

# The Focus on Contemporary Japanese Economic Ethics

Xi Cao

Shanxi University of Finance and Economics, Taiyuan, China

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**Abstract:** Japanese scholars have launched a large-scale discussion on social justice issues such as “self-ownership” justice, exchange of justice, and distributional justice. The egalitarians and Marxists criticize the libertarianism that it's invalid to use moral intuition to justify the “self-ownership” justice. Because of the existence of capitalist exploitation, the equivalent exchange is also unequal and unjust in nature, libertarians believe that the distribution of economic equality is unfair, and even the distribution of justice itself is meaningless.

## 1. Introduction

During the post-bubble mess, “building a sound and creative competitive society based on individual responsibility and self-help efforts” became a highly publicized concept in Japanese society. The Japanese government attributed the public sector's redundancy, inefficiency and resource inequality were attributed to the Japanese society's excessive attention to equality, heralding a departure from the equal society and an entry to neoliberal social reform. Declare a distinction with the previous equal and open the door to neoliberal social reform.

In the subsequent “basic policy on economic and financial operation and structural reform” published on June 21, 2001, it was proposed to carry out “the principle of personal responsibility based on clear rules” to the end. It can be said that the Japanese government tries to bury “equality of results” into history and regard “equality of opportunity” as the life-saving straw to change the economic status. Centering on the problems of income gap, increasing stricken population poverty and rising unemployment rate, Japanese scholars have also launched a great discussion on social justice issues such as justice of “self-ownership”, justice of exchange, and justice of distribution.

## 2. Justice of “Self-ownership”

“Self-ownership” is one of the core concepts of libertarianism, and also one of the key issues in the debate among libertarianism, egalitarianism and Marxism. Japanese scholars have launched a fierce debate on the moral justification of self-ownership.

### 2.1 Argument about the demonstration method of “self-owning”

As a representative of Japanese libertarianism, Morimura justified “self-ownership” from the perspective of moral intuition. He argues that “people have to face death though desperately in need of organ. The only person who has physical control is himself and no one else.” [1] And he reinforced his point by asking further rhetorical questions, “if you now feel that you have exclusive rights over your own body, don't you intuitively feel that other people have the same rights over their own body?” [2]

In this regard, egalitarians criticize the principle of “self-ownership” by directly criticizing moral intuition as the standard. Takeuchi points out that if moral intuition is determined by production, exchange and communication, then it is difficult to obtain recognition by only judging the legitimacy of self-ownership by moral intuition and regarding self-ownership as the absolute norm of the whole society and human beings. For “the justice of self-ownership, which is established by this method, is ultimately only the justification of the specific state of the production (including reproduction of human beings = reproduction), exchange, and communication of a particular society. Self-ownership, which can only justify certain states such as production, exchange and

communication, cannot justify the existence of human beings and society.” [3] It can be seen that the foothold of egalitarianism lies in the inadequacy of moral intuition, so it is impossible to make adequate judgments on the justice of the principle of “Self-ownership” only by virtue of moral intuition.

## **2.2 Argument about the definition of “self-ownership”**

Morimura divides “Self-ownership” into “Special Self-ownership” and “General Self-ownership”. According to Morimura, “Special Self-ownership” is a kind of negative freedom, which means “the right to access an individual's body and freedom” without interference from others.[4]It is consistent with Nozick's body ownership.The “General self-ownership” adds self-ownership to the property created by labor on the basis of “Special self-ownership”. Based on the moral legitimacy of “Special Self-ownership” he has demonstrated, Morimura thinks that since “the individual has the right to control the carrier of the value produced by his /her body”, “Generalized self-ownership” is naturally established. What he needs to do is to justify “the rights of individuals to the value carriers produced by their bodies”. He used the standard of consistency of power and responsibility to make his case. Because people generally believe it's fair that they can't impose their own losses on others. Losses are actually negative values, and in order to ensure consensus, individuals must be recognized as having rights to enjoy their own (positive) values. .

### **2.2.1 A critique of “Special Self-ownership”**

Japanese egalitarians and Marxists criticized this respectively with the help of Marx's “alienation” thought. The egalitarians believe that the individual's ability to work is not necessarily controlled by himself. Many people are engaged in work that they are not willing to do. Matsui directly quoted Marx's original words pointing out that “with private property being incorporated in man himself and with man himself being recognised as its essence.But as a result man is brought within the orbit of private property, ... Under the semblance of recognising man, the political economy whose principle is labour rather carries to its logical conclusion the denial of man”. [5]This alienation itself is not free and therefore immoral.

### **2.2.2 A critique of “General Self-ownership”**

Egalitarians and Marxists also criticized the “General Self-ownership”. Egalitarians start from the social and historical aspects of “self-ownership” to demonstrate the illegitimacy of the “generalized self-ownership” principle. Their main conclusion is that “moral intuition” cannot justify “self-ownership”, either historically or socially.

Japanese Marxists hold that from “Special Self-ownership” to “General Self-ownership”, from self-ownership to products-ownership, the legitimacy of “self-ownership” cannot be examined without real production relations. As Marx pointed out, “Production based on exchange value and a community based on the exchange of these exchange values, however much they may appear to posit property as the result only of labour, and to posit private property in the product of one's own labour as a condition [of labour], and thus to posit labour as a general precondition of wealth, actually presuppose and produce the separation of labour from its objective conditions.” [6]

## **3. Justice of Exchange**

### **3.1 Justice of “Voluntary exchange”**

Japanese libertarians and egalitarians' views on “exchange justice” directly absorb the relevant thoughts of neo-liberalism in Europe and America, and respectively apply the argument appealing to intuition and contract to advocate their own views. Libertarians use the example of “Wilt Chamberlain argument“ to tell us that as long as the initial justice, the justice of transfer of property is realized, then the result is just, no matter how unequal this result. The transfer justice includes two situations, one is voluntary exchange, the other is bestowal. “Voluntary exchange” is the embodiment of exchange justice. Egalitarians adopt the way of contractual argument, believing that the proper exchange is the exchange under the premise that both parties concerned reach an

agreement after calculating the gains and losses of interests. Therefore, as long as the exchange approved by the parties, it is the proper exchange.

It can be seen that both libertarians and egalitarians believe that the exchange process is justified as long as the parties are legally free and the exchange is voluntary. So in the labor market, workers have to decide whether to sell labor freedom, and the capitalists have freedom to decide whether to buy the Labour. Both sides have reached a deal on the basis of consensus is justified. Therefore, the wage-labor relationship of capitalism is a legitimate and ethical transaction based on the principle of equivalent exchange.

### **3.2 Injustice of Exchange**

Representing Marxists, Matsui pointed out that the equivalent exchange of labor commodity is the same as the equivalent exchange of ordinary goods, because of the existence of surplus value and the mystery, which covers up the capitalist exploitation. “The exploitative relationships that had been self-evident in previous class societies,” he said, “were masked in capitalist societies by the forms of labor sales based on free agreements between capitalists and laborers.” [7]

Matsui believed that Marx's moral judgment on exploitation is demonstrated by his statement that capitalists' possession of surplus value is called “theft”. The phrase itself is true, but it is used in the wrong place. When we accuse capitalists of “theft” surplus value, it is produced in the process of production, not in the process of “exchange”. We cannot attack the injustice of exchange with the injustice of capitalist production.

Therefore, the unjust criticism of capitalist “exchange” must be based on the coerciveness or compulsion of “exchange”. According to Marxism, the emergence and establishment of the capitalist system requires two conditions. One is a large number of free labor, and the other one is that workers have nothing except labor. This means that in order to survive, the workers must sell their labor to the bourgeoisie, which is in possession of the means of production.

In contrast, Imamura's critique is more in line with Marxist views. He compared “substantial inequality” and “formal equivalent exchange”, and pointed out that the so-called equivalent exchange in capitalism is actually an unequal exchange. “equivalence and inequality are a whole and the two sides of a problem. If the equivalence principle is 'right', then inequality is 'right' “. [8] But Imamura's assumption that capitalism's “equality of opportunity” is to blame for this real inequality while the nature of capitalism's unequal exchange is ignored. The “equality of opportunity” and “striving to succeed” created by capitalist countries are indeed false appearances, which cover the nature of the domination of money in the capitalist system. However, equality of opportunity is not the cause, but the result. It is only when money becomes the only measurement standard that the illusion of equivalence exchange between the proletariat and the bourgeoisie is formed, and equality of opportunity is the result of such equivalence exchange.

## **4. Justice of distribution**

### **4.1 Efficiency and distributive justice**

Different from Nozick's view of “holding justice”, Japanese libertarians prefer to elaborate their views of distributive justice from the perspective of “efficiency”, such as Morimura's slogan of “suffering from poverty instead of inequality”. In Morimura's view, inequality as a result of acts of individual freedom is not seen as unjust, whether measured by utility, resources, available benefits or others. Distribution for the purpose of economic equality is an unfair exploitation of the beneficiaries. Morimura further argued that the improvent of efficieny can improve people's living standard. Because in the “free market economy, people who get benefits from entrepreneurs will get more interest, and relatively low income earners in the society also can benefit from the production economic activity of high earners benefit.” [9] In addition, Morimura believes that people who directly obtain the fruits of their own labor have stronger motivation to produce than those who receive distribution. Therefore, in a society of libertarianism, although there is a large gap between the rich and the poor, the general improvement of people's living standards is enough to make up for

the psychological gap and dissatisfaction caused by it. It can be seen that unequal distribution that improves efficiency can improve the overall living standard of the society, so this distribution is just.

#### **4.2 Absolute poverty and distributive justice**

Libertarians attack the meaning of distributive justice. According to Hashimoto, if distributive justice has no meaning in itself, or if the government's act of redistributing property is inherently unjust, then Egalitarianism is like a castle in the air, with no foundation at all. For this, she uses the thought of Hayek, that distributive justice in the field of market economy does not exist, because the market economy is a kind of spontaneous order, with its own laws, and “justice” only exists in human organized activities, since the market is not human carefully designed, so the allocation of the so-called “justice” does not exist. She pointed out that “absolute poverty level is what we need to pay attention to, and the correction of income gap is not important morally.” [10] In this point, Hashimoto and Morimura have same opinions..

#### **4.3 Exploitation and distributive justice**

Matsui elaborated his views on distributive justice from the perspective of exploitation theory, “whose main idea is that if the distribution of inherent assets such as the capability between capitalists and laborers is ignored, then the difference in the distribution of capital, land and other external capital between capitalists and laborers is the cause of the inequality in the distribution of productive goods... The problem of distribution of inherent assets and the principle of distribution on demand are not discussed here. And the demand for equal distribution of external assets is consistent with the weak colony. ... In this way, it must be noted that the requirements for equal distribution of capital are consistent, whether for laborers or for the weak who can not participate in production.”[11] Here, Matsui's distributive justice seems to deliberately avoid “ability difference” between capitalists and workers, and this “ability difference” in essence is the result and manifestation of unfair distribution. In addition, Matsui also pointed out that the “work according to one's ability, and distribute according to one's needs” can not be regarded as distributive justice of liberalism, because “in the communist society 'labor is the first need of people', is no longer a responsibility or obligation, but a kind of spontaneous self-realization. The premise that an individual has certain rights is to have responsibility or obligation to others. Labor is not a responsibility or obligation to satisfy people's needs, so it does not create a rights relationship. Therefore, it is not necessary to determine whether this spontaneous labor is justice.”[12]

### **5. Summary**

In general, the Japanese scholars have discussed the issues of “self-ownership”, exchange and distribution, which is an extension of the debates in the academic circles of Europe and the United States. The theoretical viewpoints and argumentation paths are basically within the scope of debates in Europe and the United States. Compared with European and American scholars, the arguments of Japanese scholars have the following characteristics. First, the method of argumentation lacks systematicity and diversity. For example, Morimura has emphasized “moral intuition.” Second, the arguments of Japanese scholars reflect a characteristic of eclecticism. These characteristics can be seen as the Japaneseization of European and American economic ethics.

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