

exchange-rate risk exposure. As a result, it suffered a bank run and had to resort, like many other Catalanian banks, to the aid of the Banco de España to maintain its solvency. The Banco de España acted as lender of last resort for the Catalanian financial system under the instruction of the Spanish Treasury. Nonetheless, because the Banco de España was still a private commercial bank, it stopped the flow of funds to the Banco de Barcelona when the latter's risk exposure was considered too high. Consequently, the Banco de Barcelona had to close its doors and declare the suspension of payments on December 27, 1920.

On balance, Blasco and Sudrià's book contributes to a better understanding of the development of the Spanish and Catalanian financial systems. It is written in such a way that requires no previous knowledge of Spanish economic and social history, and therefore could be of interest to an audience beyond business historians. It also builds a new set of information that can potentially be used in future research to further study the role of central banks. The Banco de Barcelona, initially a note-issuing bank, saw its demise in a period when the monopoly of money issuing was given to the Banco de España, an institution that was still a commercial bank, was not in charge of setting the monetary policy, and was not independent from the central government. One important caveat is that the book is currently available only in Spanish, considerably reducing the potential audience that it could and should reach.

Sergio Castellanos-Gamboa is a PhD candidate in banking and finance at Bangor University, United Kingdom. His research focuses on the evolution of consumer credit in Britain in the second half of the twentieth century and its effects on the economy, British households, and monetary policy.

. . .

Ethical Capitalism: Shibusawa Eiichi and Business Leadership in Global Perspective. *Edited by Patrick Fridenson and Kikkawa Takeo.* Toronto: University of Toronto Press, 2017. xvi + 273 pp. Notes, bibliography, tables. Cloth, \$55.00. ISBN: 978-1-4875-0106-8.

doi:10.1017/S0007680517001544

Reviewed by Timothy Yang

Is there room for ethics in capitalism? Does social responsibility make economic sense? In a timely, thought-provoking, and multifaceted volume, Patrick Fridenson and Kikkawa Takeo bring together the work of eight eminent scholars (themselves included) from Europe, Japan, and the United States to answer these questions. Sponsored by the

Shibusawa Eiichi Memorial Foundation, this work represents the culmination of a three-year research project on the historical development of Shibusawa Eiichi's Confucian-inspired ideas of ethical capitalism. The contributors to this volume analyze the ideology itself, how it worked in practice, and how it shaped—and has the potential to further shape—capitalist development in Japan and the world. A version in Japanese was published in 2014.

Shibusawa Eiichi (1840–1931) was widely known as the “father of Japanese capitalism” for his entrepreneurial role in fostering Japanese businesses in the early years of Japan's modern state after the end of feudal rule. As a senior bureaucrat in the ministry of finance in the early years of the Meiji period, Shibusawa helped create laws and regulations that fostered Japan's transition to a capitalist economy. An unparalleled entrepreneur, he worked to establish a modern banking system and laid the groundwork for the development of modern corporations. He used his influence to help establish, fund, and/or manage roughly five hundred companies, many of which were the first in their industry. Shibusawa was a proselytizer and interpreter of modern standards of business and commerce who nimbly blended “West and East” to create a morally infused synthesis of ethical capitalism, which he termed *gaponshugi*.

The volume's eight essays—not including the lucid preface and introduction—analyze Shibusawa's ethical capitalism roughly in two major ways. One set of essays probes its logic and practice, particularly through his conception of a joint-stock company as an organization for the public good. In Shibusawa's rendering, the corporation was not a faceless agglomeration for private capital accumulation, but an instrument for public good that aligned entrepreneurial self-interest with social responsibility. Shimada Masakazu mines Shibusawa's family financial records to demonstrate how he managed joint-stock corporations as entities for developing both capital and human resources. Through a textual analysis of Shibusawa's writings, which includes comparisons with both Confucius's *Rongo to soroban* (The analects and the abacus) and Adam Smith's *The Theory of Moral Sentiments*, Tanaka Kazuhiro argues that Shibusawa's prioritization of public good did not contradict private self-interest, but privileged the importance of building long-term public trust for facilitating business transactions. Miyamoto Matao addresses Shibusawa's role as a catalyst for the spread of the joint-stock company in Japan by situating his activities within the context of a late-developing Japan that lacked entrepreneurial, managerial, and informational resources. Kikkawa explores how Shibusawa's conception of a joint-stock company capable of benefiting public and private interests could serve as an antidote to the problems plaguing

what historian Ronald Dore calls an “Anglo-Saxon model” of capitalism that privileges shareholder value above all else and as a blueprint to help resolve the limitations of the so-called Japanese style of capitalism that appeared, most discernibly, after the collapse of Japan’s “bubble economy” of the 1980s.

Another set of essays analyzes Shibusawa’s ethical capitalism in relation to global trends and processes around the world. By comparing Shibusawa’s ideas to Saint-Simonism, and by providing examples of private institutions that have fostered public good in Europe and the United States, Fridenson suggests that the inspirations for *gapponshugi* might have also come from the Western world, where the division between public and private has often been exaggerated. Janet Hunter similarly historicizes Shibusawa’s ideas and endeavors within an emerging international discourse on commercial mores. To Hunter, Shibusawa’s ethical capitalism resonated with Christian-influenced commercial morality that took hold in Japan at the turn of the nineteenth century when merchants across the globe decried the immorality of their Japanese counterparts. Kimura Masato explores Shibusawa’s wide-ranging domestic and international efforts for cultivating business morality—including publicly disclosing investors’ names in companies he managed, participating in overseas diplomatic and trade missions, and philanthropic activities—in order to promote Japan’s global standing and its economic strength. Geoffrey Jones maps Shibusawa’s ideas onto a terrain of global debates over the past 150 years concerning the social responsibility of entrepreneurs. His examples include a wide variety of figures, from the “corporate paternalists” of nineteenth- and early twentieth-century America to the corporate culture of India’s Tata Group to Zhang Jian’s social welfare investments in China.

This volume will undoubtedly be among the most comprehensive scholarly treatments of Shibusawa and his ideas on ethical capitalism available for some time. It will be of interest to historians of modern Japan and historians of business and capitalism alike. To date, the most widely-read English-language treatment of his life and body of work remains *The Autobiography of Shibusawa Eiichi: From Peasant to Entrepreneur* (1994), translated and with an introduction by Teruko Craig. This volume also has important resonances with John H. Sagers’s *Origins of Japanese Wealth and Power: Reconciling Confucianism and Capitalism, 1830–1885* (2006), as well as with classics such as Johannes Hirschmeier’s *The Origins of Entrepreneurship in Meiji Japan* (1964) and Byron Marshall’s *Capitalism and Nationalism in Prewar Japan: The Ideology of a Business Elite, 1868–1941* (1967). Two contributors to this volume have also recently published works on Shibusawa and ethical capitalism: Shimada Masakazu’s *The*

Entrepreneur who Built Japan: Shibusawa Eiichi (2017) and Janet Hunter's "Deficient in Commercial Morality"? *Japan in Global Debates on Business Ethics in the Late Nineteenth and Early Twentieth Centuries* (2016).

There are, of course, some minor issues with this volume. Sometimes the essays are overly repetitive, particularly regarding Shibusawa's basic life and notable deeds. The essays also avoid any overt criticism of Shibusawa himself. But these issues are understandable, given the volume's origins as a conference organized by the Shibusawa Eiichi Memorial Foundation. Overall, the essays are notable less for their analyses of Shibusawa himself than for how they use him as a lens through which to provide a global perspective on the nature of Japan's rapid economic modernization and to pose broader questions concerning the relationship between capitalism and morality. If one of the underlying themes—as this reviewer understands it—is that Shibusawa's ethical capitalism had as much to do with historical circumstances and global trends as with a "timeless" Confucian morality, then what does this say about the nature of Japanese capitalism or of capitalism(s) around the globe?

Timothy Yang is an assistant professor of history and Asian studies at Pacific University. He is currently finishing a book manuscript titled Drugs and the Business of Empire in Modern Japan.

. . .

Yokohama and the Silk Trade: How Eastern Japan Became the Primary Economic Region of Japan, 1843–1893. *By Yasuhiro Makimura.* New York: Lexington Books, 2017. xx + 255 pp. Figures, tables, appendices, notes, index. Cloth, \$105.00. ISBN: 978-1-4985-5559-3.

doi:10.1017/S0007680517001556

Reviewed by W. Miles Fletcher III

Scholarly interest in the origins of modern Japanese economic growth in the mid- to late nineteenth century remains strong. As is well known, Japan then became the first non-Western nation to industrialize. Its transition from tightly restricting foreign trade to becoming a major trading nation within a half-century was remarkable. Yasuhiro Makimura's *Yokohama and the Silk Trade* joins Catherine L. Phipps's *Empires on the Waterfront: Japan's Ports and Power, 1858–1899* (2015) as the second recent English-language monograph to examine this transformation. While Phipps focuses on Moji and other ports not opened by trade