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1 *The Political and Intellectual Framework*

The *Minsheng* Mandate and China's Economy of Scarcity

This chapter offers a brief overview of important concepts and terminology related to notions of market and consumption in Chinese economic thought.[*] It also explores a few historical debates to provide a relevant background for understanding the transformation of these notions during the late Ming and Qing periods. These debates highlight the complexity and inherent pragmatism of generations of Chinese economic thinkers and their ability to respond to significant transformations in the economy of the empire. The complexity of Chinese economic thought should not come as a surprise if we consider the importance of economic issues for wider political goals of the imperial state. At the foundation of the imperial Chinese political discourse was the objective of "nurturing the people" (*yangmin*), which derived from the trope of the "Mandate of Heaven" (*tianming*) and its dictate that it was the emperor's paternalistic duty to foster the welfare of the population of the empire. *Yangmin* became a rhetorical pillar of dynastic legitimacy. It also came to constitute the foundation of the empire's stability. It, in fact, incorporated two main economic and political goals: ensuring the people's livelihood (*minsheng*) and promoting virtue among the people (*jiaomin*). The first goal, *minsheng*, was based on the idea that hungry and disgruntled peasants would inevitably stage rebellions and that economic prosperity ensured a stable tax base. In other words, the rhetoric of *minsheng* was tightly intertwined with the political imperatives of "pacifying the people" (*anmin*) and of ensuring fiscal stability. The second prong of the *yangmin* mandate was *jiaomin*, also aimed at social stability. *Jiaomin* – literally, "teaching the people" – mostly consisted of an ideological

[*] This chapter includes sections originally published in Margherita Zanasi, "Frugality and Luxury: Morality, Market, and Consumption in Late Imperial China," *Frontiers of History in China* 10(3) (2015), 457–485.

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indoctrination of Confucian principles, such as Filial Piety (*xiao*), considered crucial for preserving social order by inspiring respect for hierarchies based on age, gender, and status.[1] The *yangmin* formula, therefore, indicated a political system focused on economic and social stability, with *minsheng* a prerequisite for the latter, since it assumed that hungry peasants would be less responsive to ideological indoctrination, as the philosopher Mencius (c. 372–c. 289 BCE) famously argued in his often-quoted dialogue with King Hui of Liang: "The people, lacking a constant means of livelihood, will lack constant minds, and when they lack constant minds there is no dissoluteness, depravity, deviance, or excess to which they will not succumb." For the ruler, Mencius continued, it was essential to prioritize food security by promoting among the population such economic activities as the planting of "mulberry-trees," the "raising of chickens, pigs, dogs, and swine," and agricultural "cultivation." Mencius concluded that when a sage governs so that "pulse and grain will be as plentiful as water . . . how could there be any among the people who are not humane."[2] In other words, the "virtuous" – not rebellious – behavior of the peasants relied on their having adequate access to basic food staples and a minimal standard of living.

Although written during the Warring States period (Zhanguo, c. 475–221 BCE), the passage quoted above – together with other similar passages from the Confucian classics – remained an important reference for generations of rulers and thinkers, who freely borrowed, adapted, and reinterpreted them to derive both inspiration and legitimacy. Within the imperial Confucian ideology – in its various philosophical and institutional reinterpretations – the priority of *minsheng* in the *yangmin* formula was rarely challenged. We can find an argument in favor of its demotion during the Song Dynasty (960–1279 BCE). At this time the Neo-Confucian philosopher Cheng Yi (1033–1107) famously stated: "dying of hunger is a trivial matter; losing moral integrity is a serious matter."[3] This statement mostly

[1] Filial Piety is one of the principles at the foundation of Confucius' idea of a harmonious and stable society. It bases social and political stability on the respect of five basic hierarchical relations in society. These are, in order of importance: father and son, older and younger brothers, emperor and minister, husband and wife, friend and friend.

[2] Mencius, Irene Bloom, and P. J. Ivanhoe, *Mencius* (New York, NY: Columbia University Press, 2011), 11–12; 148–149.

[3] Cheng Yi and Cheng Hao, *Ercheng yishu* (Shanghai: Shanghai guji chubanshe, 2000) 356.

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addressed the specific issue of female chastity and did not necessarily assume canonical importance within the Song Neo-Confucian system.[4] It nevertheless had the potential to alter the established relationship between a full stomach and any kind of virtue, even that of respecting political and social hierarchies. It was only in the Nationalist period (1927–49), however, that Cheng Yi's statement came to be heavily reinterpreted and fully deployed by the state against the implementation of *minsheng* policies, as discussed in Chapter 4. Until then, this trope consistently expressed the importance of ensuring economic subsistence for the stability of the empire.

The persistent use of the trope of *minsheng* in philosophical texts, memorials written to the throne, and court documents should not be confused with an immutable or monolithic ideology. As this chapter illustrates, while *minsheng* remained a fairly consistent goal of the imperial state – at least at the rhetorical level if not always in practice – the ways to achieve this objective evolved. This mandate, in fact, accommodated diverse economic policies reflecting conflicting ideas of how to realize it. The Confucian rhetorical and philosophical tradition – from which most terms and tropes related to *minsheng* derived – did not prevent a pragmatic understanding of the functioning of the economy; nor did it imply intellectual rigidity. By the time the Qing adopted it, views of how to realize *minsheng* had undergone deep transformations.

Historically, the main challenge to the realization of the *minsheng* mandate was the empire's vulnerability to economic scarcity, an idea articulated through the notion that the resources (wealth, *cai*) of the empire were finite – "the wealth of Heaven and Earth is fixed in amount" (*tian di sheng cai zhi you ci shu*), to use an often-quoted expression of the famous Song Dynasty philosopher and official Sima Guang (1019–86).[5] In China, as in most agrarian economies, this situation of fixed and finite resources influenced government policies on food distribution and consumption. Most premodern European states, for example, acted to prevent extreme economic scarcity, aware

[4] Patricia Buckley Ebrey, *Women and the Family in Chinese History* (London: Routledge, 2005), 12.

[5] Quoted in Paul Jakov Smith, "Shen-Tsung's Reign and the New Policies of Wang An-Shih, 1067–1085," in *The Cambridge History of China*, Vol. 5, Pt. 1, *The Sung Dynasty and Its Precursors, 907–1279*, ed. by Denis Crispin Twitchett and Paul Jakov Smith (New York, NY: Cambridge University Press, 2008), 387.

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that it had the potential to severely damage their tax base and generate widespread discontent and uprisings. To counteract the dire consequences of scarcity, they encouraged the storing of surplus for private benefit, regulated prices, attempted to prevent hoarding of basic staples, and limited consumption through sumptuary laws.[6]

Chinese rulers also feared the consequences of economic scarcity and engaged in policies very similar to those adopted by their European counterparts. As historian Lillian Li points out, however, they differed from them in paying particular attention to political economy. In her discussion of Qing famine prevention strategies, she argues that the idea of nurturing the people "played an important ideological role in the formation of state policy and shaping of state goals."[7]

Minsheng: Morality, Ideology, and Pragmatism

The importance of *minsheng* as an essential strategy for a successful ruler went beyond the *yangmin* formula and its implications of Confucian morality. Xunzi (c. 310–c. 235 BCE) – together with Mencius one of the most representative figures of the second generation of Confucian philosophers – while agreeing with Mencius on the importance of *minsheng* for preserving social order, de-emphasized its ability to foster virtue among the population and focused directly on the danger to the state posed by popular discontent. In his discussion of the difference between the Kingly Way (*wangdao*) and Hegemonic Rule (*ba*), for example, Xunzi remarked that those rulers who "in managing the people's livelihood . . . cause them to be pinched and destitute" will cause "the common folk [to] look down upon them as if they were witches and hate them as if they were ghosts. Every day the common folk desire to find an opening to cast down their rulers, trample them, and drive them out."[8] Mencius' and Xunzi's divergent approaches to *minsheng* were mostly rooted in their opposing views of human nature; for Mencius, human nature was intrinsically inclined to be potentially good, while, for Xunzi, it was inherently selfish. This philosophical disagreement was to become the source of the important dilemma of whether the emperor should rule by nurturing and exemplary virtue

[6] Appleby, *The Relentless Revolution*, 5–6.
[7] Li, *Fighting Famine in North China*, 2, 4.
[8] Xunzi and Eric L. Hutton, *Xunzi: The Complete Text* (Princeton, NJ: Princeton University Press, 2014), 114.

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(Mencius' humanist Confucianism) or by imposing laws and punishments on the people (Xunzi's authoritarian Confucianism).[9] Mencius' "virtuous" population – when adequately fed and well indoctrinated in virtue – could properly regulate their social and economic lives without much intervention from the state. This relaxed attitude has often been compared with liberal *laissez faire* policies, although it is more correctly described as a form of humanist paternalism, since the state still played a crucial role in setting the parameters and goals of the societal economy through its moral indoctrination efforts (*jiaomin*) and its focus on *minsheng* objectives. Xunzi's selfish population, on the other hand, was not as malleable and responsive to the teaching of moral principles even when well fed. For this reason, they formed a conflictual and unruly society and needed to be regulated closely by the state through intensive education and institutional restraints.

How deep and wide were the roots of the idea of *minsheng* – especially when detached from the moral ideology of *yangmin* – is illustrated by its appeal across philosophical and political borders. One of the texts that best represents the school of Legalism (*fajia*) and its rejection of Confucian morality, *Guanzi* (seventh century BCE), was also in agreement with the strategic aspects of this policy. In the section devoted to "ruling" (*zhiguo*), this text declares that "those skilled in ruling will first enrich the people, and thereafter impose their government on them."[10] The Legalist thinkers' rejection of the political function of morality as expressed by Mencius led them to further develop Xunzi's arguments. They, in fact, assigned the state the central role of directly managing the economy, presenting it as the best solution for both strengthening the state and ensuring the livelihood of the people (Legalist interventionism).[11] In other words, different classical schools of thought perceived *minsheng* as an important political

[9] I adopt here the term "authoritarian Confucianism" used by Allyn Rickett in his discussion of Chapter 35, "On Extravagant Spending," in Guanzi, Liu Xiang, and W. Allyn Rickett, *Guanzi: Political, Economic, and Philosophical Essays from Early China*, 2 Vols. (Princeton, NJ: Princeton University Press, 1985–98), Vol. 2, 294–336.

[10] Xiao Gongquan, *A History of Chinese Political Thought* (Princeton, NJ: Princeton University Press, 1978), 356.

[11] For a more in-depth discussion of Legalist thought see William Theodore De Bary, Irene Bloom, Wing-tsit Chan, and Joseph Adler, *Sources of Chinese Tradition, Vol. 1* (New York, NY: Columbia University Press, 1999), Chapter 7, "Legalists and Militarists," 190–223.

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objective, whether they framed it in terms of political morality or tactical pragmatism. Even the *Daodejing* (sixth century BCE), the foundational text of Daoism, famously declared: "Therefore in governing the people, the sage empties their minds but fills their bellies."[12]

The political problem of the relationship among morality, government imposition of restraints (laws), and *minsheng* was resolved through syncretic ideological solutions, as exemplified by the popularity, during the Warring States and early Han periods, of the Huang-Lao school of thought, which inspired the famous Legalist thinker Han Fei Zi (279–233 BCE) as well as Emperor Wen of Han (202–157 BCE). Huang-Lao thought supported a Legalist view of ruling through rewards and punishments, although it framed it within ideals of Daoist universal unity and non-deliberate action (*wu wei*), inspiring minimalist state intervention in the economy that deeply contradicted the interventionist impulse of Legalism.[13] Although Huang-Lao influence declined after the reign of Emperor Wen, ideological syncretism continued to characterize dynastic rule. Later administrations of the Han Dynasty, in fact, developed a hybrid Confucian–Legalist tradition that came to dominate state ideology through most of China's imperial period. While Han officials could have favored Legalist methods of governance, they were aware that doing so would have inevitably generated opposition from humanitarian Confucians. In the words of historian Michael Loewe, "such methods would again prove to be intolerable without the clemency that is traced to the humanitarian ideals of Confucius, Mencius, or Mo-ti." On the other hand, a "perfectly ordered hierarchical society which is described as Confucian could not withstand the grim realities of crime, dissidence, or invasion without some effective measure of legalist controls."[14] A working system needed to be based on a synthesis of the two schools of thought. In this syncretic tradition, laws were severely enforced and consistently administered but were also intended to support Confucian moral

12 Laozi and D. C. Lau, *Tao te ching* (Baltimore, MD: Penguin Books, 1963), 9.

13 For more information on Huang-Lao thought see Guanzi, Liu, and Rickett, *Guanzi*, 1:19–22.

14 Michael Loewe, "The Former Han Dynasty," in *The Cambridge History of China. Vol. 1, The Chin and Han Empires 221 BC–AD 220*, ed. by Denis Crispin Twitchett and Michael Loewe (Cambridge: Cambridge University Press, 2008) 106.

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values such as Filial Piety and to be balanced with moral exhortations and exemplary rites (*li*).[15] Han syncretism also combined the Confucian mandate of *yangmin* and its moral implications with targeted Legalist-style interventionism and statism and aimed at correcting specific problems, as most famously illustrated by the imperial policies for regulating the price of grain discussed later in this chapter.

Building on this strong political, institutional, and philosophical legacy, the Qing emperors embraced the *minsheng* heritage with a determination that was unprecedented.[16] They accorded great importance to the objective of *minsheng* for its role in ensuring the political security of the empire and its fiscal health, an objective the Qing state summarized in the formula of "state finances and people's livelihood" (*guoji misheng*). This goal was clearly announced in 1665 by the Kangxi Emperor (r. 1661–1722): "The original reason for the establishment of government is in order to nurture the people. If the people have enough, then the state is rich."[17] In November 1735, a mere month after his ascension to the throne, Emperor Qianlong (r. 1735–96) clearly restated the dynasty's commitment to this policy: "The way in which the kings have nurtured China has always been through the two tasks of teaching and nourishing." After extensively quoting appropriate passages from the *Book of History* (*Shujing*) and other Confucian classics that stressed the importance of *minsheng*, Qianlong

[15] For the introduction of the principle of Filial Piety into the Chinese legal code see Geoffrey MacCormack, "Filial Piety and the Pre-T'ang Law," *Fundamina: A Journal of Legal History* 8 (2002), 137–164. In Confucianism, the term "rites" (*li*) refers to a system of rituals that regulated the conduct of an individual within the family and society at large. Specific rites, for example, were used to reinforce the principle of Filial Piety (*xiao*). Burial ceremonials for a father were more complex and lengthier than those for a mother, in order to emphasize the primary importance of the father–son relationship. For a brief examination of the role of rites in ordering society see Richard J. Smith, *China's Cultural Heritage: The Qing Dynasty, 1644–1912* (Boulder, CO: Westview Press, 1994), 157–162.

[16] Sun E-tu Zen, "The Finance Ministry (Hubu) and Its Relationship to the Private Economy in Qing Times," and Jane Kate Leonard, "The State's Resources and the People's Livelihood (*Guoji Minsheng*): The Daoguang Emperor's Dilemmas about the Grand Canal Restoration, 1825," in *To Achieve Security and Wealth: The Qing Imperial State and the Economy, 1644–1911*, ed. by Jane Kate Leonard and John R. Watt (Ithaca, NY: East Asia Program, Cornell University, 1992), 10–11, 49–50, 53.

[17] "Shengzu shilu," (March 6, 1665) *Qingshilu* (Beijing: Zhonghuashuju 1985), Vol. 2, juan 14, 216.

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continued: "if the granaries are full, then the people will know rites and righteousness." Consequently, he concluded, "the way to teach the people must be through first nourishing them." If the common people ate their fill and wore warm clothes, they would naturally be docile and abide by the teachings.[18]

These assertions cannot be taken as empty rhetorical statements, although they were certainly part of a performance of imperial virtue based on a well-established practice of recycling standard rhetorical tropes. At the head of a conquest dynasty, Qing rulers certainly felt that they particularly needed the trappings of Confucian tropes to overshadow the memory of their foreign Manchu ethnicity and consolidate their political legitimacy among the Chinese gentry and elites. The notion of "state finances and the people's livelihood" (*guoji minsheng*), however, deeply affected their actual policies. Historian Jane Kate Leonard argues that the Qing rulers and officials' ubiquitous use of this trope illustrates their acknowledgment that "the logistical network that sustained the empire depended on the wealth generated in the grain-producing regions of China" and that "the uninterrupted flow of revenue and food grains to the capital depended on peace and security in the grain-producing heartland." According to Leonard, the Qing rulers' intention in promoting "prosperity and growth in the private economy … was, of course, to generate reliable tax revenue, but it did so in ways that strengthened and enhanced economic stability in the agricultural heartland." As Leonard concludes, nurturing the people "went to the very heart of Qing strategic views of empire and the intimate connection between economic and strategic power."[19]

The *minsheng* mandate inherited by the Qing, however, came with unresolved controversies that had inspired debates for centuries. Among them was the issue of the role of the state in the economy of the empire, which formed a point of confrontation between humanist Confucians and Legalists in the *Debate on Salt and Iron*. The great ideological and political synthesis that followed it did not solve this

[18] "Gaozong shilu" (January 5, 1723) *Qingshilu* (Beijing: Zhonghuashuju 1985), Vol. 9(3), 194–196.

[19] Leonard, "The State's Resources and the People's Livelihood," 50, 53. On this issue see also Roy Bin Wong, "Chinese Traditions of Grain Storage," in *Nourish the People: The State Civilian Granary System in China, 1650–1850*, ed. by Pierre-Etienne Will, Roy Bin Wong, and James Z. Lee (Ann Arbor, MI: Center for Chinese Studies, University of Michigan, 1991), 1–16.

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issue, which, in the Song Dynasty, was to reignite a famous controversy triggered by the reforms launched by Wang Anshi, discussed later in this chapter.

The Debate on Salt and Iron: An Early Debate on the Role of the State in the Economy

From its earliest formulations, the idea of *minsheng* generated controversies about what constituted the proper relationship between the state and the private economy. Already in the Warring States period the question of whether the state should use taxation to monopolize the empire's resources or allow them to be channeled into the private economy engendered heated debates. The prevailing notion among Confucians was that, the wealth of the empire being limited, it could be stored "either with the government or with the people" (*bu zai guan ze zai min*), as Sima Guang was later to succinctly phrase it in the eleventh century CE. The early Confucian classics tended to favor the latter solution in their discussion of taxation. In an often-quoted passage from the *Analects* (*Lunyu*), when asked by the Duke of Ai (Ai gong) how best to manage finances in a year of scarcity, You Rou, one of Confucius' disciples, answered: "If the people have plenty, their prince will not be left to want alone. If the people are in want, their prince cannot enjoy plenty alone."[20]

Debates over the relationship between the state and the societal economy went beyond problems of taxation and also involved the issue of the extent and mode of state intervention. The question of whether a state-managed market was better suited than private economic forces to maximize the distribution of China's finite resources had, in fact, already arisen in the early stages of the Chinese empire, as exemplified by the Western Han Dynasty (206 BCE–9 CE) *Debate on Salt and Iron* (*Yantie lun*, 81 BCE). This text, compiled retrospectively during the reign of Emperor Xuandi (r. 74–49), records a discussion among court officials on the system of equitable marketing that had been adopted by Emperor Wu (r. 156–87 BCE) in his effort to centralize the empire's finances and check "aggrandizement" (*jianbing*) – concentration of wealth – by local nobles and wealthy merchants by

[20] Confucius and D. C. Lau, *The Analects [of] Confucius* (Harmondsworth: Penguin Books, 1979), 114.

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preventing the first from engaging in trade and moneylending and the latter from acquiring landholdings. In general, Emperor Wu reorganized the fiscal and trade administrations, reversing the economic policies of Emperor Wen (202–57 BCE), which had been inspired by the Huang-Lao school's emphasis on frugal governance and light taxation. Emperor Wu brought under government control the lucrative trade in salt, iron, and alcohol by establishing state-led monopolies. He also established ad hoc trading agencies in charge of implementing the policy of "equitable delivery" (*junshu*), further developed into the "balanced standard" (*pingzhun*) system. This system focused on stabilizing prices and avoiding fluctuations by allowing the state to use public funds – including the revenues from monopolies – to trade in goods, acquiring them "when prices were low and selling them when prices were high."[21]

The *Debate on Salt and Iron* is structured as a confrontation between two parties: the "learned men" – mostly middle-level Confucian officials – and the Grand Secretary, Sang Hongyang (152–80 BCE), who had served as fiscal advisor to Emperor Wu.[22] This text is certainly "an idealized and dramatized description of the debate" rather than an exact record, but, according to Loewe, it adequately reflects the ideas presented by the two parties involved.[23] Sang's ideas closely echoed the arguments developed in the chapters of *Guanzi* devoted to "ratios and exchanges" (*qingzhong*). This section of the Legalist text argued that merchants' pursuit of private interests (*li*) exploited the people through unfair and corrupt market practices, mostly hoarding goods and speculating on prices. The state, therefore, had a duty to protect the population by equalizing distribution, preventing great disparities, and stabilizing the empire. The *qingzhong* chapters, therefore, denied the ability of market forces to ensure a smooth circulation of resources – or in today's economic terminology, to self-regulate. Only the state, through careful "manipulation of money and the relative prices (*qingzhong*) of all goods," could ensure an equalized distribution. "If money is highly valued (*zhong*), all goods are cheap (*qing*); money is devalued (*qing*), all goods will become expensive (*zhong*) ... If the leader of the people controls the balance

[21] Von Glahn, *The Economic History of China*, 85, 107, 113–116.
[22] Von Glahn, *The Economic History of China*, 125.
[23] Loewe, "The Former Han Dynasty," 187.

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