A COMPARISON AND ANALYSIS OF WESTERN AND CHINESE VIEWS
OF THE ECONOMIC HISTORY OF CHINA

APPROVED:

J. Kenneth Benson
Major Professor

Lewis M. Gleimthy
Minor Professor

Nina J. Wiedeman
Director, Department of Economics and Sociology

Robert B. Taubman
Dean of the Graduate School
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Kwok-wing Leung, B. A.
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CHAPTER I

INTRODUCTION

Statement of the Problem

Although many studies have dealt with the problem of the development of capitalism in China, considerable disagreement exists in the literature in regard to two fundamental questions. First, did a capitalistic stage of development occur in China? Second, what factors or conditions are responsible for the retardation or absence of capitalism?

The purpose of the present study is to compare and to analyze the responses of two opposing groups of writers to the above questions. One group, composed of Western social scientists, includes Max Weber, Marion J. Levy, Jr., and Norman Jacobs. The second group is headed by Mao Tse-tung and includes other Chinese Communist writers.

The views of the two sets of writers are analyzed by the employment of the "sociology of knowledge." The sociology of knowledge involves the interpretation of ideas and beliefs by reference to the social and historical positions of their exponents. Karl Mannheim, an exponent of the sociology of knowledge, asserts that social factors influence our
mental products, or knowledge,¹ and that individuals both in acting and knowing are directed and guided by the circumstances of social life and by the tasks which they present. (Thus here, too, we find a hidden social interconnection underlying individual initiative.)²

Thus one thinks differently by virtue of belonging to a different social group.³ In this way Mannheim sees "the difficulties we all experience in thinking impartially in historical, political and social matters."⁴ In effect, he denies the universality of knowledge since he argues that "whatever is found true under certain conditions should not be assumed to be true universally or without limits or conditions."⁵ Thus, Mannheim emphasizes the need to understand the social situation out of which individuals express their ways of thinking.⁶ He emphasizes "the functional dependence of each intellectual standpoint on the differentiated social group reality standing behind it."⁷

⁴Ibid., p. 62.
⁶Mannheim, op. cit., p. 42.
In addition, Mannheim argues that the historical setting of men influences the ideas which they produce. He "affirms that ideas are inseparable from historical development (and thus from social classes)."\textsuperscript{8} The rise of a new class brings with it a new set of values and style of thought which are in direct conflict with the existing order, and which ultimately displace the existing interpretations and explanation of the world.\textsuperscript{9} "Each group, occupying a definite historical situation has its own manner of conceiving the world."\textsuperscript{10} These new styles of thought are "perspectives" of particular social groups. "Perspectives" are, therefore, not to be conceived as either true or false.\textsuperscript{11}

Mannheim made a distinction between "particular ideologies" and "total ideologies" which is particularly relevant to the present study. "The particular conception of ideology is implied when the term denotes that we are skeptical of the ideas and representations advanced by our opponent."\textsuperscript{12} That is, one is skeptical of ideas and representations when he conceives of them as disguises of the real nature of a situation. These distortions or misrepresentations "range

\textsuperscript{8}Aron, \textit{op. cit.}, p. 58.
\textsuperscript{9}Mannheim, \textit{Ideology and Utopia}, p. 58.
\textsuperscript{10}Aron, \textit{op. cit.}, p. 55.
\textsuperscript{11}Ibid., p. 56.
\textsuperscript{12}Mannheim, \textit{Ideology and Utopia}, p. 48.
all the way from conscious lies to half-conscious and un-
-witting disguises; from calculated attempts to dupe others to
self-deception."\(^{13}\)

The total conception of ideology, on the other hand, denotes an "ideology of an age or of a concrete historico-
social group, e. g., of a class, when we are concerned with
the characteristics and composition of the total structure of
the mind of this epoch or of this group."\(^{14}\) Exponents' views
are then regarded as responses to a given social situation,
and their views are seen as perspectives of that social group
in that social situation. Therefore, they are situationally
determined, and are not regarded as either true or false.

The primary difference between the two concepts lies in
the fact that the former designates only a part of the
opponent's assertions as ideologies. The latter puts itself
on the noëlogical level by means of "a more formal functional
analysis, without any reference to motivations, confining
itself to an objective description of the structural differences
in minds operating in different social settings."\(^{15}\)

Statement of the Thesis

It is the thesis of the present study that the Western
social scientists and the Chinese Communists hold radically

\(^{13}\)Ibid., pp. 48-49. \(^{14}\)Ibid., p. 49.

\(^{15}\)Ibid., pp. 50-51.
different views of the economic history of China because of their differing "total ideologies" or world-views. The Communist writers by virtue of their adherence to Marxist theory and to Chinese nationalism are driven to conclusions of one kind. The Westerners, by contrast, by virtue of their commitment to non-Marxian or even anti-Marxian ways of thought arrive at largely different conclusions.

Sources and Treatment of Data

Data used in this study are the works of the selected scholars along with related analyses and evaluations. Works of the Chinese scholars, with the exception of those of Mao Tse-tung, have been translated from their original texts by the writer.

The analysis is carried out in three steps. In Chapter II, the point of view of the Western scholars is presented. A similar presentation of the Chinese Communist views occurs in Chapter III. The final chapter consists of a summary and analysis of the similarities and dissimilarities between the two points of view. The sociology of knowledge perspective is utilized in the analysis.
CHAPTER II

THE PROBLEMS OF THE DEVELOPMENT OF CAPITALISM IN CHINA
ACCORDING TO SOME WESTERN SOCIAL SCIENTISTS

The problems of the development of Capitalism in China, as discussed in the introductory chapter, are quite complicated. Different ideologies and social situations give rise to different interpretations. In this chapter three Western social scientists' points of view are analyzed. They are Max Weber, Marion J. Levy, Jr., and Norman Jacobs. These authors are chosen because of their prominence in this field and the writer's familiarity with their works.

Max Weber's Interpretation of the Rise of Capitalism

Max Weber repeatedly stated that he is not to be thought to mean that Protestantism is the sole historical cause of capitalism. In other places he ascribed great importance to other factors in such development. Toward the end of The Protestant Ethic and the Spirit of Capitalism, he clearly stated that his explanation is "only one side of the causal chain," and that it is equally possible to substitute a one-sided spiritualistic causal interpretation for a one-sided

1Talcott Parsons, "'Capitalism' in Recent German Literature," Journal of Political Economy, XXXVII (1929), 44.
2Ibid.
materialistic one. He nevertheless saw the origin of capitalism in the Protestant ethic. Further, he rejected Karl Marx's materialistic interpretation of capitalism by referring to China, where increase of population led only to a "swarming mass of small peasants," and the increase of means of exchange or the importation of precious metal only fertilized other countries. Therefore, he argued that some other factor must be invoked to explain the rise of capitalism in Europe. He located that factor in the ascetic branches of Protestantism.

As mentioned earlier, Weber did not deny the importance of other factors, but

In the last resort the factor which produced capitalism is the rational permanent enterprise, rational accounting, rational technology and rational law, but again not these alone. Necessary complementary factors were the rational spirit, the rationalization of the conduct of life in general, and a rationalistic economic ethic.

These changes in quality toward a new and distinctive attitude of mind in individuals unlike any preceding one were attributed first to Judaism, then to Christianity, and finally

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5Ibid. Here Weber selected the characteristics which seemed to him peculiar to Western capitalism. See Note 1 of Chapter I. This is also what Weber meant by the "rational spirit" and "rationalistic economic ethic."
to the ascetic branches of Protestantism, especially that of Calvinism.

Since Judaism made Christianity possible and gave it the character of religion free from magic, it rendered an important service from the point of view of economic history. For the dominance of magic outside the sphere in which Christianity has prevailed is one of the most serious obstructions to the rationalization of economic life. Magic involves a stereotyping of technology and economic relations.

Weber recognized that the origin of the spirit of capitalism was rooted in the Middle Ages. "But it was in the ethic of ascetic Protestantism that it first found a consistent ethical foundation. Its significance for the development of capitalism is obvious." 7

What motivated the Calvinists in their rational capitalistic pursuits? According to Weber, it was the spirit of capitalism, 8 which originated in Calvinism. Crucial to Weber's analysis are the Calvinistic doctrines of "calling" and "predestination." According to those doctrines man is "called" to labor to establish the Kingdom of God regardless whether he is predestined to salvation or to damnation. Man, then,


8It is an abstract definition of capitalism. It was derived by Weber after Sombart's assumption "that there was an eternally valid quality of mind, abstracted from, and independent of, any particular period or place of history. . . . and that a society was capitalist in so far this spirit could be found in it." See P. C. Gordon Walker, "Capitalism and Reformation," The Economic History Review, VIII (November, 1937), No. 1, 3-4.
becomes an instrument of God, and as an instrument he is obliged to perform his job well. Since man is only an instrument of God, any labor becomes as honorable as any other profession. The doctrine of calling, therefore, justifies all types of labor and thereby sanctifies the division of labor. Because of his sense of calling, the Calvinist is willing to perform his job well; thus, labor becomes an end in itself. In the field of business, the Calvinist conceives the making of money, toward the increase of his capital, a duty. It is the alpha and the omega—an end in itself. Economic acquisition becomes no longer a means to satisfy material wants, but an obligation which the individual is called to fulfill in the content of his profession. Wealth becomes evidence of satisfactory performance of his calling. Because he is an instrument of God, he gets nothing out of his wealth for self-indulgence. He develops an "ascetic compulsion to save," and re-invests his money. The capacity for mental concentration and a sense of obligation toward which one labors constitute an essential set of attitudes derived from the idea of calling.

The Calvinist doctrine of predestination is another "psychological" factor which Weber considered as important for capitalistic pursuit. The Calvinist, never certain that

10Ibid., p. 63.
he is one of the elect, looks for signs of this election in earthly life, and finds them in the prosperity of his enterprise. God blesses those who are predestined to salvation; therefore, prosperity is a sign of God's blessing. Moreover, the Calvinist as an instrument of God is to labor continuously rather than to enjoy life notwithstanding of his success. He is obliged to re-employ his money in his business, and hence formation of capital takes place as a result of this ascetic obligation to save.\(^1\)

Uncertainty about salvation creates tension among the Calvinists. To keep up with the sign of grace, a Calvinist would have to be continuously prosperous. Only regular and rationalized work and exact accounting make possible a knowledge of the state of business at every moment. These are also the essentials for business activity. The Calvinist is comforted to see his business prosperous, not for the sake of getting rich but as a sign of continuous blessing.

Moreover, these doctrines combined to create a new ethic emphasizing rates of profit, amount of works, the manner of regulating the relationship with labor, and the circle of customers and the manner of attracting new ones. Such considerations "dominated the conduct of business, were at the basis, one may say, of the ethos of this group of business men."\(^2\)

\(^1\)Ibid., pp. 98-115.  \(^2\)Ibid., p. 67.
It is then clear that, for Weber, the Calvinist is inclined toward rationality\textsuperscript{13} in his daily pursuit on the one hand, and breaks away from traditional inhibitions on the other. This Weber conceived as the main cause of capitalism, though by no means the only cause.

**Capitalism in China**

As an external condition for the development of capitalism, Weber took geographic factors into consideration.

In China and India the enormous costs of transportation, connected with the decisively inland commerce of the regions, necessarily formed serious obstructions for the classes who were in a position to make profits through trade and to use trading capital in the construction of a capitalistic system, while in the west the position of the Mediterranean as an inland sea, and the abundant interconnections through the rivers, favored the opposite development of international commerce.\textsuperscript{14}

Weber, however, asserted that this factor must not be overestimated.\textsuperscript{15} It is rather "the rational spirit, the rationalization of the conduct of life in general, and a rationalistic economic ethic" which are important for such development.\textsuperscript{16} The problems of the development of capitalism

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\textsuperscript{13}"Rationality" or 'rationalization,' for Weber, denotes the change of human attitudes and mentalities to the extent and direction which could be measured "negatively in terms of the degree to which magical elements of thought are displaced, or positively by the extent to which ideas gain in systematic coherence and naturalistic consistency." Max Weber, *From Max Weber: Essays in Sociology*, translated by H. H. Gerth and C. Wright Mills (New York, 1958), p. 51.


\textsuperscript{15}Ibid.

\textsuperscript{16}See Note 5 above.
in China are precisely the lack of and the incapability to bring about these elements owing to the Chinese social structure and value system.

The Chinese social structure is overwhelmingly oriented to family loyalties. It is not the individual who is a unit of the Chinese society but the family. It is the family which is responsible for the economic welfare as well as other daily matters of its members. Credits and liabilities become the joint property of the sib. Therefore, there is no rational depersonalization relation in China.

Furthermore, the Chinese family orientation would inevitably lead to patriarchalism, which in turn discourages business. Thus precedent was claimed and traditionalism perpetuated. "The legal forms and societal foundations for capitalist 'enterprise' were absent in the Chinese economy.""17


18 Patriarchalism refers to the "hereditary domestic authority of the family head who demands personal obedience from the group members in the name of sacred traditions." Weber, *Religion of China*, p. 304.


20 Traditionalism refers to the "psychic attitude set for the habitual workaday and to the belief in the everyday routine as an inviolable norm of conduct." Weber, *From Max Weber: Essays in Sociology*, p. 296.

Besides the deterrent of family orientation, there is the teaching of Confucius and other classics which Weber considered to be "hallowed by age" and to contain "mainly excerpts from the classic authors." Confucianism is, therefore, conspicuous for the fact that it is almost purely an ethical doctrine, a collection of practical precepts without any explicit metaphysical foundation.

Like the educated Hellene, the educated Confucian adhered to magical conceptions with a mixture of skepticism while occasionally submitting to demonology. But the mass of the Chinese, whose way of life was influenced by Confucianism, lived in these conceptions with unbroken faith.

Thus any radical rationalization of the meaning of the world, in a Puritan sense, was excluded. Confucian rationalization involved rational adjustment to the world, to its orders and conventions, while Puritan rationalization meant rational mastery of the world. "Both the Puritan and the Confucian were 'sober men.' However, the rational sobriety of the Puritan was founded on a mighty enthusiasm which the Confucian lacked completely"; hence, Confucianism lacked


23 Weber never attempted a definition on "magical conceptions." It seems, however, to be the human attitudes and mentalities which are in direct opposition to rationality when Weber asserted that the more one is inclined toward rationalization the less one will incline toward magic. See Note 14 above.


entirely the dynamic quality of Puritanism. Consequently, traditionalism was perpetuated and magical conceptions went unquestioned.

When for example in China, the attempt was made to change certain roads or to introduce more rational means or routes of transportation, the perquisites of certain officials were threatened; . . . the deep repugnance to undertaking any change in the established conduct of life because supernatural evils are feared. Magic involves a stereotyping of technology and economic relations. When attempts were made in China to inaugurate the building of railroads and factories a conflict with geomancy ensued. The latter demanded that in the location of structures on certain mountains, forests, rivers, and cemetery hills, foresight should be exercised in order not to disturb the rest of the spirits.

Weber admitted that "by themselves, the masses, as we shall see, have everywhere remained engulfed in the massive and archaic growth of magic--unless a prophecy that holds out specific promises has swept them into a religious movement of an ethical character." But he argued that the dominance of magic has been eliminated by Christianity, especially the ascetic branch of Calvinism. It is the lack of such a liberating force which differentiated China's later course of historical development.

Marion J. Levy, Jr.

The problems of the development of capitalism in China according to Marion J. Levy, Jr., are essentially those of

social structure, of capital accumulation or formation, and of industrialization. Levy has contributed several books and articles in which he deals with these problems. He clearly spells out what he regards as the hindering forces from "traditional" to modern China, and what has to be done if formation of capital and industrialization are to be made possible.

31 Industrialization denotes, first of all, production by means of inanimate power and based upon rational calculation and scientific technology. It changes our ways of living, of consumption, and of transportation, etc. It decreases or even destroys self-sufficiency. More family members become dependants of the occupation role of the member or members upon whom the group depends for the bulk of its support. In order to function effectively, it requires universalistic criteria for the employment of virtually all its personnel, and such operation should be on a continuous basis. Marion J. Levy, Jr., The Family Revolution in Modern China (Cambridge, Massachusetts, 1949), pp. 24-26, 350-365.


33 "Traditional" China, as defined by Levy, refers to those patterns both ideal and actual which found their last full exemplification at the height of the Ching Dynasty in the nineteenth century. This is the setting of the current problems of business development in China. The problems themselves are the result of the contact of the new forces summed up by the term "Western industrial society" with the setting of "traditional" China. Levy and Shih, The Rise of the Modern Chinese Business Class, p. 1.
"The setting of business development in China was (and still is to a large degree) a social structure overwhelmingly oriented to family loyalties." It is against this background that Levy sees the difficulties of the development of capitalism in China. For this means that it is expected that decisions be made primarily with reference to family interests. The individual owed loyalty first, last, and always to his family. This was even true in a conflict between one's family and the state.

Owing to this overwhelmingly family-oriented social structure, it was, then, the family and not the individual who was the unit of the Chinese society. The family was also the basic unit in terms of which the economic aspects of life were carried out. The average Chinese family, i.e., the ordinary peasant family in "traditional" China, was self-sufficient in both production and consumption to a degree.

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that is hard for modern Occidentals to appreciate. Hence, economic activity outside the family was impeded, if not impossible. Since a modern economy is highly interdependent, the Chinese social structure obviously hindered economic growth. Furthermore, this family orientation also deprived an individual of his own opportunity as well as responsibility in all things, including that of economic pursuit.

Since family interests dominated decisions, particularism rather than universalism was ensured. This enormously complicates the operation of modern enterprise in China in two major ways. The first is the problem of maintaining relations outside the organization itself in its handling of customers, in the purchase or sale of goods or services, and so on. This means special treatment for special persons, which is just impractical in modern business. The second is the problem of employment, where particularism injects the

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36 Levy, "Contrasting Factors in the Modernization of China and Japan," p. 499. In "traditional" China, where self-sufficiency was highly favored, it is of interest to note here that according to unconfirmed sources the average Chinese peasant family produced almost all their life necessities. It was said that under such circumstances a farmer's relation with outsiders sometimes did not go beyond his immediate neighbors in the next village. The saying "man farms and woman weaves" was taken as the basic way of providing the family with its necessities.

37 Universalism refers to the application of general or universal criteria to any person without taking into consideration his social position. Particularism refers to the opposite of universalism, i.e., special considerations are exercised.
element of nepotism on a large scale. Nepotism seeks primarily to advance the interests (especially wealth) of one's own family, clansmen, friends and so on rather than to perform the job in hand to the best interest of the enterprise. This may even be true where the same person is both owner and manager.  

Furthermore, particularistic structure coupled with the lack of impartial civil and criminal law enforcement deprived the individual of any governmental machinery to protect him from economic or other sorts of exploitation. A sense of individual responsibility was also lacking since it was not the individual but the family that constituted a social unit.  

The only method of insuring a general framework of honesty and fair dealing was to connect the matter in some fashion to the family honor (or the closely related friendship system) of the individual concerned. And so it was that economic interrelationships of this sort as well as those of employment were conducted on the basis of "who one was." This is best evidenced by the use of the go-between in this sphere. The go-between was an individual who had personal relations with two or more individuals who did not know one another or lacked a long-standing relationship. The go-between was, theoretically, not interested in anything but cementing the relationship.  

Under such circumstances, it was a personal rather than an impersonal relationship that had been established between the parties in a transaction. Only this practice, Levy believes.

38 Levy, Some Problems of Modernization in China, p. 2.  
39 Ibid., pp. 7-8.  
40 Ibid., p. 7.  
41 Ibid., pp. 7-8.
provided complete honesty in the Western sense. In fact, sometimes these parties even put the interest of the other far ahead of their own. Profit was not the major concern. The relationship between the two individuals or their families was the major concern. When this type of relationship was set aside, a radical caveat emptor, or "let the buyer beware," situation existed. 42

This particularistic social structure would have functioned adequately when business transactions were confined to handicraft work, agricultural produce, and the like. Under such circumstances, an individual knew (perhaps for generations) practically everyone among his customers. Business dealings were necessarily on a small scale and did not depart greatly from the barter system. 43

If business, in the present sense, is to be carried out on a considerable scale, "universalistic" and "impersonal" treatment to all men or to large categories of them irrespective of any specific personal relation is the fundamental requirement. According to Levy, this lack of universalistic practices hinders development.

The lower status of the Chinese businessman was another factor. In "traditional" China, where self-sufficiency was highly favored, the merchant was held in low esteem, at least theoretically speaking. However, it was not uncommon that the

42 Ibid., p. 8. 43 Ibid.
merchant, with his wealth, could manipulate the officials to his own desire. His inferiority led the merchant to de-emphasize his own career as well as a like career for his sons. This retarded the rise of a business class in China. Thus the successful merchant, like all other Chinese, was under great pressure to secure the future of his family. This meant an education to prepare his sons to enter into officialdom through examinations. For the Chinese society was a relatively open society. One could enter the prestigious scholar-official class by acquiring a classical education and passing the examination. Since the successful merchant was eager to get rid of his business connection, he invested his capital in land rather than in business. This retarded the development of capitalism in two ways. First, it diverted capital away from the business, and hence made accumulation less effective. Second, it also diverted many of the ablest members away from business pursuits.

The family-oriented social structure of "traditional" China also affected the process of industrialization. Industrialization, in order to be effective, must be run on a universal and rational basis. Yet, Levy observes that

The pressure of particularism upon Chinese who attempt to run a modern organization is great. The friends, neighbors, and relatives of such a person soon learn how much power he has at his command. Even modern young professional people fall easy prey to such pressure.

\[44\] Ibid.
... If he fails to help close relatives, he is even worse. He may be said to be unfilial or to demonstrate pei-te, that is, not loving those to whom one is bound by natural ties, both of which are extremes of inhumanity. His failure to be swayed may lead to his ostracism by friends and relatives alike. The pressure brought can be extreme, and all Chinese involved in the new industries are subject to it. The owners, engineers, executives, and foremen are all more or less vulnerable to such pressure.\(^5\)

Thus many were assigned to positions for which they had little knowledge or skill, and this practice hindered industrialization.\(^46\)

Closely related to this family-oriented social structure and the teaching of Confucius was the problem of population expansion. Levy believes the Confucian concept of filial piety, according to which lack of progeny is the greatest of filial sins, had much to do with that problem. Thus, one was obliged to have as many offspring, particularly sons, as possible. Children were assets in the "traditional" Chinese family; for "one's offspring are one's old age insurance, and the surplus labor from these sons could seek employment for wages and so perhaps add to the family's land."\(^47\) However, the increase of population becomes a problem rather than an asset in an industrializing society because the demand for manual labor is greatly reduced. Furthermore, the expansion

\(^45\) Levy, The Family Revolution in Modern China, p. 355.


\(^47\) Levy, Some Problems of Modernization in China, p. 13.
of population drained family as well as national savings and hence slowed down capital accumulation.

Aggravating the situation was the fact that the Chinese ruling authorities never attempted any reformulation of the Chinese social structure. On the contrary, they consistently supported the retention of traditionalism in order to facilitate their rule. Thus even the Nationalist government, which was convinced of the need for industrialization, desired "to maintain as much as possible of the old family system because of its convenience for control purposes and because of a faith that the old ways, somewhat compromised, offer China the best way out." 48

All these factors worked together to thwart the development of capitalism. In view of all this, Levy suggests that

To this end China must find a way to abandon her age-old view that a person without special connection with one is fair game, and replace it with the institutionalization of rationally-calculated transactions within a general framework of fairdealing, with courts and laws to take care of questionable cases. 49

Since this "age-old view" has its roots deeply involved in the "traditional" Chinese family, the key to reformulation is the family pattern itself. 50 This, Levy believes, can be achieved through education of a reformed type based more or less on the Western pattern. 51

48 Ibid., p. 4. 
49 Ibid., p. 8. 
50 Ibid., p. 3. 
51 Ibid., p. 33.
Norman Jacobs

Norman Jacobs clearly states that his study of the problems of the development of capitalism in China proposes only a footnote to Max Weber's sociology of religion. Further, his conception of modern capitalism, in the spirit of Weber, continues to be that of a system which is not universal in time or place, and hence not due to human nature in a cultural stage of development. It continues to be, moreover, that of a system of social and economic organization and not a system of technology alone.

For "there can be no autonomous generation of capitalism, that is to say, unless there is an independent, widely held system of socially oriented mental attitudes, called 'values,' positively favouring it." With this conception in mind, Norman Jacobs delineates seven "positive values" which he regards as the forces hindering the development of capitalism in China, as one may see in the following paragraphs.

Exchange and Property

Exchange and property are characterized by an ethically accepted "rules of the game" within which certain types of economic activity were considered "possible" or "impossible" in China.

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Since agricultural policy was traditionally the principal economic interest of the government, agriculture was then regarded as the essential and basic activity of the people. The emphasis upon agriculture by the ruling authorities was sanctioned by the Confucian classification, which put the position of the farmers next to that of the officials and well above those of the rest in the professional hierarchy. Land was the only source of legitimate economic security and social recognition. Consequently, the reinvestment of surplus wealth in land rather than in commercial activity was encouraged.\(^{55}\) Obviously, business activity and the development of capitalism were retarded by such practices.

In China, the ruler had the ethical right and duty to intervene in the activities of the market in order to secure economic justice. Thus, his control extended to the market place in the form of regulating sales, setting standards (such as weights, etc.), taxation, and so on. There was an elaborate system of inspection and police control of merchants.\(^ {56}\) To insure the distribution of adequate food supplies, the ruler even engaged in direct selling-buying, market activities. This was especially true in the case of the "ever-normal granary" plan dated from the Han Dynasty (206 B.C.—220 A.D.).\(^ {57}\)

\(^{55}\) Ibid., p. 24.  
\(^{56}\) Ibid., p. 30.  
\(^{57}\) Ibid., p. 34.
As a consequence of the ruler's intervention, cities grew into administrative strongholds under the watchful eye of the ruling authority rather than into large commercial centers since there could be little opportunity for independent growth of economic wealth and power of the individual businessman. Hence, the businessman was deprived of any incentive in his capitalistic pursuits, and the development of capitalism was thwarted.

When foreign trade first appeared in China, it was placed under the control of the ruling authority and interpreted as tributes from peoples of inferior civilization. The main purpose of this practice was to prevent the accumulation of wealth derived from foreign trade for political-economic purposes. Thus, during the Tang Dynasty (618-905), foreign trade was handled by a Ritual Bureau, in accordance with the Confucian prescription for the exchange of gifts. The concept of foreign trade as both tribute and ritual effectively placed it under the control of the ruling authority. Foreign trade by private individuals was illegal; consequently, it took the form of smuggling, which, with or without official collusion, was widespread.

Governmental interference with economic activity, though with certain modifications, continued to the Opium War (1842).

58 Ibid., p. 32.  59 Ibid., p. 34.
60 Ibid., p. 35.
when certain ports were forced open to foreign trade. Under the Republic, or Nationalist China, shipping, as well as other major industries, continued on the pattern set by Imperial China, i.e., governmental control and interference. Thus, according to Jacobs, the development of capitalism was thwarted, if not impossible.

In China, taxation was sometimes represented as an "ethical" means to be manipulated by the ruler and his allies for the purpose of controlling the economic power and equalization as well. This "ethical" means was derived by and for the ruler and his allies from the writings of Confucius, the Book of Rites (Li-chi). According to this book, "the propriety of the officials was the cultivation of the country," and hence "an ethical justification was extended to the ruler to dissipate the wealth of the people; independent economic power was extravagant, ethically untenable, and punishable."

61 Ibid., pp. 35-36.
62 Ibid., p. 36. Interested readers should read also Levy and Shih, The Rise of the Modern Chinese Business Class, particularly Part II.
63 Jacobs, op. cit., p. 63.
64 Ibid. The word "cultivation" here does not mean cultivation of the land, i.e., agriculture, since Confucians avoid manual labor whenever possible. It is rather the manipulation of political-economic power for the welfare of the country.
65 Jacobs, op. cit., p. 62.
By contrast, the ruler and his allies were exempted by privilege from dissipating their own economic power, and in this way their control over the economic power of others was reinforced. These officials and the rural privileged class (gentry) were most likely to invest their wealth in land rather than in business and industry. Consequently, in Jacobs' view, commerce and industry were discouraged.

### Authority

Authority is characterized by the assumption that the right to public office is determined by moral and intellectual considerations. The ruler was to be a model of his people and others. This conception extended to the selection of his body of advisers-administrators. A ruler, being wise, should be able to utilize the wisdom of others without falling prey to their vices. The ruling authority, therefore, drew its support from the people by being virtuous. Since virtue was defined in Confucian terms, the selection of advisers-administrators was based on mastery of the Confucian classics. Thus, the Confucian scholars possessed a virtual monopoly of power and authority permitting the legitimation of social action by an elite rather than by majority rule. By further extension, political rule was reduced to a moral order.

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66 Ibid., p. 63.  
67 Ibid., p. 76.  
68 Ibid., p. 89.  
69 Ibid., pp. 21, 94.
pattern continued into the Nationalist and Communist governments with the replacement of the Confucian scholars by party members and the Confucian ethic by party codes.\(^{70}\)

Since the Confucian ethic dominated the ruling apparatus, formal laws played a minor role in social control. "Law was regarded as a poor substitute for virtue and ethics, and reliance on law as a sign of moral delinquency."\(^{71}\) In this way, the advisers-administrators, who were the Confucian scholars, "alone were entitled to define and enforce formal social relationships, i. e., to control the legal apparatus, while claiming exemption for themselves from the criticisms and sanctions applied to others."\(^{72}\) This was of significance to the development of capitalism in that "the merchants were considered as non-Confucians, unable to use law in defense of their own interests, or to oppose the Confucian Ethic, and . . . no independent order of professional legal technicians could arise."\(^{73}\) This was so because the administration of law was based solely on the interpretation of general Confucian principles as applied to particular cases, and the law was never codified. Although the Nationalists and the Communists introduced and codified the legal system on the western line and established modern courts in the cities, these changes affected few people; for the majority are still

\(^{70}\)Ibid., pp. 76-105. \(^{71}\)Ibid., p. 97. \(^{72}\)Ibid. \(^{73}\)Ibid., p. 98.
nonurban residents, and in most cases, party interests still dominate the legal field. 74

Thus, rationalized administrative machinery and legal protection for the merchants, which are so important for the development of capitalism, were absent in China, and so was capitalism according to Jacobs. 75

**Occupation**

Occupation is characterized by a differentiation, determined by the Confucian scholars (an elite), of certain roles in the division of labor as honorable and others as dishonorable.

Land and land production were traditionally valued as the proper means of production. Thus, agriculture was considered to be the proper occupation for the vast majority of the people and was, therefore, honorable. This conception, however, did not necessarily imply maximum utilization of agricultural resources or concern with the economic satisfaction of the producers. 76 Rather, it was based on the economic-political consideration that agricultural occupations were less mobile and were, therefore, easier to control.

For the people to engage in occupations other than agriculture was objectionable, as diverting from essential production, undermining the dignity of

74 Ibid., p. 99. 75 Ibid., p. 106. 76 Ibid.
agricultural activity, and encouraging economic activities which were difficult to control.77

This honorable-dishonorable definition was based upon economic-political considerations. Jacobs asserts,

The officials express fear that the merchants would interfere continually with social order by destroying the proposed equalization of wealth (or poverty) which it was the duty of the political authority to enforce.78

Hence, business was discouraged and considered to be dishonorable.

Consequently, merchants were prevented from seeking public office. It was feared that public office together with their economic power derived from the accumulation of wealth would undermine the political authority.79 Thus, for example, Han Wu Ti (Emperor of the Han Dynasty, who reigned between 140-86 B.C.) forbade the merchants from purchasing land so that they could not become too powerful or influential in areas of strategic importance to the ruling authority.80

Under the Nationalists and the Communists, the distinction between honorable and dishonorable occupation continued, only to be defined by the parties instead of the scholars-officials.81

Recently, labor has ostensibly been elevated to a vital role, particularly under the Communists. However, Jacobs

77Ibid.
78Ibid., p. 119.
79Ibid.
80Ibid.
81Ibid., p. 123.
argues that a "closer inspection shows that labour is an integral part of the Communist political movement, and hence its occupational interests and organization are oriented to political rather than specifically occupational ends." 82 Labor is, therefore, subordinated to political movement, and trade unionism is being used to serve party ends. 83

Therefore, in Jacobs' view, the fundamental division of labor remained unchanged, and corporate 84 privileges for industrial capitalism were not possible. 85 All these forces, working together, prevented the rise of a rational economically-oriented structure and the emergence of a true commercial and industrial occupation in China. Hence, they prevented the development of capitalism.

Stratification

"Stratification is characterized by honourable roles alone being entitled to corporate protection of economic-political rights and privileges." 86 Therefore, only the scholars-officials were entitled to corporate protection, thereby controlling the interests of others. This practice was continued by the Nationalists and the Communists. It is

82 Ibid., p. 122.  
83 Ibid., p. 125.  
84 Ibid.; Jacobs uses the word "corporate" here to mean independent, i.e., independent occupational interest which is not subject to governmental or party (e.g., the Nationalist or the Communist Party) interference.  
85 Jacobs, op. cit., p. 125.  
86 Ibid., p. 219.
now the party members who are entitled to such a protection. 87

The Chinese conception that some must lead while others must follow implies that the leaders, by virtue of their position, were superior in both intellect and virtue. Those who followed were obliged to maintain an inferior social position in order to ensure social order and harmony. 88

This conception of leadership by intellect and virtue was inherited successively by the Nationalist and the Communist party members who alone were thought to understand social needs. Any challenge to their leadership was considered evil and was to be suppressed. 89 Other groups, particularly the merchants, were deprived of protection.

From the point of view of vertical mobility, China was almost an ideal example of an open class society. Historical examples of the very poor who became sages are too numerous to note. The Chinese saying, "never ask a sage of his family background," implies that there is no discrimination against a person of low family status. In the past, success could come from passing the official examination. At present, this would, of course, mean achievement as well as winning the support of the party members. Other channels of mobility were relatively narrow for the reasons just mentioned, as well as those mentioned earlier, i.e., other groups were deprived of

87 Ibid., p. 139.  
88 Ibid., p. 132.  
89 Ibid., p. 133.
corporate protection and other means of encouragement. Therefore, commerce and other capitalistic pursuits could not flourish.

Kinship and Descent

The kinship and descent structure was such that the inheritance of all strategic property, notably that of land, was equally divided among all the legitimate heirs, normally the sons. The system had both advantages and disadvantages for the inheritor and for the society. An advantage was that all male inheritors were given a means of livelihood, that no single heir held a monopoly over the means of livelihood. A disadvantage was that it created small plots of land, usually scattered, which were difficult to farm, thereby wasting time and movement.

This practice reduced the size of holdings continually and kept the farmers on the subsistence level by keeping them on the farms, since economic position and status were provided for them in land.

The subsistence level of agriculture traps all surplus capital; reserves must constantly be consumed, to avoid starvation. Since lands absorb most of the available capital, the accumulation of sufficient private capital for investment in productive enterprise is impossible; and so is the accumulation of capital

90 Ibid., p. 149.
91 Ibid., p. 150.
92 Ibid., p. 156.
over time (as in the mercantilist period in Western Europe), owing to the system of homoyogeniture. Thus the system of descent has positively functioned in favour of the anti-capitalist forces in China.

Under homoyogeniture, there seemed always to be room for one more landed heir even though it was to be on a subsistence level. Jacobs argues that this is the reason for China's overpopulation in the rural areas. He further asserts that industrialization, which was believed to be the main cause of the reduction of the growth rate of the western population, would not function the same way in China. Since land was regarded as the exclusive source of status, the potential heir would return from the city or have an heir bred in the native place to take his place.

Religion

The Chinese religion is a social religion. It seeks to solve social problems for the interests of the society rather than individual problems for the interests of the individuals. Technically speaking, it is not a religion at all. Rather, it is a sacred philosophical system of social ethics aimed at the individual's adjustment to the existing social obligations in order to assure harmony to an essential natural order.

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93 Ibid., p. 149; homoyogeniture is an antonym of primogeniture. This is a system by which all legitimate male heirs, sometimes also female heirs, receive an equal share in an inheritance.

94 Jacobs, op. cit., p. 156.

95 Ibid., p. 157.
This is to be achieved through education and reverence for the superiors—superior in age and hence in education and experience. This is the ethical foundation of social adjustment and social control.\textsuperscript{96}

In this sense, the Chinese religion is extremely intellectualized.

There is a distaste for speculation about the rational universal order; religious problems, as other problems, are to be solved by practical, intellectual consideration of the issues. This conception of reason is devoid of all emotional contamination and is based on rules that are intellectually ascertainable. Emotion may enter only subsequently, after intellect.\textsuperscript{97}

However, particularly in this way, as anticipated by Max Weber, any radical rationalization of the meaning of the world is also excluded. This rationalization remains confined to adaptation to a given order of things and, hence, to perpetuation of traditionalism.

Since the Chinese religion is extremely intellectualized and religious problems are to be solved by practical means, interpretation of religious dogma fell to the hands of the Confucian elites, who were the most educated. Strong emphasis was placed on dogmatic orthodoxy. The Confucians were given a monopoly on the manipulation of the religious function in order to assure social harmony. Other religions, such as Christianity, Buddhism, and Taoism, were tolerated to the

\textsuperscript{96}Ibid., pp. 161-163.

\textsuperscript{97}Ibid., p. 167.
extent that they did not challenge Confucianism for an equal place in the social order. Only Confucianism had political and social sanction. Later, the Nationalist and the Communist Party members inherited the same monopoly of control.

By emphasizing orthodoxy, Chinese religion and later, party doctrines ensured that novel solutions were controlled, by either absorption or negative sanction. A capitalist or capitalist-benefitted religious as well as party doctrinal solution to a social problem was similarly absorbed, controlled or purged.

By linking the religious and party doctrinal order automatically with the political order, the Chinese religion and party doctrines made religious and party support to be political support, and religious and party doctrinal opposition automatically political opposition. Capitalism, as an alien doctrine, was the enemy of both the existing religious and party doctrinal ideas and political-social order. . . . By aligning the entire legitimate political order automatically on the anticapitalist side, as in China, the possibility of a practical alliance of this kind, even a temporary one, was excluded.

Integration and Stability

Integration and stability are "characterized by monopoly of the sanction to determine an integrated and stable social order in the hands of an elite." Thus the support of a Confucian elite was a prerequisite for any ruler for maintaining an integrated and stable social order. However, such support was not come by easily. The elite were by nature coy, and could be induced to serve only a social order which they

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98 Ibid., p. 185.
100 Ibid., p. 293.
99 Ibid., pp. 175-181.
101 Ibid., p. 211.
Thus a ruler was considered to be a virtuous ruler if he had the support of an elite. This sanction was further reinforced by the precept that "the superior man is obligated to desert an evil ruler and go into retirement, rather than bring shame upon himself and his cult; in fact, he must even sacrifice his life to maintain virtue." A typical example was a Ming Dynasty scholar-official, Fang Hsiao Ju, who not only sacrificed his life but also those of his nearest kin and his disciples (students) when called upon to serve a ruler whom he considered to be unvirtuous. These principles were carried into the twentieth century by the Nationalists and Communists, who substitute a party and its doctrine as the basis of legitimization.

But, as has been seen in the previous analysis, "the nature of this virtue or morality was arbitrarily determined by an anti-capitalist elite, whose structure was defined a priori in non-capitalist and even anti-capitalist terms." Since the Nationalists and Communists inherited this monopoly of defining social order, they also inherited this

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102 Ibid., p. 198. 
103 Ibid. 
104 Lo Heng-lin, Chung-Kuo Tung Shih /Chinese History/ II (Taiwan, 1962), 4. 
105 Jacobs, op. cit., p. 197. 
106 Ibid., p. 211.
The conversion of the anti-capitalist social order of Imperial China successively into Republican China, Nationalist China and Communist China, did not change the basic assumption for securing a sanction for the social order. That sanction, regardless of its specific bearers or its specific structure, was maintained by interests which were positively non-capitalist. Capitalism inherited certain basic disabilities, in values positively functioning to direct social behavior into non-capitalist or anti-capitalist channels. Consequently, though there did exist in twentieth-century China an appreciation of the technical advantages of modern capitalism, such appreciation did not extend to a capitalistic orientation of the social order. 

Conclusion

In conclusion, although each of the Western writers has his own emphasis, they concur in the view that idealistic cultural factors are largely responsible for the retardation of economic development in China.

Weber emphasized the Chinese religion which, he argued, did not sanction thought or action contrary to the existing order. Levy argues that the overwhelmingly family-oriented social structure was resistant to universalistic, achievement standards. Jacobs contends that traditional norms and values were maintained by the ruling stratum in an effort to perpetuate the status quo and to discourage innovation. Thus, from the point of view of the Western writers, it was the traditionalism of the Chinese value system—upheld and expressed in the religious system, the family system, and the political  

107 Ibid.
system—which prevented the development of capitalism. Inquiry concerning the existential bases of these views is reserved for the final chapter.
CHAPTER III

THE PROBLEMS OF THE DEVELOPMENT OF CAPITALISM IN CHINA
ACCORDING TO MAO TSE-TUNG AND OTHER COMMUNIST
CHINESE SCHOLARS

The task of the present chapter is to describe the views of Mao Tse-tung and a related group of Chinese writers in regard to the development of capitalism in China. Significant differences between the Chinese Communist view and the Western view become apparent in the following pages. Since the differences stem in part from the adherence of the Chinese writers to Marxian theory, the ideas of Karl Marx in regard to economic development are briefly described at the outset.

The Theory of Marx

Marx developed an interpretation of the development of capitalism emphasizing the operation of materialistic forces and the mechanism of class struggle. He argued that the "process of production, starting out from the simply material production of life" began first in the form of the "natural division of labour" imposed by the family. With the gradual

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1 By "natural division of labor," Marx meant division of labor by means of sex and age, beginning first in the family.

increase of population, the growth of wants, and with the
extension of external relations through war or trade "the
feudal system" of industry, under which industrial production
was monopolized by closed guilds, now no longer sufficed for
the growing wants of the new markets." Consequently,
进一步 division of labor and a manufacturing system replaced
feudalism.5

Because the markets and demands continued to grow as a
consequence of the discovery of new lands (e. g., America)
and new markets (e. g., that of the East-Indian and Chinese),
the manufacturing system eventually became inadequate to meet
demands. "Then, steam and machinery revolutionized industrial
production."6 Modern industry thus came into being. Marx,
therefore, conceived the modern bourgeois society as that
which had been developed from the ruins of the feudal society.7
The modern bourgeoisie, he asserted, "is itself the product
of a long course of development, of a series of revolutions

3By "feudal system," Marx had in mind a system charac-
terized by 1) a self-sufficing natural economy; 2) production
mainly limited to a handicraft type of industry for the con-
sumption of the feudal lords; and 3) production monopo-
лизed by the closed guilds dominated by the guildmasters.

4Karl Marx and Friedrich Engels, The Communist Manifesto,
edited by Joseph Katz, translated by Samuel Moore, 3rd printing

5Ibid.
6Ibid.
7Ibid., p. 58.
in the modes of production and of exchange.\textsuperscript{8} The rise of capitalism was, he argued, a "historic necessity."\textsuperscript{9}

The changes in the division of labor which Marx considered particularly significant were the separation of industrial and commercial from agricultural labor and the separation of the property owners from the unpropertied workers.

The various stages of development in the division of labour are just so many different forms of ownership; i. e., the existing stage in the division of labour determines also the relations of individuals to one another with reference to the material, instrument, and product of labour.\textsuperscript{10}

Further changes in the division of labor, Marx contended, led to additional changes of the relations between the owners and the workers. Because they possessed the means of production, each step of economic development advanced the position of the property owners politically and economically. By contrast, the unpropertied workers were exploited further because of their weak economic position, and were finally reduced to an oppressed working class.\textsuperscript{11} Hence the property owners advanced themselves from a feudal society toward a capitalistic society by exploiting the unpropertied workers.

\textsuperscript{8}Ibid., p. 60.

\textsuperscript{9}Karl Marx, \textit{Capital: The Communist Manifesto and Other Writings}, edited with an introduction by Max Eastman (New York, 1932), p. x; cited below as \textit{Capital}.

\textsuperscript{10}Marx and Engels, \textit{The German Ideology}, p. 9.

\textsuperscript{11}Marx and Engels, \textit{Communist Manifesto}, pp. 60-61.
Out of this process, class consciousness developed and class struggle ensued. Thus, Marx could say, "the history of all hitherto existing society is therefore the history of class struggle." Marx predicted that capitalism would eventually destroy itself in class war between the bourgeoisie and the proletariat. The destruction of capitalism would occur, he asserted, at its highest stage of development. Then it would be followed by socialism and eventually communism.

Marx argued that capitalism began when large numbers of workers were employed in a single manufacturing process. "The economy in the application of the means of production is entirely owing to their being consumed in common by a large number of labourers—even if the latter merely work side by side, and do not assist one another." Through this process also "individual differences compensate one another and vanish, whenever a certain number of labourers are employed together." Marx further emphasized that this "collective force" heightened the efficiency of each individual laborer, and that the time necessary for completing the same amount

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12 Ibid., p. 57.  
13 Ibid., pp. 58-59.  
14 Marx, Capital, p. 64.  
15 Ibid., p. 63.
of work was shortened. Yet, Marx accused, the capitalists did not apportion the equivalent share of profit to the workers. Instead, workers were exploited in order to accumulate surplus value.\(^\text{17}\)

If we compare the process of creating value with that of creating surplus value, we see the latter to be but the continuation of the former beyond a definite point. If the process be only carried as far as the point where the value paid by capital for labor power be replaced by an exact equivalent, then it is simply a process of producing value. But if the process be continued beyond that point, it becomes a process of creating surplus value.\(^\text{18}\)

The capitalists, Marx argued, acquire increasing industrial, economic-political, and social power because they own and control the means of production. They force wages to a mere subsistence level in order to appropriate to themselves an increasing amount of the earnings of labor. This appropriated amount is what Marx called "surplus value." Thus, by exploiting the workers, the capitalists accumulate large amounts of capital in a decreasing number of hands. But Marx stressed that the employment of large numbers of workers simultaneously increases their consciousness and resistance to the capitalists. Hence, class struggle ensues and capitalism digs its own grave.

In general, Marx saw capitalism as the result of an inevitable and universal process of development. He emphasized

\(^{\text{16}}\)Ibid., pp. 65-66. \(^{\text{17}}\)Ibid., pp. 89-90. \(^{\text{18}}\)Ibid., p. 45.
the causal significance of materialistic forces and of class struggle in the explanation of that process. In the following pages the influence of his point of view on the Chinese Communist writers becomes apparent.

The Chinese Interpretation of the Development of Capitalism in China

Some western social scientists, e. g., Max Weber, hold to the view that without foreign influence, i. e., that of the West, the development and advancement of capitalism were impossible in China because of her value system. Some Chinese scholars, on the other hand, reject that argument as groundless nonsense. (They are the historiographers of Communist China. Their views and opinions were gathered from various sources ranging from Chinese newspapers, magazines, booklets, etc., to various university publications, and were put together in a collective work by the Department of Historical Research of the Chinese People's University in Peking. The sources of information in the present chapter derived mainly from their works.) They delve into history and find to their satisfaction that there were capitalistic

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20 Ibid., p. 3.
pursuits as early as the Ming Dynasty (1368-1644). They argue that although China remained a feudal society for about 3,000 years beginning from the Chou Dynasty (1122 B.C.), she carried within herself the embryo of capitalism. The penetration of foreign capitalism might have accelerated the development by destroying the foundation of her self-sufficing natural economy and by disrupting her handicraft industries in both the cities and the peasants' homes. However, because foreign capital was invested not only for economic purposes but also for political-economic exploitation, it impeded development.

Why then did the Chinese "embryo of capitalism" fail to develop? Mao Tse-tung and other related Chinese scholars offer two reasons for the failure of capitalism to develop. First, the ruthless economic exploitation and political oppression of the peasantry by the landlord and the ruling classes deprived or reduced their purchasing power. Second, the ruling class in order to perpetuate their interests and to facilitate the ruling mechanism tried to discourage commercial pursuits in favor of agricultural activities.

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21 Ibid., p. 4.
22 Natural economy is used here to mean a simple self-sufficing economy based on land and land products.
24 Ibid., p. 75.
The latter argument is quite in line with some of the reasoning of Levy and Jacobs.

The Early Stage of Capitalism in China

As mentioned earlier, the Chinese scholars generally agreed that the development of capitalism in China took place in the Ming Dynasty (1368-1644). Their position is based generally upon findings from government gazettes, official records, decrees, and novels of various periods. A survey of some of the evidence cited by these scholars follows.

The following is an official report which appeared in the Su Chou (city) Government Gazette in the Ming Dynasty describing the textile industry of that period:

In the year of Emperor Sun Chung of the Ming Dynasty, about 1563, the residents of Su Chou were mostly engaged in the textile industry for their livelihood. The owners and their families resided in the north-eastern sector of the city, whereas the workers and their families resided in the eastern sector. . . . Each worker had his own skill. Workers were regularly employed, and wages were paid in a daily rate. During their leaves, casual workers were employed, and these workers were called the "exchanges." These casual workers were located in certain areas in accordance with their skills.25

The Sun Chung Imperial Court Record also said: "At the close of a working day, there were thousands of workers coming out of the dyeing factories and also from the textile factories.

These were the industrious, self-supporting good citizens."

Writing also in the Ming era, Tsu I-kwi  in his An Answer From A Textile Worker records the following description:

The residents of Seng On Lane, Chin Tang, who possessed the necessary capital, were engaged in the textile industry by hiring workers. The workers usually worked until the evening . . . upon passing by these factories, one noted that there were usually more than ten workers attending four or five weaving machines. Upon questioning, one of the workers answered: "Although I am just a common worker, I made two hundred min (unit of money, equivalence unknown) daily; with such an income, my parents, wife, and children could live a reasonably comfortable life . . . . Later I found out that both the quality and the quantity of my work excelled the other workers and that I should get a raise. I demonstrated my capability to another factory employer, and obtained a raise which doubled my wages. However, the employer was also pleased since he thought I deserved it." 27

This "primitive" factory system, it is argued, grew into a quite "modern" one, even when one uses a present-day criterion. Here is an example of growth given by Feng


Meng-lung in his novel *A Word for the World* described how the Sze family, starting with only one weaving machine, became a factory owner of some thirty to forty weaving machines between 1522-1566. This narrative is used to show that profits were re-invested rather than directed into other sources.

The writers also find evidence of capitalistic development in various industries other than textiles. For example, consider some data in regard to the iron works industry. In 1801, the Fat Shan Government Gazette reported:

"... in the years of Chien-lung, among the neighboring towns, the temperature of Fat Shan was the highest, for there were too many furnaces. There were hundreds of iron works factories and furnaces in production day and night, so that they seemed to have lit up the sky. With such an amount of heat produced, it was warm even in the winter months."

In regard to the chinaware industry, Tang Yan, minister of the chinaware industry during the Chien-lung era (1736-1796) pointed out in his report, "An Illustration of the Chinaware Industry," that in the township of Kangtek alone there were two to three hundred districts engaged in

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the production. Workers employed in this industry numbered no less than one hundred thousand.30

Such a large scale of production is said to be beyond local consumption, and is taken as evidence of extensive trade. Additional evidence is drawn from a paper by H. P. Gelder, who reported that in October, 1614, on her return voyage from China, the Dutch merchant ship "Kerderland" had 69,056 pieces of chinaware on board to the value of 11,545.11 Florin (a Dutch money unit, equivalence unknown).31

Also cited by the Chinese scholars is the rise of the managerial class during the To Kwang Era (title of reign of Ching emperor Sun Chung, 1821-1851). It is argued that there was a managerial class in the modern sense composed of persons who managed enterprises for the entrepreneurs. Yen Hui-li in his A Reminder to the Boundary Defense of the Three Provinces gave the following account:

In the lumber industry merchants with large capital invested their capital with the managers who then employed laborers and other personnels to carry out the production. These capitalists or investors resided in Si On, Li Uk, and urban Hon Chung . . . whereas their enterprises were in Kip Si and rural Hon Chung.32

30 Ibid., p. 251.
From these excerpts and other sources, the Chinese scholars draw the following conclusions regarding the early development of capitalism in China: a) separation of agricultural and industrial production existed; b) division of labor in accordance with skill or technique was operative; c) regular employment was given to free wage earners in their pursuit; d) enterprises must have been running on a continuous basis, since regular employment was provided; e) the pursuit of profit was based on the ability to manipulate a market relationship rather than speculation and exploitation; and f) productive enterprise was recognized as a distinctive entity, under the ownership and the operation of the capitalists or their agents.33

What then gave rise to capitalism in China? Like Marx, Mao Tse-tung and related scholars emphasize the development of technology necessitated by the growth of wants and of population.

Tsu Kuang-ki34 in his Agriculture and Politics points out that coal, wind, and water were used for power in these industries just mentioned. Water power was used to grind rice. He further points out that one of

33Wang Chung-lok, op. cit., p. 12; Li Kang-pi, op. cit., pp. 36-37.

34High official of the Ming Dynasty and also the first high official to become a Catholic. He was also a friend of the Italian missionary Matteo Ricci, who visited China in 1581.
these grinders could produce rice to supply a thousand households. Obviously, with these innovations, better quality as well as larger quantity could be produced, thus permitting the separation of agricultural and industrial production and the rise of a factory system.

Why Has China not Developed a Full-fledged Capitalism?

Why then has China not developed a full-fledged capitalism? Having refuted to their own satisfaction the Western conception that the Chinese value system is non-receptive to capitalistic pursuits, the Chinese scholars looked further into history for more commercial activities. They found that from the time of Ching Tek (title of reign of Ming emperor Wu Chung, 1506-1522), to Chia Ching (title of reign of Ming emperor Si Chung, 1522-1562), more capital was invested in business than in landholdings... since Chia Ching, no capital was invested in landholdings, even when there was idled capital among the business class.


At the same time, Wai Ti-seng points out that a landholding millionaire Mao Chin (of late Ming Dynasty) disposed of his landholdings and invested the proceeds in the publishing industry.37

The failure of China to develop into a full-fledged capitalistic country is then attributed by Mao and the Chinese scholars to her political structure. Mao makes it clear that

It was under this feudal system of economic exploitation and political oppression that the Chinese peasants throughout the ages led a slavelike life in dire poverty and suffering. Under the yoke of feudalism they had no freedom of person. The landlords had the right to beat and insult them and even put them to death at will, while the peasant had no political rights whatever. The extreme poverty and backwardness of the peasants resulting from such ruthless exploitation and oppression by the landlord class is the basic reason why China's economy and social life has remained stagnant for thousands of years.38

The Chinese scholars believe that such political-economic exploitation deprived or reduced the purchasing power of the majority. In other words, they believe that unequal distribution of income and concentration of wealth in a few hands hindered the development.

Like Marx, Mao and the related scholars consider the concentration of wealth a sign of political-economic exploitation. Marx, however, argued that this gave rise to the

37 Wai Ti-seng, op. cit., p. 1070. The same account was given in various sources: 王林清 and 小山等著等.

38 Mao Tse-tung, op. cit., p. 75.
proletariat and the bourgeoisie and hence to capitalism. Yet, the same phenomenon only reduced China to a "swarming mass of small peasants." Thus, the Chinese scholars argue that the concentration of wealth hindered development by exploiting and pauperizing the peasants. Their concern with the peasantry can be attributed to the need of the Chinese Communists in analyzing the basic class forces. E. Stuart Kirby suggests that

In the first place, in a Communist milieu, the basic class forces must be historically identified and analysed. Evidently, in China's case, neither primary nor exclusive stress could be laid on the proletariat in the "proper" sense of factory workers. Thus, Maoism postulates considerable theoretical and practical or political reliance on a broader category: "The People".

Mao Tse-tung himself has this generality of emphasis, with broad reference to "The People," "People's Democracy," etc.; the very name of the country is "People's Republic." But on this broad stage setting, the spotlight falls on various more personalized role actors or groups. Under Chairman Mao's guiding hand it soon fell on the peasantry: ... thus the role of the People in general, and of the peasantry in particular as a strong and dynamic factor, is to a considerable extent not only confirmed but even sanctified.39

It should now be clear why Mao and the Chinese scholars have emphasized so heavily the exploitation of the peasantry by the landlord class as a chief reason for China's economic stagnation. Such exploitation leads to class consciousness and finally to class struggle in the Marxian fashion.

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In feudal society, the main contradiction is between the peasantry and the landlord class. And in this society the peasants and the handicraftsmen alone formed the principle classes that created wealth and culture.

The ruthless economic exploitation and the political oppression of the peasantry by the landlord class forced the peasants to rise repeatedly in revolt against its rule. (Examples follow: From the Ch'in dynasty to the T'ai p'ing Heavenly Kingdom) . . . there have been several hundred big and small uprisings, all of which were peasant movements of rebellion, that is, peasant revolutionary wars. The gigantic scale of such peasant uprisings and peasant wars in Chinese history is without parallel in the world. These class struggles of the peasants, the peasant uprisings and peasant wars, alone formed the real motive force of historical development in China's feudal society. For each of the major peasant uprisings and wars dealt a blow to the existing feudal regime and more or less furthered the development of the social forces.40

But Mao goes on to assert that the economic position of the peasants was aggravated by the fact that

Not only did the landlords, the nobility and the royal family themselves live on rent extorted from the peasants, but the states of the landlord class also exacted tribute and taxes from the peasants and imposed corvee on them to support a horde of government officials and an army chiefly used for the oppression of the peasants.41

The business class suffered under such a heavy taxation system, and business as a whole was seriously affected. The secretary of household, Chao Si-hin, presented a petition in the thirtieth year of Wan Li (title of reign of Ming emperor Sun Chung, 1603), which stated:

The account record of the revenue offices of Sung Man Moon, Ho Si Mu, Ling Ching, Ku Kang, Wu Ya, . . .

40 Mao Tse-tung, op. cit., pp. 75-76.
41 Ibid., p. 75.
Yang Chou, Pek Sun, . . . and Wai On showed a total yearly income of 325,500 taels of silver in the previous years. In the twenty-fifth year of Wan Li, an increase of 82,000 taels were imposed, and this was the fixed amount to be taxed. However, since the twenty-seventh year of Wan Li, the revenue dropped year after year, and till the twenty-ninth year only 268,000 taels were received. This came short even of the original amount. . . . in a relatively short time of three to four years, this heavy taxation system has created disasters for these commonly prosperous towns.

. . . under such a taxation system, not many people would engage in business activity. For example, there were some one hundred sixty cloth shops in Ho Si Mu last year, and now there were only some thirty shops continued their business. . . . There were seventy-three textile factories, and now forty-five of them had been closed down. Forty-one grocery stores had been closed down. . . . Many have now regarded business as a Herculean task to embark on. All this was the result of heavy taxation. 42

With the decline of revenue, the Ming government erected numerous posts along the highways and ports. Tax after tax was imposed upon the merchandise that passed through these ports. This not only meant higher prices, but also delayed the flow of goods, 43 and hence slowed down business activities. As a consequence of these repressive measures, there were numerous uprisings in protest of the taxation system throughout the country between 1596 and 1628, the close of the Ming Dynasty. Liu Yen has listed thirty or more of such

42 Sun Chung Imperial Court Record, Vol. CCCLXXVI; quoted in Wai Ti-seng, op. cit., p. 1084.

uprisings as evidence of class consciousness and class struggle. Despite the numerous uprisings, economic conditions were not bettered. One exploitative political system after another was overthrown, only to be replaced by another. So continued the so-called "dynasty cycle."

After the collapse of the Ming Dynasty (1628), China was conquered by less civilized or more barbarous tribesmen—the Manchus. According to Shang Mo, the conquest by the Manchus has at least put China one hundred years back in her development both economically and culturally. Thus not until the early year of Chien-lung (title of reign of Ching emperor Ko Chung, 1736-1796), or more than a hundred years after the collapse of the Ming Dynasty, did most industries and state governments begin to report of their recovery from the devastation. It is of interest that Engels once cited the retarding effects of conquest by a less developed society. "Every conquest by a more barbarian people naturally disturbs the economic development and destroys numerous productive forces."

44 Ibid., pp. 416-417.
46 Wai Ti-seng, op. cit., p. 1086.
When the economy recovered from the Civil War destruction, the Chinese scholars argue, China was subjugated politically and economically by foreign powers. But is foreign imperialism to be cast in a positive, dynamic role in the development of Chinese capitalism, or would China herself have advanced into a full-fledged capitalistic country following her recovery from the Civil War destruction?

Mao's views on the subject seem ambivalent. The historical cultural-economic stagnation convinced him of the dynamic role of foreign capitalism. The penetration of such undermined China's self-sufficing natural economy by disrupting her handicraft industries in both the cities and the peasants' homes, and hence hastened and intensified the development of a commodity economy. At one time he argued:

... Chinese feudal society lasted for about 3,000 years. It was not until the middle of the nineteenth century that great internal changes took place in China as a result of the penetration of foreign capitalism. ... The penetration of foreign capitalism accelerated this development of foreign capitalism in China. Foreign capitalism played an important role in disintegrating China's social economy, because on the one hand it destroyed the foundation of her self-sufficing natural economy and disrupted her handicraft industries in both the cities and peasant homes, and on the other hand it accelerated the development of commodity economy in town and country.48

At another time Mao allots another positive, dynamic and formative function also to the penetration of foreign capitalism, when he asserted:

48Mao Tse-tung, op. cit., pp. 76-77.
Apart from its disintegrating effect on the foundation of China's feudal economy, this situation also created certain objective conditions and possibilities for the development of China's capitalist production. For the destruction of the natural economy created a commodity market for capitalism, and the bankruptcy of large numbers of peasants and handicraftsmen created a labour market for it.

In fact, as early as sixty years ago, i.e., 1879, since Mao Tse-tung was writing in 1939, some merchants, landlords and bureaucrats started investing in modern industries. At the turn of the century, China's national capitalism developed in a rudimentary form. Then, during the first imperialist world war, China's own industry, chiefly textiles and flour milling, developed further because the European and American imperialist countries, preoccupied with the war, temporarily relaxed their oppression of China.

Mao also recognizes the retarding effects of imperialism and political-economic exploitation by foreign powers. Those effects included the devastation done by the international army; the huge amount of indemnity paid by China to these foreign powers; the "sphere of interest"; and the numerous inequalities imposed by foreign powers. Hence Mao stresses that

... the emergence and the development of capitalism constitutes only one aspect of the change that has taken place since imperialist penetration into China. There is another aspect which co-exists with it as well as hampers it, namely, the collusion of foreign imperialism with China's feudal forces to arrest the development of Chinese capitalism.

Mao even argues that capitalism would have developed spontaneously in China in the absence of foreign interference. He states:

\[49\text{Ibid., p. 77.}\]  
\[50\text{Ibid., p. 78.}\]
As China's feudal society developed its commodity economy and so carried within itself the embryo of capitalism, China would of herself have developed slowly into a capitalist society even if there had been no influence of foreign capitalism.51

Mao argues, then, that the "penetration of foreign capitalism" accelerated the development of the Chinese capitalism on the one hand and impeded it on the other. The impeding element, in his view, was political-economic exploitation carried out in collusion by the foreign powers and the Chinese ruling class itself.

The attitude of the ruling authorities toward the business class is regarded by the Chinese scholars as another factor which hindered the development of capitalism. The ruling authorities have always been suspicious of the business class for their accumulation of wealth for political-economic purposes. Thus, the ruling authorities have also been trying to maintain as much as possible of the old social (traditional) system because of its utility for control purposes. Business and industries which not only make accumulation of economic power possible but also bring mobility and other disturbing elements into the society are to be feared. Thus, business and industries are to be discouraged, controlled, and deprived of governmental protection.52

51 Ibid., p. 77.

52 Chin Wan, op. cit., pp. 269-270.
The ruling authorities are alleged to have been both fearful of the accumulation of economic power by the business class for political-economic purposes, and disturbed by the concentration of population in the urban, commercial-industrial areas. The negative attitude toward urban, commercial-industrial pursuits is clearly expressed in the following statement made by Ching emperor Si Chung in 1727.

... of all the occupations of the four people, and with the exception of that of the scholar-official, agriculture is the superior, since the scholar-official, the artisan-worker, and merchant all depend on the farmers for their food supply, therefore, agriculture is the essential and basic activity of the people to be followed by those of the artisan-worker and merchant. If industry and commerce are to be promoted, these will lead to competition, and competition will lead to more people being employed in industry and commerce. One more person to be employed in commerce and industry means one less to be employed in agricultural production. Also, the narrow-minded citizens will turn into workers when they see that it is more profitable to do so. ... this would lead to the negligence of the basic and essential activity, i.e., that of agriculture. It is, therefore, of our policy to persuade the people, and to make them realize that agriculture is the superior occupation, and that they should remain with that simple way of living and to avoid all luxuries. In doing so, and through the passage of time, this way of living will become a tradition. To this end, though we may not induce the businessmen and the industrial workers to return to agriculture, yet we may prevent the further drain of farmers.

53 The Chinese conception of "four" indicates "all" rather than a number. This can be clarified by the Confucian conception that "people of the four seas are all brothers."

54 Imperial Ching Dynasty Record (Emperor Si Chung Record), Ch. 57; quoted in Chin Wan, op. cit., p. 270.
The development of commerce and industry attracted more people, particularly workers, to the urban areas, but the ruling authorities tried numerous devices to disperse the population. In the years of Yung Ching (title of reign of Ching emperor Si Chung, 1723-1736), the textile employers were required to sign a bond for the good behavior of their employees, a practice which was later extended to the iron works, lumber works, and paper works industries, etc. Those workers who could not obtain such bonds from their employers were forced out of the urban, commercial-industrial areas. The ruling authorities used the capitalists to maintain their power, while the capitalists utilized the political system for the exploitation of the workers. As a consequence, the workers' purchasing power was restricted, and economic development was slowed. Thus, the Chinese "embryo of capitalism" remained an embryo before as well as after the penetration of foreign capitalism.

Conclusion

In summary, Mao and related Chinese writers contend that an embryonic capitalism developed in China for the following reasons:

1. Its development was a "historic necessity" brought about by the growth of population and wants. A more complex

55 Chin Wan, op. cit., pp. 269-270.
56 Ibid.
division of labor and technological development were required to meet the added demand.

2. The increasingly complex division of labor led to
   a) the separation of industrial and commercial from agricultural labor; b) the separation of property owners and the unpropertied workers; and c) the development of class consciousness and class struggle between the peasantry and the landed gentry.

Capitalistic development was retarded for the following reasons:

1. It was opposed by the Chinese ruling class in an effort to perpetuate their class interests.

2. The invading Manchu hordes and foreign capitalists hindered development a) by interrupting the "natural, inevitable" process of development which would have eventually produced a native capitalism and b) by allying themselves with the reactionary Chinese ruling class.

In the final chapter these views are analyzed from the sociology of knowledge perspective.
CHAPTER IV

CONCLUSION

Previous chapters include surveys of the views of the Western and of the Chinese Communist writers in regard to the development of capitalism in China. The tasks to be undertaken in the present chapter are the comparison of their views and the analysis of their differences utilizing the sociology of knowledge perspective.

A Comparison of Views

On the basis of Chapters II and III, it is clear that the Western and the Chinese Communist writers have produced markedly different analyses of Chinese economic history. Their differences center upon two issues: 1) Was there an incipient capitalism in China? 2) What factors account for the absence or the retardation of capitalism in China?

Although there are some differences of emphasis among them, the Western scholars adhere generally to the view that idealistic cultural factors are responsible for the failure of capitalism to develop in China. They consistently focus their analysis upon the incompatibility between Chinese traditionalism, on the one hand, and the more or less rational value orientations characteristic of capitalistic pursuit,
on the other hand. Differences among the Western writers occur mainly at the point of analyzing the specific mechanisms and structures through which traditionalism was maintained. Weber considered the traditionalism of Chinese religion, mainly Confucianism, an important deterrent to capitalistic development. The Confucian perception of the world, he argued, does not sanction any rebellion against the existing order; the anti-authoritarianism of the Puritans was lacking. Thus, in Weber's view, one of the essentials for a break with traditional practices was absent. Confucian rationalism was limited by fundamental acceptance of an existing order, especially the traditional religio-magical element of it. The traditional cultural ethos operates to confine one's activities to a limited sphere. "Weber argued that a rational-legal state was the only political structure that allowed . . . calculability in economic activity: traditionalist states were much too bound by specific precedent and arbitrary administrative decision." 1 Weber emphasized the distinction between traditional and rational values in making a distinction between feudalism and capitalism. He "insisted that the means and ends of action under capitalism were not simply expressions of some universal economic impulse but constitute a definite, socially sanctioned form taken by the more general human

demand for want satisfaction."\(^2\) In this way, Weber refuted the Marxian conception of capitalism as a "historic necessity" and "natural, inevitable" process. Anti-Marxian though he was, "Weber did not squarely oppose historical materialism as altogether wrong; he merely took exception to its claim of establishing a single and universal causal sequence."\(^3\)

Weber also considered the family-oriented social structure and the self-perpetuating policies of the Chinese ruling class to be hindering forces. To avoid repetition, these points are discussed in detail in connection with Levy's and Jacobs' points of view.

Like Weber, Levy argues that the political structure in China did not favor the development of capitalism. However, he seems to regard the family structure as the chief deterrent. The overwhelmingly family-oriented social structure was considered incompatible with modern capitalistic pursuit. Family dominance led to the practice of particularism rather than universalism, whereas modern capitalistic pursuit can function effectively only in terms of universalism. Nepotism, according to Levy, renders modern capitalistic pursuit ineffective. Furthermore, family consideration led to dependence upon precedents when decisions had to be made; hence traditionalism was practiced and perpetuated. In the views of both

\(^2\)Ibid.

Weber and Levy, then, the development of capitalism was thwarted by traditionalism.

Jacobs' view is quite consistent with those of Weber and Levy. He shares their view that the religious and family systems hindered economic development. Yet, he emphasizes that the political structure was used by the ruling class to maintain the status quo and their vested interests within it. Thus, in early times the Confucians and later the Nationalist and Communist party members opposed capitalist enterprise. Traditionalism gave the ruler the ethical right and duty to intervene in the activities of the market in order to secure economic justice. The ruler's control extended to the marketplace in the form of regulating sales and business norms. In addition, he was able to define certain economic activities as "possible" or "impossible," as "honorable" or "dishonorable." Economic activities such as that of agriculture which did not affect the stable ruling mechanism, or at least had only little effect, were considered by the ruling class as "possible" and "honorable." Other economic activities, such as that of the businessmen, were regarded as "dishonorable," if not "impossible."

Since the Confucian ethic dominated the ruling apparatus, formal laws played a minor role in social control. "Law was regarded as a poor substitute for virtue and ethics, and reliance on law as a sign of moral delinquency."4 Thus, China

4Jacobs, op. cit., p. 97.
lacked formal laws governing contracts and other forms of legal protection which modern business activities require.

Although Jacobs believes the Chinese family structure to have been a hindering force, as Weber and Levy do, he shifts his emphasis from their concern with particularism to the practice of homoyogeniture. He contends that this practice continually reduced the size of land holdings and kept the farmers on the subsistence level by keeping them on the farms. Subsistence level agriculture trapped the labor force as well as all capital surplus because reserves had to be consumed to avoid starvation.

Jacobs agrees with Weber that the Chinese religion was extremely intellectualized. Hence, he argues, that all religious problems were to be solved by practical, intellectual consideration. The Confucians and later the party members capitalized upon that tradition to facilitate their rule since they were the better educated. Thus, traditionalism in the distant past and party doctrines or ideologies more recently served similar functions.

Since the Nationalists and the Communists inherited the Confucian monopoly upon the definition of social order, they also inherited an "anti-capitalist" value system. Hence, Jacobs argues that the basic assumption for securing a sanction for the social order did not change under the Nationalists or the Communists. "That sanction, regardless
of its specific bearers or its specific structure, was maintained by interests which were positively non-capitalist.\textsuperscript{5}

The Chinese scholars assert that capitalism, though in its embryonic stage, did exist in China as early as the Ming Dynasty (1368-1644). Like the Western scholars, the Chinese scholars placed heavy emphasis upon class interests (\textit{i.e.}, the attempt of the ruling class to maintain its grip upon the power structure) as one of the forces that retarded development. The ruling class perpetuated the \textit{status quo} by pursuing its class interests. However, these class interests, to the Westerners, seem to have been based upon traditional rights and privileges which the Confucian ruling class inherited unwittingly or reluctantly. The Chinese scholars, by contrast, argue that the ruling class utilized their position purposely to exploit the masses and to protect their vested interests. For example, Jacobs argues that the right of the ruler to define certain economic activities as "possible" and "honorable" was an inherited right deeply ingrained in the Chinese value system. The Chinese scholars, however, consider this right a political device used by the ruling class to exploit the masses, as in the case of the Declaration of Ching Emperor Si Chung in 1727.

Another retarding force, the Chinese scholars argue, was the invasion by the Manchu hordes. They argue that this

\textsuperscript{5}Ibid., p. 211.
invasion by a less civilized people disturbed economic
development and destroyed numerous productive forces, and hence
put China at least one hundred years back in her development.

Similarly, it is argued that the entry of foreign capitalists after the middle of the nineteenth century impeded
development. Foreign capitalism disintegrated China's
economic system by destroying her self-sufficing natural
economy and by disrupting her handicraft industries in both
the cities and peasant homes; hence, it might have accelerated
development. However, they argue that these foreign capi-
talists allied themselves with the reactionary Chinese ruling
class for political-economic exploitation rather than for
investment. This collusion retarded development by inter-
rupting the "natural, inevitable" process of development
which eventually would have produced a native capitalism.

An Analysis of Views

In the preceding pages, the existence of significantly
different views of Chinese economic development has been
demonstrated. The final task of the present study is to
interpret the differences from the point of view of the
sociology of knowledge. In that connection, several observa-
tions appear plausible at this point.

First, there are good reasons for believing that the
differences between the Western and the Chinese scholars
stem from fundamental differences in world-views.
Their varying interpretations of Chinese economic development are, from this perspective, parts of "total ideologies."

Both sets of scholars are caught up in the world-wide contest between Communist and non-Communist systems of thought and action. Their attribution of causal significance to certain variables seems understandable on the basis of such commitments. In that regard, the affinity of the works of the Chinese writers with that of Marx has been amply demonstrated in Chapter III. In general, the Chinese writers adhere to Marx's views of the causal significance of material forces, economic exploitation, and class struggle. Accordingly, they reject, or neglect, many plausible but non-Marxian explanations of Chinese development.

By contrast, the Western scholars, from Weber on, seem to have avoided Marxian explanations wherever possible. Some interpreters of Weber argue that much of his work must be understood as a well-reasoned critique of Marxism. Gerth and Mills, for example, argue that Weber attempted to "relativize" Marx's theory by stating the conditions under which it is valid. He did not totally reject Marxism but sought to qualify it by emphasizing the causal significance of variables not considered important by Marx and by citing cases not in accordance with Marxian expectations. Thus, part of Weber's work can be seen as an attempt to "round out" Marx's economic materialism which "seemed to him [Weber] an untenable monocausal
theory and thus an approach prejudicial to an adequate reconstruction of social and historical connections. He stressed that "military and religious, political and juridical institutional systems are functionally related to the economic order in a variety of ways." He did not deny that class consciousness and class struggle have their part in history nor the possibility of nationalizing the means of production. Yet, his writings are so colored with anti-Marxian sentiments that he allowed himself to be carried away from other plausible formulations.

Levy and Jacobs seem to have followed Weber's example, or the non-Marxian line, rather closely. They recognize the importance of some factors crucial to Marx's theory but they emphasize other factors as well. And even those Marxian categories to which they attend are given a non-Marxian twist. For example, the Western writers agree that the Chinese ruling class hindered economic development by resisting change. Yet, the basis for this resistance is seen as rooted in the normative order and not in the cynical pursuit of vested interests.


7Ibid., p. 49. This argument can clearly be seen in his The Protestant Ethic and the Spirit of Capitalism, The Religion of China: Confucianism and Taoism, and General Economic History.
Second, it appears that some aspects of the writings dealt with may be interpreted as "particular ideologies," i.e., ideas characteristic of a particular group, not necessarily of a historical epoch or whole society. The concern of the Chinese writers with the discovery of a primitive Chinese capitalism may involve an attempt to deal with pressures and problems peculiar to the intelligentsia of the Chinese Communist Party.

The contention that a capitalistic stage occurred as well as the selection of reasons for its retardation may have resulted from the following pressures.

First, the Chinese writers are committed ideologically to Marx's theory. This commitment involves a concern with materialistic forces as prime movers in history and the relegation of value systems to the position of dependent variables. It also involves a commitment to Marx's laws of economic development including the evolutionary stages of feudalism, capitalism, and socialism. Second, they are committed to the national interests and identity of China. Third, they are an intelligentsia charged with rationalizing the dominance of the Communist Party in China.

The combination puts them in a difficult position. They must instill pride in the achievement of the Chinese people and justify the rule of the party while at the same time maintaining some measure of continuity with Marx's theory.
How, for example, can they justify the existence of a Communist regime in a peasant society and yet retain Marx's theory of the stages of economic development? How can they instill pride in the achievements of a backward society--one defined by Marxian theory as backward? How can they find a base of mass support for a proletarian dictatorship in a society which lacks a significant proletariat (in the sense of an urban, industrial working class) and still retain some continuity with Marx's theory? Thus, the Communists seem to have been obsessed to find an incipient capitalistic stage in China to justify the presence today of a socialist stage. Hence they select the Ming Dynasty (1368-1644) and argue that China had an embryonic capitalism at one time and that she would have developed a full-blown capitalism spontaneously as a result of materialistic forces. An advanced capitalism failed to materialize because the ruling class was able to resist changes and to perpetuate itself by forming alliances with the imperialists. Nevertheless, the "several hundred big and small uprisings" in China's history validate Marx's theory that "the history of all hitherto existing society is therefore the history of class struggles." At the same time, they also glorified the Chinese spirit and courage to resist oppression. These formulations allow for the preservation of national pride (outside interference prevented the full

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development of China) within the context of a theory glorifying industrialization. They permit the maintenance of Marx's theory in that there was at least an embryonic capitalism in China; the forces resisting change were, as Marx predicted, the ruling class; outside or "artificial" interference with the "natural" course of events produced the deviations from Marx theory. In addition, by virtue of these special conditions, the significant role of the proletariat in Marx's theory fell to the peasantry, in the thought of Mao. Exploitation of the proletariat by the capitalists became exploitation of the peasantry by the landed gentry. The whole course of revolution as well as development was then associated with the peasantry. The legitimation of this deviation was defended and was clearly manifested during the early days of the Sino-Russian ideological dispute in 1959, when the Chinese claimed their position to be valid because of special conditions.  

At this point, it is appropriate to consider the possibility that even Mao and the Chinese scholars may have agreed with the Western scholars' interpretation completely in the past; changed social situations may have prompted them to alter their views. Hence, their conception of the past may have varied according to their social situations.

From Mannheim's view, ideas, values, and norms are hardly absolute; they do not exist in a social vacuum; they are determined situationally and historically.  

Summary

The present study is intended to contribute to a special field of sociological inquiry: the sociology of knowledge. This field is based on the contention that social factors influence mental products, or knowledge. From this perspective, we viewed the interpretations of the problems of the development of capitalism in China which have been offered by Western and by Chinese Communist scholars. The Western scholars took a non-Marxian point of view, whereas the Chinese scholars adhered generally to Marx's theory, though with certain qualifications.

Although there are some differences of emphasis among the Western writers, they generally agreed that the following idealistic, cultural factors were deterrent forces.

1. The Chinese value system, upheld and expressed in the religious system, did not provide any incentive nor any sanction for a break with the existing order.

2. The Chinese family system was resistant to universalistic achievement standards in all aspects of life.

3. The Chinese political system, dominated by the Confucians and later by party members, was utilized by the

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10 Mannheim, Ideology and Utopia, pp. 72-76.
ruling class to preserve the status quo rather than to effect any innovation. Opposition to capitalistic pursuits was a traditional aspect of the Chinese political system.

In adhering to Marx's theory, the Chinese writers contended that economic development is a "historic necessity" as a consequence of alterations in the material forces. They argued that capitalistic development was retarded in China because of several "artificial" forms of interference with the inevitable process of development.

1. The ruling class opposed any change in an effort to maintain their interests; they were particularly adamant in their opposition to business pursuits.

2. The peasantry, to whom an important role in the historical development is assigned, were exploited by the landed gentry.

3. China was subjugated by the Manchu hordes and later by the foreign imperialists. The imperialists allied themselves with the reactionary ruling class.

The differences of opinion between the Communist and the Western writers are attributed to their differences in social situations and ideological commitments. The Western scholars, it is argued, were committed to non-Marxian and even anti-Marxian explanations by virtue of the Weltanschauung of their societies. By contrast, the Chinese writers were committed to Marxism for similar reasons.
In addition, it is argued that certain of the ideas of the Chinese writers are attributable to the peculiar social situation in which they find themselves as a Communist intelligentsia in an underdeveloped, though Communist-ruled, society.
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