japanese economic society. In Japanese economic history, Buddhist thought played an important role as well as Confucian economic thought.

Confucian Political Economy

In Japanese history, an epoch-making theoretical system of political economy was established by Shundai DAZAI (1680-1747). He was one of the representative Confucians in Edo period (1600-1867). Shundai's teacher was a famous Confucian

Sorai OGYU (1666-1728) who established “*Sorai-Gaku* (Doctrines of Sorai)” and “*Ken-en School*”. Sorai himself published books on politics and political economy named *Seidan* in 1725. Shundai DAZAI published a series of 10 systematic economic books, *Keizairoku* (*Principles of Political Economy*), in 1729, and *Keizairoku-Jui* (*Complements to Keizairoku*) in 1744. These books are very important in the history of Japanese political economy and economics.

Figure 3. Shundai DAZAI



太宰春台の肖像

Source: yoshihito TAKEBE, *Dazai Shundai, Ochanomizushobo* 1991.

Confucian Capitalism ?

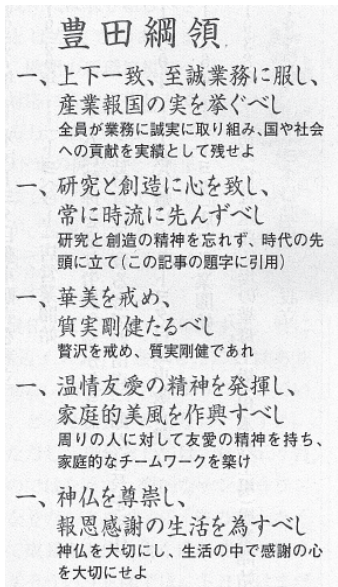
Japanese imported western political economy from the ending time of Edo period, and translated “political economy” into *Keizaigaku* in the beginning of Meiji Period. Japanese also imported economics from the beginning of the 20th century and translated “economics” to *Rizaigaku* or *Keizaigaku*. Western political economy and economics have been of dominant influence in Japan. Japanese people studied western political economy and economics, and applied them to Japanese economic system.

However Japanese political economy and economic system have been strongly influenced by Confucian thought and ethics. Some Scholars characterized Japanese Capitalism as Confucian Capitalism. But is this characterization completely right? No. It is narrow and one sided.

Buddhism and *Shinto* are also important.

Japanese Capitalist system has been influenced not only by Confucian thought or ideology but also by Buddhism and *Shinto*. Japanese economic thoughts or ideologies generally have not developed as single ideology types but developed as

Figure 4. The Charter of TOYODA eclectic or hybrid ones.



Source: *Nikkei Business*, 2007.5.7,p.9.

read from time to time”⁽⁷⁾. The spirit of worship of Buddha is still alive in one of the world’s biggest corporation as Toyota Motor Corporation.

I will indicate only one example here, i.e. the Charter of TOYODA enacted by Kiichiro TOYODA, the founder of Toyota Motor Corporation. Though it is difficult to translate these words into English, the approximate meaning of the last one is as follows. “Worship Gods & Buddha, and lead a life full of gratitude.”

Mr. Katsuaki WATANABE, the president of Toyota Motor Corporation, spoke as follows in an interview of *Nikkei Business*. “I sometimes quote from the Charter of TOYODA (enacted in 1935) in my speeches. These words are old but the philosophy is still valid today. … I always carry a paper printed this Charter and

3. Introduction to researches on Buddhist Economics in Japan

Now move to the third subject. I would like to treat three points on this subject. One is to state episodes on economic role of Buddhism. Two is to examine the Buddhist thoughts and actions in relation to Capitalist economy. Three is about attempts for theoretical deepening based on Buddhism.

Some Episodes on economic role of Buddhism (1)

The first episode is about a tie between futures trading and Zen Buddhism.

Chōki-torihiki (futures trading) system was firstly invented in Japan of Edo Period. This new trading system was introduced at Osaka based on an advice of Denson TENKEI (1648-1735)⁽⁸⁾. Master TENKEI was a famous Zen Buddhism priest of Soto School. He is still famous for his annotation to books written by Master DOGEN, the founder of Soto School.

Some Episodes on economic role of Buddhism (2)

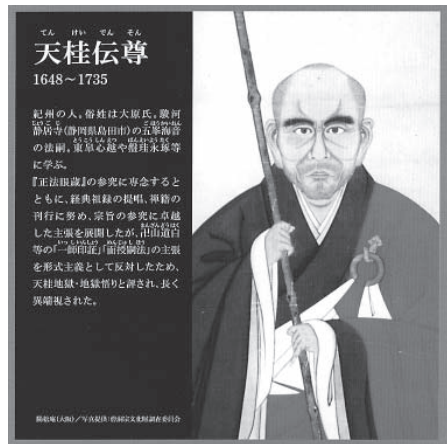
The second episode is about Japanese micro-credit system. Micro-credit created by Dr. Muhammad Yunus became very famous. It is natural because to create the micro-credit system was a great project. In Japan, another micro-credit system was created in middle age. Japanese micro-credit system was born in the Kamakura period (1185[92]-1333) as mutual financial organizations named *mujin* /*mujin-kō* or *tanomoshi-kō*.

Original meaning of *kō* is lecture or meeting on sutra. It is said that *mujin-kō* or *tanomoshi-kō* was born from the meetings of *kō* in Buddhist Temples. *Tanomoshi-kō* system developed to *sōgo-ginkō* (mutual bank) system for small and medium companies in Showa period based on the 1951 Law of *sōgo-ginkō*⁽⁹⁾.

Japanese-type Capitalist Economy and Buddhism

Relations between Capitalist economy and Buddhism are investigated from three different perspectives. One is to investigate roles or mechanisms of Buddhism

Figure 5. Master Tenkei DENSON



Source: *The Museum of Zen Culture and History; The World of Zen*, 2002, p.73.

for economic development based on capital. Two is to investigate it as means to control maladies created by capitalist development. Three is to investigate it as one factor to sublate (aufheben) capitalist economy.

In Japan, Buddhism played very important role for capitalist development. For example, one of the most important factors of Japanese industrious spirit comes from Buddhist spiritual tradition. From the second viewpoint, we can pick up some meaningful Buddhist spirits such as *mottai-nai*, *okage-sama* and so on. From the third viewpoint, we can point out that various thoughts of Buddhist Socialism were born in Japan in the 20th century ⁽¹⁰⁾. These spiritual traditions will newly develop in the 21st century.

These points at issue are worth to investigate. But I must limit myself to introduce these things and move to the third point.

Attempts for theoretical deepening based on Buddhism

In Japan, some scholars have been trying to deepen theories of Economics or Political Economy based on Buddhism. Today, I will introduce you only one example tried by Haruo NANIWADA (1906-1991). He was one of the founders of BKK. He contributed many papers to *JBER*. In a paper of the first issue of *JBER*, he concluded as follows.

“There is no special Economics named as Buddhist Economics. Every school of economics or political economy will be able to be deepened and reach much more deepened recognition based on the Buddhist doctrine of *kū* (*śūnya*). So-called Buddhist Economics must progress in such a way as economics or political economy will be grounded by the position of Buddhism.” ⁽¹¹⁾

This is the conclusion of his paper, “Economics and the Position of Buddhism”. His thought was very deep and inspired. However, I must stop here on this point.

4. A new hope for interchange and collaboration between Islamic Economics and Buddhist Economics

I move to the last subject. I will state here two points. One is about the recent boom on Islamic Finance. The other is about much more long-term collaboration.

Recent Boom on Islamic Finance

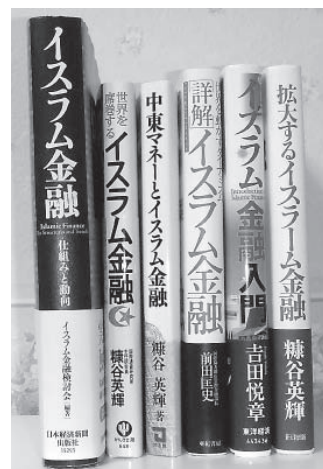
Interest on Islamic finance is rapidly growing in the recent couple of years. Islamic finance boom is arising in Japan. The important books on Islamic system written by a great thinker Muhammad Bāqir-ş-Şadr were translated into Japanese in the middle of 1990s. His book on Islamic Economy was published in 1993. His book on non-interest bank was published in 1994. However there was little interest in 1990s on Islamic economy or Islamic financial system.

Nowadays the situation has drastically changed. Oil money in Islamic regions is expanding and some Japanese corporations are partly adopting Islamic financial system. Books on Islamic finance have been published one after another. Picture of Figure. 5 is some books on Islamic finance in Japan. All these books are published in 2007 and the first half of 2008.

Figure 4. Some translated Books of Bāqir-ş-Şadr



Figure 5. Recent Books on Islamic Finance in Japan



Necessity of long-term Interchange and Collaboration

This boom is a welcoming phenomenon. But we should endeavor to develop this boom into much more long-term collaboration between Islamic World and Japan. Although there are a lot of differences between the Islamic system and the Japanese system, there must be lots of common factors. Long-term interchange and collaboration will be necessary to find these common factors and deepen reciprocal understanding.

Conclusion

Islamic Economics and Buddhist Economics are still new. Long-term interchanges and collaborations among researchers both sides are useful for change and development in nowadays world. I hope this new possibility for scientific and practical collaborations. Thank you for having been hearing my speech.

NOTES

- (1) The first English name of BKK was Buddhist Economic Research Institute. BKK changed its English name to The Institute of Zen Buddhism and Economics in 2002.
- (2) *Komazawa University: 2007-2008 Catalogue*, 2007, p.1.
- (3) This explanation is at the time of June 2008.
- (4) Article 2 of the Official Regulations of *Bukkyo Keizai Kenkyujo*.
- (5) See Denpan KASAMORI, "On the First Issue", *Journal of Buddhist Economic Research (JBER)*, No.1, Kodo HARADA, "Mourn for Professor Haruo NANIWADA", *JBER*. No.22, p.iii.
- (6) The latest *JBER* was issued in 2009 as No. 38
- (7) *Nikkei Business*, 2007.5.7, p.9.
- (8) See Gakusui NAGAHISA "Economy and Zen" *JBER*. No. 3, 1970. pp.7-10.

- (9) See Gyokusen HOSAKA, "Buddhist View on Economy" in *JBER*. No.1, 1968. pp.8-14.
- (10) See e.g. Hiroshi SAITO, "An Examination of Buddhist Socialism", *JBER*. No.8, Seiho YOSHIDA, "The Thought and Activity of Giro SENOO", *JBER*. No.8, "On a Practical Activity of a Buddhist in the Age of Fascism", *JBER*.No.11, etc.
- (11) Haruo NANIWADA, "Economics and the Position of Buddhism" *JBER*. No.1, 1968. p.89.