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How did Japan become an economic superpower, 1945-1968?

Lesson Grade Span: Secondary/High School

Based on the Alberta program of studies for Social Studies 30-1, 30-2 (Grade 12)

Specific outcomes in the 30-1/30-2 Alberta Program of Studies: Social Studies (2005):¹

- 2.11 analyze perspectives on the imposition of the principles of liberalism
- 3.1 appreciate various perspectives regarding the viability of the principles of liberalism
- 3.5 analyze the extent to which the practices of political and economic systems reflect principles of liberalism
- 4.2 exhibit a global consciousness with respect to the human condition and world issues

Summary: In the lesson, students examine possible causes for the rise of the Japanese economy in the post-war years until 1968, when Japan attained 2nd highest economic output in the world. Students study a variety of media sources to data and evidence to be used in support of assessing which causes are most probable. Students conclude by deciding which single causes was most influent in driving and securing Japan's economic success. The lesson as a whole is tied back to a wider study of liberalism to understand how it may, or may not, have helped Japan become a global economic superpower.

Suggested time: 120-150 minutes (2-3 periods)

Resources: Attached worksheets; a colour digital projector with sound is preferable.

Outcomes:

- Students will develop an in-depth knowledge of a case study in support of arguments about liberal attitudes leads to prosperity.
- Students will draw historical inferences from photos, documents and data
- Students will appreciate the social, political and economic dimensions of liberalism.

¹ Alberta Education. *Social Studies : 30-level Programs of Study*. Alberta Queen's Printer. 2005.
<https://education.alberta.ca/media/3386090/program-of-study-grade-12.pdf>. Accessed October 13, 2018.

Pre-requisites: An appreciation for the economic and political condition of Japan immediately after its surrender at the conclusion of World War II.

References: texts, graphs & videos used in the lesson

Note: Photos from Document #2 contain direct links to the original source in the photo credit description. Links accessed October 30th, 2018.

Cusumano, Michael. 1988. "Manufacturing Innovation: Lessons from the Japanese Auto Industry." *MIT Sloan Management Review* (Fall 1988). Available online at <https://sloanreview.mit.edu/article/manufacturing-innovation-lessons-from-the-japanese-auto-industry/>. Accessed October 30th, 2018.

Drucker, Peter. 1981. "Behind Japan's Success." *Harvard Business Review* (Jan 1981). Available online at <https://hbr.org/1981/01/behind-japans-success>. Accessed October 30th, 2018.

Ellington, Lucien. 2004. "Learning from the Japanese Economy." *Japan Digest*. Available online at https://spice.fsi.stanford.edu/docs/learning_from_the_japanese_economy. Accessed October 30th, 2018.

Frost, Peter. 2003. "Postwar Japan, 1952-1989." *Japan Society*. Available online at http://aboutjapan.japansociety.org/postwar_japan_1952-1989#sthash.5l0OVyt3.dpbs. Accessed October 30th, 2018.

Marginal Revolution University. 2016. "Growth Miracles and Growth Disasters." *YouTube*. Available online at <https://www.youtube.com/watch?v=5X5v7vRYQjc>. Accessed October 30th, 2018.

Office of the Historian. n.d. "Occupation and Reconstruction of Japan, 1945-52". United States Department of State. Available online at <https://history.state.gov/milestones/1945-1952/japan-reconstruction>. Accessed October 30th, 2018.

Tetsuji, Okazaki. 2015. "Lessons from the Japanese Miracle: Building the Foundations for a New Growth Paradigm." *Nippon.com*. Available at <https://www.nippon.com/en/in-depth/a04003/>. Accessed October 30th, 2018.

Lesson Procedure

1. Begin with a review of the condition of Japan at the end of World War II. Looking through pictures can be useful, to better contextualize much of the devastation. Many pictures are available online. Students should reflect upon the economic condition of Japan circa September 1945, given the historical evidence suggested by the images.

Some role playing can appropriately focus energies: if they were in charge of Japan and its future at this point, what would they do? How would they rebuild an economy? What challenges would they expect? What would be most important to do first?

2. Present **Document #1**, either by projecting to a screen or by printing and distributing copies to students. Ask students to analyze the data, noting what the most salient feature of the graph might be. Discuss; the desired answer is a focus on the abnormal growth rate of the Japanese economy post-WWII, such that it catches up to Britain's by 1970. Emphasize that the lesson will seek to understand *why* this was possible. After all – going back to Step 1 – the class just saw that Japan was war-torn and essentially economically disempowered in 1945. How could such growth be possible?

Extension: with an advanced and mathematically adept group of students, one might want to ask why the graph is constructed using *natural log per capita GDP* units, as opposed to GDP, and what the effect of doing so is on the presentation of the data.

3. If possible, continue by showing this YouTube video on the topic of “economic miracle growths”. It has the same message as the graph, but presents it in a wider context:

<https://www.youtube.com/watch?v=5X5v7vRYQjc>

In light of the evidence that Japan found ways to achieve substantial economic growth immediately after WWII, review some of the questions asked at the conclusion of Step 1. Would they change of their answers from Step 1, based on what was heard thus far?

4. Consider what is known about Japan's economy in the post-war years. Images from **Document #2** may be used as starting points to gather evidence. What do the images indicate about Japan's economy in this era? What is missing from what is pictured? Steer the conversation towards current-day knowledge of the Japanese economy, to draw parallels; today's large companies did not suddenly appear. Students are typically able to identify large Japanese corporations in a variety of industries, such as Toyota and Honda in the auto industry, and Sony and Nintendo in the electronics sector. Using their smartphones or other internet-enabled devices, have students quickly research (7 minutes) the origins of a Japanese company they are familiar with, and, if possible, understand what that company was doing in the period between 1946-1968. The template in **Document #3** may be used to jot some ideas about their chosen company. The point is quick familiarization with an example, not an in-depth study.

5. Distribute the reading “Occupation and Reconstruction of Japan, 1946-1952”, published by the Office of the Historian, United States Department of State:

<https://history.state.gov/milestones/1945-1952/japan-reconstruction>

Students identify key trends, according to this article: what drives Japan’s growth? What role is SCAP playing in the early reconstruction effort?

6. Distribute a contrasting reading by Lucien Ellington, “Learning from the Japanese Economy”. A two-page PDF version is available online:

https://spice.fsi.stanford.edu/docs/learning_from_the_japanese_economy

In practice, only the first page and the beginning of the second (up to “Japan’s Recent Economic Problems”) are useful. Students read through these sections, classifying its ideas according to the chart given in **Document #4**. Students should explicitly keep a record of how Ellington and the US Historian’s interpretations vary.

Adaptation: Weaker groups of students may require some assistance in understanding each of the Ellington’s proposed factors. Taking the time up front to visually represent the link between each of Ellington’s factors and the wider economy may help clarify for such students how these factors affect an economic system; in some cases, it might be useful to review such factors separately from the reading entirely. Not all students will be able to connect these factors from the reading alone, even when using reading strategies such as group readings or keyword highlighting.

Extensions: A number of great articles are available as substitutes or supplements to this step. Most notably, economic historian Peter Drucker published a piece in the *Harvard Business Review* (January 1981) and argues in favour of prudent Japanese business management practices as driving the rise of the Japanese economy. Elsewhere, in the Fall 1988 edition of the *MIT Sloan Management Review*, Michael Cusumano examines the rise of the Japanese auto industry in some detail, too. Peter Frost writes a less academic but no less detailed account for the *Japan Society* educators’ site, with more emphasis on political and managerial practices of the 1950s. Evidence from these sources could be used to supplement the analysis of Ellington’s causes for advanced students capable of reading general-interest academic publications.

Drucker, *HBR* (1981): **<https://hbr.org/1981/01/behind-japans-success>**

Cusumano, *MIT SMR* (1988):

<https://sloanreview.mit.edu/article/manufacturing-innovation-lessons-from-the-japanese-auto-industry/>

Frost, *Japan Society* (2003):

http://aboutjapan.japansociety.org/postwar_japan_1952-1989#sthash.5100Vyt3.dpbs

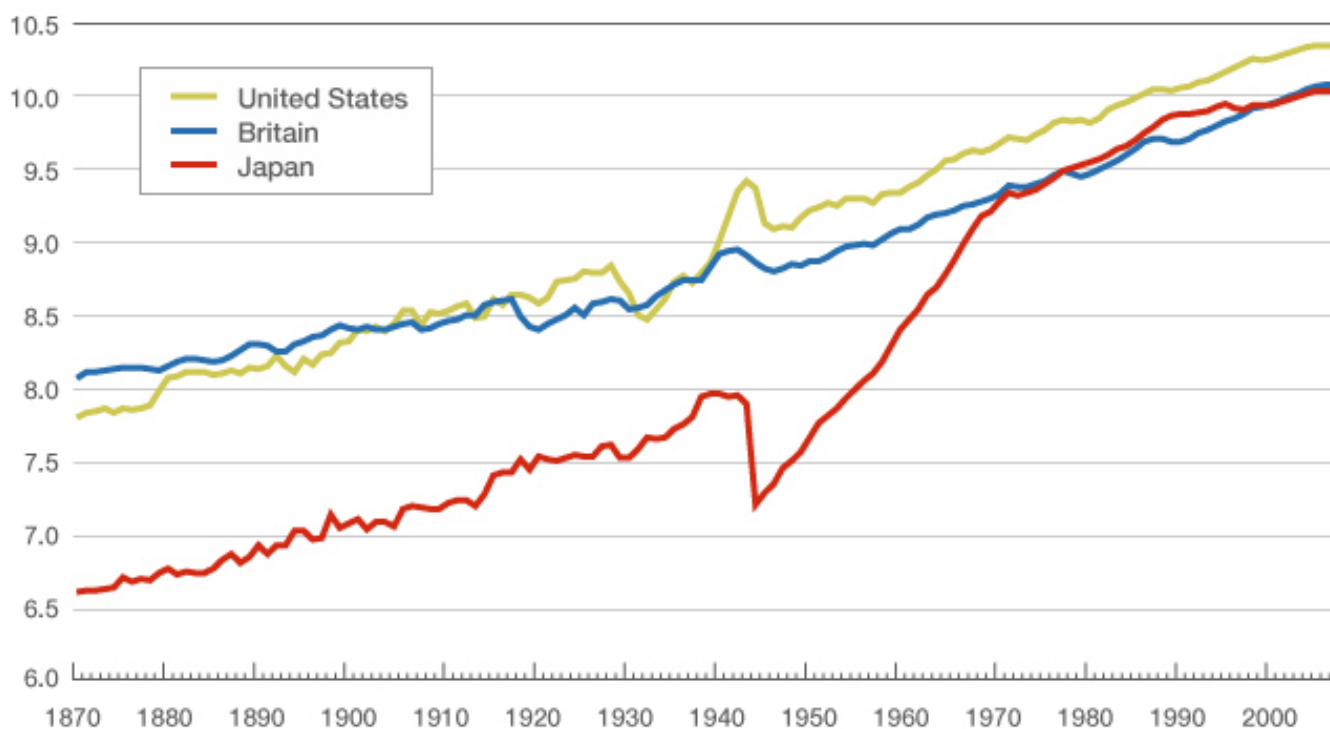
7. In groups of 3-4, students research in greater depth (at least) six of the factors that Ellington identifies, to better appreciate their potential applications, or to consider parallel situations. Using cards cut out from **Document #5**, student groups then negotiate which factors seem most relevant to Japanese economic growth by ranking them from **most to least** important. Students should be able to support with ranking with evidence and examples. Parallels to other economic case studies are encouraged as part of this step, and/or to current-day economic practices to justify the analysis.

Extension: a class-wide debate/discussion to rank *all* factors from Ellington's analysis can also ensue, though it may be difficult to hold students' attention for the duration required to place and justify 11 different factors.

8. Return once again to the questions from section 1. Students write recommendations for what a war-torn country should do to put itself back together economically, using information from all sources studied. Recommendations might be compiled as a short report or memo, and evaluated and/or presented.

9. *Extensions to liberalism:* Further questioning on the role that liberalism plays in securing Japan's economic future. What role did political institutions such as the Liberal Democratic Party play? What about competition and free enterprise? Or could this success have occurred without liberalism, or in fact happened well in spite of it? Or, is any society that becomes an industrial supplier to a rich, major world power able to itself become rich over time, regardless of its economic and political ideologies? Returns to these kinds of questions may be useful in contexts where connecting the case study to an examination of the value of liberalism is necessary in the curriculum.

Growth in Real Per Capita GDP in Japan, Britain, and the US, 1870–2008 (Natural log of per capita GDP in 1990 international Geary-Khamis dollars)



Data source: The Maddison Project, <https://www.rug.nl/ggdc/historicaldevelopment/maddison/>

Data visualization: Okazaki Tetsuji, "Lessons from the Japanese Miracle: Building the Foundations for a New Growth Paradigm", *Nippon.com*. Available at <https://www.nippon.com/en/in-depth/a04003/>, accessed October 30th, 2018.



Konica Rangefinder camera, produced 1948-1952
Photo credit: Dirk HR Spennemann, [Flickr](#)



Toyota Crown, circa 1955
Photo Credit: Taisyo, [Wikipedia](#)



Lightbulbs produced at Tokyo Shibaura Electric Co., 1951
Photo credit: Arthur Curlis, US Army/Associated Press Photo



Machine parts are melted down from scrap, Tokyo, 1946
Photo credit: Associated Press Photo

Company portfolio – Quick Study

Name of the Company	
Founded in the year	
Products made	
Domestic competitors	
International competitors	
Economic activities in the 1950s and 1960s	
Economic activities today	

Understanding Lucien Ellington's "Learning from the Japanese Economy"

<p><u>Political</u> <i>Factors driven by the Gov't of Japan and SCAP</i></p>	
<p><u>Social</u> <i>Factors driven by the Japanese people</i></p>	
<p><u>Economic</u> <i>Factors driven by businesses and workers</i></p>	
<p><u>Other</u> <i>Factors driven by other actors</i></p>	

Lucien Ellington's Causes of Japanese Wealth – Cut outs

State-Assisted Capitalism	Surplus funds for investment
US Occupation & Economic Reforms	Trade Unions & Industrial Relations
The Korean War	Domestic competition & entrepreneurship
Worldwide Free Trade Boom	Stable politics
Shift to less dependent industries	Low military expenses
Many well-educated workers	Other: _____