

Yuzuru Kumon (Institute for Advanced Study Toulouse)

‘The labour intensive path: Wages, incomes and the work year in Japan, 1610-1932’

The timing of the divergence between East Asia and Western Europe remains a matter of great controversy. In the case of Japan, three competing narratives have emerged. First, qualitative studies of living standards suggest similar incomes up to 1800 (Hanley, 1997). Hence, the only divergence between these regions was the “great divergence” due to the industrial revolution. Second, quantitative studies based on unskilled urban male day wages for the case of Japan suggests it had much lower wages by at least 1300 (Bassino & Ma, 2006; Bassino et. al., 2010). Thus, there was an early and steady divergence from the medieval period. Third, GDP per capita estimates point to a growing divergence since the 14th century due to slower growth in Japan (Bassino, 2019). As the literature stands, the divergence can be placed anytime between the medieval period to 1800. This status quo has survived due to potential weaknesses in the evidence.

I use new evidence from 1,596 servant contracts, 1610-1932, to estimate male farm wages and the length of the work year in Japan. Unlike past wage evidence based on urban day wages, these annual wages are representative of the rural masses, reflect a large variety of employers, and I account for the days of work. Using this data, I show Japanese laborers were surprisingly poor and could only sustain 2-3 adults relative to 7 adults for the English. International comparisons show Japanese wages were the lowest among pre-industrial societies. There is suggestive evidence of Malthusian population pressures both across time and space. Wages saw sharp declines over time when population increased in the 17th century. Further, wages were higher in the region surrounding Edo, the largest city, where population was gradually declining due to an urban graveyard effect. Finally, I also estimate the work year by dividing annual wages by observed daily wage rates (Humphries & Weisdorf; 2019). I find that peasants worked 325 days a year by 1700, predating the “industrious” revolution in Europe.

The findings appear to contradict the other narratives of living standards in Japan. However, I show the evidence from the various narratives of divergence are actually consistent with an early and steady divergence. Incomes were higher than wages due to widespread landownership and I show land rich households had living standards comparable to the English peasant. However, this does not imply the lack of a divergence which theoretically must be defined on wage or GDP per capita comparisons. I also show these wage estimates are consistent with agricultural GDP evidence by Bassino et. al. (2019) which shows a society in stagnation. Their growth narrative is therefore based on manufacturing and service sector growth for which evidence is weak.

An important implication is that Japan was not a delayed version of the West but followed an alternative path of development which can be viewed as a labor-intensive path (Hayami, 2015; Austin & Sugihara, 2013). If we are to find a common factor that link the early industrializing countries, we must look beyond wage comparisons.