

# The Grand Game and Economic Growth: The Meiji Restoration

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## <Summary>

This paper introduces the concept of the “Grand Game” as an important element in the analysis of economic growth, particularly for less developed countries, and uses Japan’s Meiji Restoration to illustrate it. Acemoglu and Robinson (2012) cite the Meiji Restoration as an example of a catalyst for economic growth; however, when examining the historical facts, it becomes clear that the political institutions of the country in question, on which Acemoglu and Robinson place great importance, were insufficient to fully explain the country’s economic progress at that time and that the strategies and policies of the world’s major powers (which we refer to as the ‘Grand Game’ in this paper) had a significant influence.

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Key words: economic growth, Meiji Restoration, Grand Game, Acemoglu and Robinson

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## Introduction

This paper introduces the “Grand Game” concept as an important element in analyzing economic growth. In the discussion that follows, the Grand Game refers to the diplomacy, intelligence, and military policies that major powers undertake based on their own global strategies. A similar historical term, the “Great Game,” is thought to have been established as the name for the strategic rivalry and information warfare between the British Empire and the Russian Empire over Central Asia from the 19th to the 20th century. In contrast, we use the Grand Game as a more general term to refer to both the 19th and 20th centuries as well as the 21st century and assume that the “great powers” include not only Britain and Russia, but also countries that had (or tried to have) global influence at the time, such as France, Prussia, and the United States.

Since the appearance of the Penn World Table data in 1978, the empirical analysis of economic growth has rapidly developed, particularly in terms of research using regression analysis to identify the determinants of growth. The Penn World Table data makes it possible to compare the incomes of countries using the purchasing power parity theory. Daron Acemoglu is considered the leading authority in this field<sup>1</sup>. In addition to empirical analysis using regression analysis, Acemoglu has conducted analyses based on historical facts and has published the results in a series of books. A representative example is Why Nations Fail: The Origins of Power, Prosperity, and Poverty, which he co-authored with James A. Robinson in 2012.

In their 2012 book, Acemoglu and Robinson argue that political and economic institutions are complementary and that the institutions tend to strengthen one another. Specifically, they argue that under inclusive political institutions, inclusive economic institutions are strengthened, resulting in sustainable growth, whereas under extractive political institutions, extractive economic institutions are preferred, resulting in low growth (Acemoglu and Robinson 2012, p.81).

Acemoglu and Robinson compare Japan’s Meiji Restoration with China, presenting it as a catalyst for robust economic growth. In Japan, the prevailing Tokugawa rule was absolutist and exploitative but had little control over powerful feudal lords and thus was open to challenge. In China, the absolutism was stronger, and opposing forces were less organized and autonomous. Acemoglu and Robinson go on to explain that China had no equivalent to Japan’s feudal lords, no entity that could challenge the absolutist rule of the emperor and promote an alternative system, which, they assert, is why China continued on the path of absolutism even after the Opium Wars while, in Japan, a political revolution known as the Meiji Restoration was triggered. They further argue that the Meiji Restoration (political revolution) enabled Japan to develop a comprehensive political system and an even more comprehensive economic system, which laid the foundation for rapid growth (Acemoglu & Robinson 2012, pp.118-119).

Acemoglu's analytical framework assumes that differences in a country's political and economic institutions lead to differences in economic growth. However, a more detailed look at the history of the Meiji Restoration reveals that the strategies and policies of the great powers of the time, such as Britain, France, Prussia, and the United States, had a major impact on political trends at the end of the Edo period, which eventually led to significant economic growth. It is a historical fact that anti-shogunate forces defeated the Tokugawa shogunate and achieved the Meiji Restoration. However, it is entirely conceivable that if the strategies and policies of the great powers had been even slightly different, the shogunate would have crushed the anti-shogunate forces, the Restoration would not have taken place, and the shogunate system would have continued on as it was but in strengthened form. Moreover, depending on the outcome of the Grand Game played by the great powers, it is entirely possible that Japan would have been divided and become a colony of one of the powers. Of course, Japan's political and economic institutions could have been factors that influenced the outcome, but the strategies and policies of the great powers also had a major impact, and since the great

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<sup>1</sup> Acemoglu shared the 2024 Nobel Prize in Economics with James Robinson and Simon Johnson “for their research into the impact of social institutions on national prosperity.”

powers naturally had stronger economic and military power, it is entirely possible that their influence would have been greater. Based on the above, this paper aims to clarify the influence that the strategies and policies of the world's major countries had on the Meiji Restoration.

In the sections that follow, the thesis of Acemoglu and Robinson regarding the importance of politics in analyzing economic growth is first discussed. The perspective of global history is then introduced, and the importance of the Grand Game is established. Finally, the Meiji Restoration, which served as a catalyst for modern Japan's economic growth, is analyzed, incorporating elements of the Grand Game into the analysis

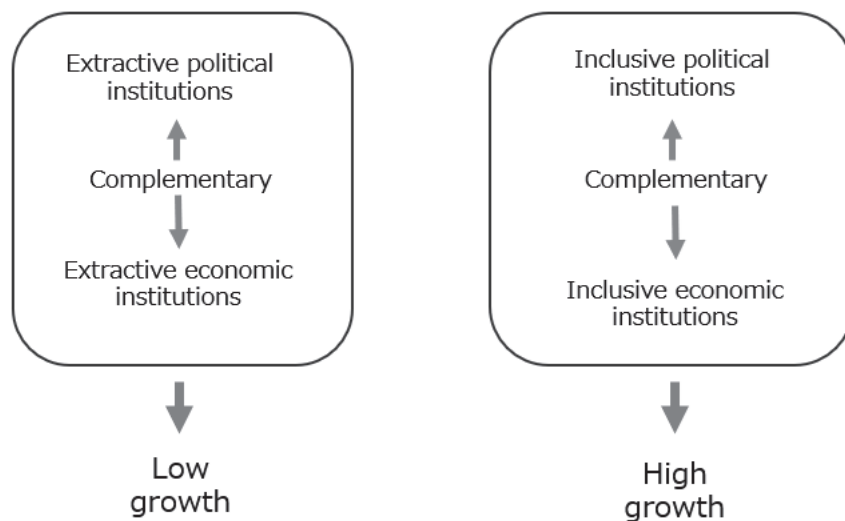
### 1. The importance of politics in economic growth

The theoretical search for the essential mechanisms of economic growth began as far back as Adam Smith; more recently, the publication of the Penn World Data in 1978 made it possible to compare the incomes of countries using purchasing power parity theory, and empirical research using regression analysis has expanded rapidly. Representative studies include Barro and Sala-i-Martin (1992) and Acemoglu et al. (2001). Such studies continue to appear. However, at present, there is no consensus within the economics community on the essential question of "what determines growth?"

Over the past several years, Acemoglu, a leading scholar in growth studies, has co-authored three books (Acemoglu & Robinson (2012), Acemoglu & Robinson (2019), and Acemoglu & Johnson (2023)) in which the determinants of growth are explained using an approach based on historical facts and political considerations.

Acemoglu and Robinson (2012) argue that economic and political institutions have a complementary effect, and that if they are the same institutions, they tend to reinforce each other. Specifically, they argue that under inclusive political institutions, inclusive economic institutions are strengthened, resulting in sustainable growth, whereas under extractive political institutions, extractive economic institutions are preferred, resulting in low growth (Acemoglu & Robinson 2012, p.81). (See Figure 1)

**Figure 1: Institutions and economic growth**



Inclusive political institutions are those in which political power is distributed broadly and pluralistically, resulting in law and order, secure property rights, and inclusive market economies and inclusive economic institutions that strengthen property rights, create equal opportunity, and encourage investment in new technologies and skills.

In contrast, extractive political institutions are systems that concentrate power in the hands of the few, who are motivated to maintain and develop extractive economic institutions for their own benefit and to use the

resources they acquire to further strengthen their own political power. Extractive economic institutions are structured so that a minority extracts resources from the majority, and they do not protect ownership rights or provide incentives for economic activity.

Their main argument is that while economic institutions play a key role in determining whether a country is poor or rich, it is politics and political institutions that determine what economic institutions a country will have (Acemoglu & Robinson 2012, p.43).

They point out that the problem with previous research into economic growth is that it has ignored "politics," and that "politics" plays a major role. In my opinion, this series of studies by Acemoglu and others represents one of the current frontiers in economic growth research<sup>2</sup>.

The fact that Acemoglu and Robinson take "politics" into consideration as a factor in economic growth is a major step forward. However, in my view, including "politics" alone is not sufficient. This is because the "politics" they are referring to is strictly the "politics" of the country in question, when in reality, the strategies and policies of the major powers have a similarly large impact on the growth of the country in question.

## 2. The Importance of the Grand Game

The research approach of viewing the history of a single country within the larger context of world history is known as "global history" and has already become an important perspective in the field of history. In this paper, I aim to apply this global perspective of historical research to the study of economic growth, thereby presenting a new analytical framework for growth analysis.

Specifically, the "political" factors introduced by Acemoglu and Robinson will be replaced with "global politics" rather than being confined to a single country, and the mechanisms of economic growth will be studied.

Hopkirk (1992) describes how the conflict between the great powers, the British Empire and the Russian Empire, tormented the societies of Central Asia. In fact, there are countless examples of the strategies and policies of great powers having a major impact on the economic growth of small countries.

Togo (2014) points out that U.S. aid policy regarding Taiwan played an important role in Taiwan's economic growth during the Cold War. Taiwan's economic growth was achieved by using U.S. aid and intervening in the market, building on the legacy of Japanese colonial rule. However, the Kuomintang government had existed on the mainland of China during World War II under the leadership of Chiang Kai-shek and similarly received aid from the United States, although it is said that much of the aid was plundered. Why, then, was it possible for essentially the same government to grow the economy in Taiwan, while taking aid on the mainland had not produced growth?

The United States provided a great deal of aid to the Kuomintang in mainland China; however, much of that funding was privatized by the Kong and Song families, who were connected to Chiang Kai-shek, and the Kuomintang government was highly corrupt. In 1949, the U.S. government published the *China White Paper*, exposing the corruption of the Kuomintang government.

In fact, estimates of the amount of U.S. aid given to the Kuomintang up to that point range from \$110 million to \$5.9 billion (Department of States 1967, Volume 1, p.11), although the exact figure is unknown. On the other hand, while China's overseas official assets were estimated to be \$327 million as of June 30, 1947, privately held foreign currency was said to be at least \$600 million and as high as \$1.5 billion (Department of States 1967, Volume 2, p. 770), which raised doubts about the need for U.S. aid and whether such aid was being returned to foreign countries in the form of private assets.

Perhaps as a result of this, when Secretary of State Dean Acheson announced on January 12, 1950, that the first line of defense for which the United States was responsible extended from the Philippines to Okinawa

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<sup>2</sup> It was for this reason that they were awarded the Nobel Prize in Economics.

to Japan to the Aleutian Peninsula. Taiwan was not included in the line. In other words, it can be said that, at that time, the U.S. government had abandoned Taiwan.

However, when the Korean War broke out on June 25, 1950, the policy of the U.S. government took a 180-degree turn and began to actively support Taiwan. From 1951, huge amounts of aid poured into Taiwan. Just like Japan, Taiwan benefited from this "reverse course."<sup>3</sup>

In August 1958, the People's Liberation Army of China attacked the islands of Quemoy and Matsu, sparking the Second Taiwan Strait Crisis. Following this new outbreak of hostilities, the Kuomintang recaptured the islands with the help of the U.S. Seventh Fleet. In October, U.S. Secretary of State John Foster Dulles visited Taiwan and reportedly said that he would be willing to provide more aid if Chiang Kai-shek could win the support of the Taiwanese people through policies rather than military force and promote economic growth (Wang 2006, p.124).

In 1948, the Council for United States Aid (CUSA) and the Joint Sino-American Commission on Rural Reconstruction (JCRR) were given the task of managing the U.S. aid program in Taiwan.

The CUSA organization was semi-independent from the Kuomintang government, which selected projects to be supported by U.S. aid, used the aid, and supervised the implementation of the projects; management of the aid funds was outside governmental control. Because the salaries of CUSA employees were paid from the aid funds, they could be set higher than the salaries of other general bureaucrats, which meant they attracted talented people (Jacoby 1966, pp. 60-61.). K.T. Li, who implemented a variety of effective economic policies in Taiwan and led Taiwan's rapid economic growth, served as Secretary General of CUSA<sup>4</sup>.

The JCRR used U.S. aid funds to carry out rural development. Because the JCRR also kept its distance from the Taiwanese government, it was able to employ highly specialized Chinese and American staff. It is said that the JCRR advised and monitored the land reform of 1949-53, as well as streamlined and democratized Taiwan's agricultural associations. Lee Teng-hui, the first native Taiwanese to become president, worked at the JCRR.

According to Haggard and Pang (1994), CUSA and JCRR employees were paid five times the salary of regular government employees, a testament to the talent these agencies attracted.

Notably, officials from U.S. aid agencies were present at the CUSA and JCRR meetings, which were conducted in English (Haggard and Pang 1994). Thus, Taiwan's economic policies were carried out under the supervision of the U.S., the donor country. In essence, the U.S. government directly supervised its aid to Taiwan, a likely reaction to the fact that the aid provided to the Kuomintang on the mainland had not been properly managed.

Regarding the resumption of U.S. aid in July 1950, K.Y. Yin, chairman of the Industrial Development Council (IDC), stated that "the timely delivery of U.S. aid was like a shot in the arm to a dying patient" (Haggard and Pang 1994), a statement that clearly shows the importance of U.S. assistance and intervention in Taiwan's economic development.

### 3. The Meiji Restoration and the Grand Game

In their 2012 book, Acemoglu and Robinson compare Japan's Meiji Restoration with China and treat the Meiji Restoration as a successful example of economic growth. They explain that, unlike China, the Tokugawa Shogunate had rival powers, which ultimately led to the political revolution commonly referred to as the Meiji Restoration sometime after the arrival of Commodore Mathew Perry's "Black Ships" in 1853. In contrast, China continued on the path of absolutism even after the Opium Wars. The authors also argue that the Meiji Restoration (a political revolution) enabled Japan to develop a comprehensive political system and an even

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<sup>3</sup> For the impact of the "reverse course" on Japan's economic growth, see Togo (2013).

<sup>4</sup> K.T. Li's name is also written as Kuo-ting Li, Kwoh-Ting Li, or Guoding Li.

more comprehensive economic system, laying the foundation for the rapid growth that followed (Acemoglu and Robinson 2012, pp.118-119).

The Meiji Restoration was essentially the process that led to the collapse of the nearly 300-year-old Tokugawa Shogunate and the establishment of the new Meiji government in 1868. As noted above, the process is said to have begun in 1853, when Matthew Perry, commander of the American East India Squadron, arrived in Japan with a fleet of four ships, two of which were steamships (the so-called “Black Ships”), and demanded the opening of Japan's ports. Officials of the Edo Shogunate, which had maintained a strict isolation policy (*Sakoku*) up until this time, were confused by the sight of the steamships—a sight that they had never before seen—and were at a loss as to how to respond.

At that time, the Tokugawa clan held extensive personal territory and served as leaders of the shogunate (*Bakufu*). A number of other feudal lords also held their own territory and were subject to the Tokugawa clan. However, as Acemoglu and Robinson describe, while the rule of the Tokugawa clan was absolutist and exploitative, the clan had limited control over the most powerful of the feudal lords and were vulnerable to challenges. Most notably, the Satsuma Domain of the Shimazu Clan and the Choshu Domain of the Mori Clan were both pursuing their own modernization; the two clans eventually formed a secret alliance that supported the Emperor and ultimately overthrew the shogunate.

Recent research in the field of history that has adopted the global history perspective effectively makes the case that the role of foreign governments in the Meiji Restoration cannot be ignored in any serious discussion of Japan's development. Below, I briefly introduce the events that took place from the end of the Edo period to the Meiji Restoration, with particular reference to the NHK Special Reporting Team (2024). The NHK Special Reporting Team (2024) is a book based on a TV documentary first broadcast in 2022 and is thought to be a highly reliable source, with extensive quotes from eminent authorities such as Prof. Antony Best of the London School of Economics and Political Science and Prof. Kenneth L. Pomeranz of the University of Chicago<sup>5</sup>.

### 1) From Perry's Arrival to the British Ultimatum (1853-1867)

In July 1853, the American East Indian Fleet Commander, Matthew Perry, entered Japanese waters with four ships—an event to which the Tokugawa Shogunate struggled to respond. In the following year, the leaders of the Edo Shogunate signed the "Japan-U.S. Treaty of Peace and Amity," which, while not establishing direct trade with the United States, opened the ports of Shimoda and Hakodate, far from Edo (now the city of Tokyo). This agreement signaled the end of a policy that had closed the country to outsiders for more than 200 years.

When U.S. diplomat Townsend Harris subsequently demanded trade with the Edo Shogunate, its leaders signed the "Treaty of Amity and Commerce between the United States and JAPAN" in 1858. Later, the Shogunate signed similar treaties with the U.K., France, the Netherlands and Russia. It has been generally accepted that this sequence of events ended the Edo Shogunate's policy of isolation.

A different view emerges, however, when one considers the history of Japan at that time from a global history perspective. This was the imperial era, during which time the protracted struggle between the British Empire and the Russian Empire shifted to Japan after the Russian Empire was defeated by the British in the Crimean War. Following its defeat, the Russian Empire sought to establish a new all-season port, thus elevating the importance of the Sea of Japan.

In March 1861, a Russian warship anchored at Tsushima Island, a small island of approximately 700 square kilometers situated between the Korean Peninsula and Japan's Kyushu Island. The Russian Navy initially declared that the ship was anchored at Tsushima in order to undergo needed repairs. However, it was

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<sup>5</sup> However, since this is not an academic book, there are no detailed citations or sources, and verifying all of its contents remains a task for the future.

later said that the reason for the ship's arrival was to stop British warships seeking to occupy Tsushima. It is alleged that the Russians told officials of the Tsushima clan that if Russia were allowed to join the clan, they would be able to protect Tsushima from the British (NHK Special Report Team 2024, P.34). By this time, the results of the Opium War had become known in Japan, causing great concern on the part of the Tsushima clan and the Edo Shogunate regarding the possibility of a British invasion. The Russian Navy thus maintained a presence in Tsushima. In fact, recent studies have revealed that Russia was in the process of building a military port on the island.

In response, British diplomat John Rutherford Alcock offered to cooperate with the Edo Shogunate and send British warships to Tsushima to force the withdrawal of the Russian Navy. The Shogunate accepted the British offer. In addition to intimidating Russia by sending a British warship, the British protested Russia's actions through diplomatic channels, ultimately leading to the Russian Navy's withdrawal from Tsushima. In fact, as the Russians later indicated, Alcock conceived of building a British naval base in Tsushima (NHK Special Report Team 2024, P.48).

In this way, the Edo Shogunate was not simply forced to open its ports or forced to trade; there was, in fact, the possibility that a foreign naval base might be built on Japanese soil.

With the Shogunate's commissioned treaty, pressures to reject foreigners (*Joi-undo*) became intense. In 1863, the Shogunate announced the closing of Yokohama Port to foreign nations and sought to reduce trade. At that time, the port of Yokohama accounted for 80% of Japan's total foreign trade (NHK Special Report Team 2024, P.73). However, due to strenuous objections of the affected foreign governments, the Shogunate immediately withdrew its declaration.

Subsequent to these events, the Choshu clan, whose rejection-of-foreigners movement was particularly aggressive, blocked the Bikan Strait (now Kanmon Strait) and bombarded intruding foreign ships. In response, British diplomat Alcock organized a four-nation allied fleet (the United Kingdom, France, the Netherlands, and the United States) that first destroyed, then occupied, the turrets in Choshu. In 1864, the allied fleet defeated the Choshu clan in the Shimonoseki War.

The Shogunate had become unable to control the anti-foreigner movement and sought to change the policy of opening the country to outsiders, announcing that it would review the trade treaty. In response, the U.K. delivered an ultimatum, stating that if the Shogunate could not gain the Emperor's approval for the treaty, it would take military action (NHK Special Report Team 2024, P.108).

Following the issuance of the British ultimatum, Yoshinobu Hitotsubashi, a member of the Tokugawa family, obtained the approval of Emperor Komei, thus avoiding war. It is said that the United Kingdom actually simulated the threatened war, suggesting that had Yoshinobu not received the permission of the Emperor, an all-out war between the U.K. and the Shogunate would almost certainly have occurred<sup>6</sup>. In that case, the area around Osaka would likely have been occupied by the British, reminiscent of the Opium War. It is not difficult to believe that the Edo Shogunate was saved by the impressive ability of Hitotsubashi Yoshinobu.

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<sup>6</sup> It is said that the British National Archives hold a document created in 1864 titled *A War with JAPAN* (NHK Special Report Team 2024, P.56).

**Table 1: From the arrival of Perry to the ultimatum**

July 1853	East Indian Fleet Commander Matthew Perry arrives in Japan
June 1858	The Edo Shogunate signs the "Treaty of Amity and Commerce Between the United States and JAPAN"
March 1861	A Russian Navy warship anchors at Tsushima Island.
May 1863	The Choshu Domain blocks the Bakan Strait and fires at American, French, and Dutch ships.
	The War of the Bakan (Shimonoseki) begins.
July 1864	Britain organizes a unified fleet that bombards Bakan.
	The War of the Bakan (Shimonoseki) ends with the victory of the allied fleet.
November 1865	The United Kingdom requests that the Shogunate seek the Emperor's approval of the Trade Treaty (Ultimatum)

## 2) Boshin War (1868-1869)

As noted earlier, Acemoglu and Robinson (2012) have argued that, although the rule of the Tokugawa Shogunate was absolutist and exploitative, it had little control over the powerful feudal lords and was vulnerable to challenge. It is generally accepted that the unchecked power of the feudal lords is what ultimately led to regime change. Recent research, however, indicates that the British government's strategy and the actions of British Ambassador Harry Parkes had a major influence on the outcome of the civil war that produced the regime change. The pertinent historical facts are given below.

A draft of the British policy towards Japan drawn up by the British Foreign Office in July 1864 stated that the British government would give its full support to those feudal lords who are friendly to foreign trade, thoroughly weakening Japan's feudal system and conservative trade regime (NHK Special Report Team 2024, P.114).

Both the Satsuma and Choshu clans fought losing wars against the British: the Shimonoseki War in May 1863 and the Anglo-Satsuma War in August 1863. Subsequent to their defeat, the two clans sought to re-establish friendly relations with Britain. Reflecting this desire, five samurai from the Choshu clan departed Japan in May 1863 to study at University College London (UCL). Two years later, fifteen samurai from the Satsuma domain departed Japan to study at UCL and other British schools. At that time, traveling abroad was prohibited by the Tokugawa Shogunate; however, with the help of members of the British firm Jardine Matheson, the U.K.-bound samurai managed to stow away aboard ships that carried them to their destination.

In March 1866, a secret alliance known as the Satsuma-Choshu Alliance (*Sacchou Doumei*) was formed between the Satsuma and Choshu clans, two clans that, prior to the alliance, had been enemies. It is said that this alliance was brokered by Ryoma Sakamoto and Shintaro Nakaoka, escaped samurai from the Tosa clan. However, at this same time, British Ambassador Parkes had been meeting with samurai from the Satsuma and Choshu clans. If, indeed, Parkes had any influence in fostering the alliance between the two clans, he should be credited with playing a major role in the Meiji Restoration.

During the Bakufu-Choshu War in June 1866, the Satsuma clan obtained large quantities of weapons that they then turned over to the Choshu clan, their secret alliance partner. It is believed that the Satsuma clan received loans from British arms dealers that they used to acquire the weapons. Despite this large cache of arms, the Choshu force of 3,500 men was at a significant disadvantage against the 100,000-man force of the Shogunate. Moreover, the Shogunate also had a modern navy. (NHK Special Report Team 2024, P.160).

At this time, British Ambassador Parkes believed that the British agreement with the Shogunate should have guaranteed free navigation for foreign ships through the Shimonoseki Strait; acting on this belief, he sent a British patrol ship into the Strait, a primary site of the battle between Choshu and the Shogunate. The Shogunate was then obligated to notify the British ship in advance of any attack on Choshu, since, if a Shogunate cannonball struck a foreign ship in battle, the Shogunate would be held accountable. As a result, the Shogunate was unable to implement its preferred strategies and, as a consequence, lost the Bakufu-Choshu War despite its overwhelming military superiority. It can thus be fairly said that British intervention contributed to the victory of the Choshu.

**Table 2: From the Satsuma-Choshu Alliance to the end of the Boshin War**

March 1866	A secret alliance is formed between Satsuma and Choshu.
June 1866	Shogunate warships bombard Choshu (Bakufu-Choshu War).
	British Ambassador Parkes dispatches a Royal Navy patrol vessel to Shimonoseki.
	The Shogunate is defeated.
November 1867	Tokugawa Yoshinobu returns political power to the Emperor (Restoration of Imperial Rule).
January 1868	Emperor Meiji issues a decree to restore the monarchy, and a new government is established.
	The Boshin War, a civil war lasting for a year and a half, begins.
February 1868	Six countries (Great Britain, France, The United States, the Netherlands, Italy, and Prussia) declare their neutrality.
May 1868	Edo Castle is surrendered without bloodshed.
June 1868	The Ōuetsu clan alliance is formed.
December 1868	The Shogunate ship Kaiyo Maru runs aground.
January 1869	Six countries (The Britain, France, the United States, the Netherlands, Italy, and Prussia) lift their declarations of neutrality.
June 1869	The former Shogunate forces surrender, Goryokaku Castle opens its doors, and the Boshin War ends.

In 1867, Tokugawa Yoshinobu, the last Shogun (whose pre-shogunal name was Hitotsubashi Yoshinobu), handed power back to the Emperor. In the following year, Emperor Meiji issued a proclamation restoring the monarchy, and the Meiji government was established. However, not everyone accepted these developments. Dissatisfied vassals and soldiers from the various domains of the Tokugawa joined the army of the former Shogunate and launched a civil war against the army of the new government. This brutal civil war, known as the Boshin War, lasted for a year and a half.

During this period, the Edo Shogunate invited military advisors from France and ordered an ironclad warship, the “Stonewall,” from the U.S. The Stonewall was said to be “the most powerful and cutting-edge warship in history.” Enomoto Takeaki, the former Vice Admiral of the Navy of the Shogunate, led the Shogunate fleet, including the state-of-the-art “Kaiyo Maru,” which had been purchased from the Netherlands, and set out from Shinagawa Bay in Edo for the Tohoku region (Northeast Japan). The various feudal domains in the Tohoku region formed the Ōuetsu Reppan Dōmei (the Ōuetsu clan alliance) to oppose the forces of the new government.

The Prussian chargé d'affaires, Max von Brandt, supported the Ōuetsu clan alliance, selling them

Spencer rifles (capable of rapid fire) and Gatling guns (capable of firing 200 rounds per minute) through the Schnell brothers, two well-known German arms dealers. It has been reported that these were surplus weapons from the American Civil War (NHK Special Report Team 2024, pp.246-250).

It is said that "history is told by the victors." Thus, the history of the Meiji Restoration that serves as common knowledge is the history told by the new Meiji government. However, although it is generally accepted that the government forces achieved an overwhelming victory over inferior former Shogunate forces, this account does not tell the full story.

Despite the fact that Shogun Yoshinobu had surrendered his power, the forces of the former Shogunate were fully equipped and powerful enough to battle the forces of the new government. Moreover, a French military advisory group was accompanying the opposition forces, and the state-of-the-art warship purchased from the U.S. government was scheduled to arrive.

British Ambassador Parkes played a major role here, inviting envoys from France, the United States, the Netherlands, Italy, and Prussia to join him in a diplomatic meeting to consider the best way to proceed. He proposed neutrality, arguing that supporting either the old Shogunate or the new government would endanger the lives of foreign residents. At the end of their three-day meeting, the six nations declared their neutrality on February 18, 1868 (NHK Special Report Team 2024, pp.214-219).

Based on their joint declaration of neutrality, the six countries were unable to intervene in the Boshin War. The Stonewall, the cutting-edge warship ordered by the former Shogunate forces, was never delivered, and the French military advisory group withdrew. The joint declaration of neutrality clearly created a favorable situation for the forces of the new government.

The warships of the former Shogunate forces, led by Enomoto Takeaki, headed for Hakodate in Ezo (present-day Hokkaido). Within a few days of landing, the former Shogunate fighters occupied Goryokaku and declared the establishment of a provisional government (termed the "Ezo Republic" by foreign governments). However, the flagship of the group, the Kaiyo Maru, a state-of-the-art Dutch warship, ran aground and sank due to bad weather. The loss of the Kaiyo Maru, together with the failed delivery of the Stonewall, severely weakened the fighting capability of the former Shogunate forces.

At this point, Parkes called on the envoys who had signed the neutrality declaration and urged them to nullify the agreement. The reason given was that "since, Tokugawa Yoshinobu, Enomoto's lord, had surrendered, Enomoto and his men were traitors." (NHK Special Report Team 2024, p.306) Considering that Tokugawa Yoshinobu returned power to the Emperor in November 1867 and the Six Nations Declaration of Neutrality was issued in February 1868, this is a rather puzzling argument.

With the new government now the only legitimate Japanese government, the Stonewall was handed over to the new government forces. The Stonewall's firepower proceeded to destroy Goryokaku, and in June 1869, Enomoto Takeaki surrendered. The defeated commander of the opposition army is reported to have said, "We did not lose to Satsuma and Choshu, we lost to Britain." In fact, once neutrality was lifted, British transport ships began sending soldiers and supplies for the new government army to Ezo. It is also believed that the Stonewall, under the command of the new government, had British engineers and gunners on board (NHK Special Report Team 2024, pp.316-317).

From the above, it is clear that the influence of the British government had a significant impact on the outcome of the Boshin War. If Britain had not intervened, the outcome of the Boshin War would almost certainly have been very different. Had the former Shogunate forces acquired the Stonewall and, together with the Kaiyo Maru, bombarded the new government forces with naval gunfire, and had the French Army's military advisory group been active in the ground battle, it is entirely possible that the former Shogunate forces would have annihilated the new government forces. In that case, it may have taken several more decades for the shogunate system to be restored and comprehensive political institutions to be formed.

## Conclusion

As Acemoglu and Robinson state, the Meiji Restoration was possible because there were powerful domains that could rival the shogunate. However, it can be argued that the Meiji Restoration was possible not only because of these powerful domains. In attempting to improve its own interests, the British government supported Japan's powerful feudal domains, ultimately resulting in victory by the forces of the new government in the Boshin War and the establishment of the new Meiji government. As we have seen, the British Empire was in the background of the political revolution known as the Meiji Restoration and was a key factor in its emergence.

It can be said that the strategies and policies of the major powers (i.e., the Grand Game) played a significant role in the realization of the Meiji Restoration. British Ambassador Parkes, known for his shrewdness, was a highly important player; however, if the French or Prussian ambassadors had been even more shrewd, it is quite possible that the shogunate forces would have recovered and a political system different from that of the Meiji government (continuing exploitative political institutions) would have continued to exist.

As noted, the strategies and policies of the major powers also had a significant impact on Taiwan. Taiwan, the offshore island to which the Kuomintang had fled, was able to achieve its economic successes thanks in large part to the active support of the U.S. government. It is likely that had Chiang Kai-shek's Kuomintang been left unmonitored and unaccountable, much of the aid delivered by the U.S. would have been ill used, just as it had been during the mainland era, and the growth of Taiwan's economy would have been severely curtailed.

In summary, the economic growth of a country, particularly one with a developing economy, is greatly influenced by the policies and strategies of the major powers of the time. It is difficult to deny that the British Empire had a major influence on the Meiji Restoration and that American strategies had a major influence on Taiwan's rapid postwar economic growth. From this perspective, the determining factors of a country's economic growth are both its own political and economic institutions, and the strategies and policies of contemporaneous major powers (the Grand Game).

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