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History 103

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Traditional China's Inability to Reach Modern Industrial
Capitalism based in part on Max Weber's Thesis

I. Rational Capitalism in the West

1. Profit is pursued by "instrumental rationality, i.e., to find through rational calculation the most efficient means for reaching one's ends.
2. Wage earning free labor is rationally organized by bureaucracy.
3. Utilization of modern technology and modern market mechanism.
4. Capitalist value orientations:
 - a. Acquisition of money is an end itself
 - b. Economic gains are pursued without limits
 - c. No sacred character for the means employed; they are subject to change
 - d. Hard work: a moral duty (the Protestant ethic: Calvinism)
 - e. Discipline and control

II. Traditional China's favorable conditions for the possible development of capitalism since China's unification with the Ch'in (221-206 B.C.)

1. Absence of status restriction by birth and no rigid class structure as in medieval Europe.
2. Free immigration and settlement
3. Free choice of occupation; absence of legal restraint of trade
4. The state recognized the economic interests of guilds and gave them a high degree of independence (a revision from the original Weberian interpretation)
5. No prohibition of usury as in medieval Europe
6. High degree of sophistication and achievement in handicraft industry
7. High degree of sophistication and achievement in agriculture

III. Factors prohibiting the breakthrough to the modern industrial capitalism.

1. The City

- A. The cities took the lead in the birth of Western capitalism since the Renaissance
- B. The Chinese cities lacked political and military autonomy and the organizational unity to act as a corporate body that guaranteed the financial and legal grounds for rational development of modern industrial society (capitalism)

- i. The early unification of the Chinese empire brought centralization of civil and military administration under an imperial bureaucracy.
- ii. Theoretically, the unification of the empire (the centralized state) had both favorable and unfavorable implications (consequences) for the possible development toward modern industrial society:

Favorable implications: freedom of movement of goods and population without hindrance, the construction of transportation routes which facilitated the linkage of regional markets, etc. Cf. Mark Elvin.

Unfavorable implications: elimination of the possibility of the political autonomy of cities, autonomy that could have provided stimulation and sociopolitical conditions for capitalistic enterprises; the substitution of peace and unity for rivalry and conflict between feudal states also meant the removal of competitive pressure for development of instrumental-rational measures to improve the bureaucratic and economic organization needed for modern development

In the end, however, the unfavorable implications outweighed the favorable implications

2. The Patrimonial State of Traditional China

The original particularistic form of the patrimonial state:

- A. Developed from the ruler's own household and never completely emancipated itself from this heritage.
- B. It was an extension of the ruler's own authority and subject to his arbitrary will or whim.

Paradox: The patrimonial state in this original form could not last long because it could not foster a stable and well functioned political order (structure), whereas, paradoxically, the longevity of traditional Chinese political order (221 B.C. — 1911 A.D.) holds the world record. The CRUX of traditional Chinese history, lies, therefore, in the historical reasons for the patrimonial state's ability to maintain itself (i.e., its structure, despite many changes of ruling houses or dynasties) and its historical implications:

A. Universalistic principles based on rational considerations, which "camouflaged" and mitigated the particularistic and irrational aspects of the patrimonial state and, thereby, helped to maintain an equilibrium in which the "patrimonial" aspects of the state was preserved:

- i. Theory of political legitimacy based on an universal principle of the Mandate of Heaven (the emperor, or at least the founding emperor of a dynasty, was believed to have been appointed by Heaven on his moral merit as being the most moral man under Heaven).
- ii. The Rise of Civil Service Examination: an actual substantiation of the above theory: the living "proof" of the idea of the Mandate of Heaven: Since people are governed by a man supposed to be of the highest moral quality, appointed by Heaven as the emperor, officials who actually governed the people on the emperor's behalf must also be selected on their moral and cultural achievements: the rise of the civil service examination system based on the principle of universality (or impartiality).
 - a. Bureaucracy staffed by scholar-officials impartially selected through their performance in the examinations, regardless of their class and regional backgrounds.
 - b. Triennial system of shifts: = each local official is shifted to another post in another region after three years of service.
 - c. Law of avoidance: officials are not allowed to serve in their native places.
 - d. As a mechanism to absorb talents in society and to constantly revitalize the ruling class (i.e., political control and maintenance of the social elite through revitalization by new blood):
 - aa. "By making both high office and local privileges accessible almost exclusively to those with official academic degrees, a way

was found to absorb the energies and the ambitions of the able, and to condition them ideologically through officially approved curriculum at their own expense and wish."
(Mark Elvin)

- bb. 45-50% of the degree holders came from families without officials in the three preceding generations.
- cc. Degree holders: 1.5-2% of the total population (i.e., it was extremely difficult to earn degrees, but among the degree holders, almost half of them came from families without degree holders).

The above (a) (b) (c) (d) served to "rationalize" the civil bureaucracy in the service of the patrimonial state.

The below (e) (f) (g) (h) compromise the rational nature of the civil bureaucracy and helped to transform the possible tensions between the central court and the localities into an equilibrium, and prevented the Chinese bureaucracy at the local level from developing into a rational-legal bureaucracy.

- e. The degree holders, when they returned to their own localities, became members of the landed gentry.
- f. Gentry members helped to make the informal organization of local bureaucracy function.
- g. The informal organization of local bureaucracy was necessitated by three factors:
 - aa. The local magistrate, being a Confucian scholar-official appointed to his post after receiving a degree from the examination system, did not have the taste for functional specialization. (Confucius said, "The morally superior man is not an instrument."). He preferred writing poetry and reading philosophy rather than training himself in the technicalities of local administration, which was left for his staff to handle.
 - bb. The size of the empire and the facilities of communication were such that it was not possible for the central court to actively direct and control the local government effectively (its

directives must be issued at minimum); it had to rely on the help of local gentry whose status and privileges were awarded by the central court and whose mind was shaped by the curriculum of the examination system prescribed by the central court (hence the gentry was by and large very loyal to the Central Court).

cc. The existence of the informal organization of local bureaucracy served the interest of the gentry well; hence the gentry (i.e., the scholar-officials at large) would not recommend its being changed: it made the leadership of local gentry indispensable; it provided room for some gentry members to gain personal advantages by working cooperatively with staff members of the local informal bureaucracy (tax collections, public works construction, and maintenance, etc.); and it eliminated the possibility of the Legalist dominance over the local gentry by the central court.

h. The interrelationship of gentry and local informal bureaucracy was facilitated by local kinship organization (clan).

B. In sum, it is clear from the above that the "rational" nature of the examination system facilitated the function and maintenance of the traditional Chinese political and social order but did not provide great resources for development towards modern industrial capitalism, for the rational nature of the examination system did not lead toward the development of a truly rational-legal bureaucracy, nor did it encourage rational innovation (to breakthrough the bonds of traditional behavior), rather it facilitated the rational maintenance of the traditional order (i.e., to perpetuate both the patrimonial state and the local social structure dominated by the gentry).

C. Assumption of religious functions by the emperor and his officials (in the "universal kingship") eliminated the possible role of powerful priesthood which might have challenged the secular power and threatened the internal equilibrium of the imperial state.

Neither a priesthood nor an independent religious force was strong enough to introduce radical innovations into the socio-economic order as required for capitalistic development.

3. Law

A. No concept and practice of the rule of law had ever been developed. While some rational processes in the judicial review existed, law

was understood primarily as rules for administration and for punishment of criminal conducts.

- B. Law conformed to the hierarchial and particularistic order of li (rituals of imperial Confucianism, e.g., Three Bonds, etc.); no equal treatment before the law was assumed.
- C. Thus, no rational-legal framework above both politics and social hierarchy could be expected to develop as a foundation for modern industrial capitalist society. (Rational-legal framework here refers to the impersonal, formal, precise, and impartial rules and procedures not geared to serve any particular interests.)

4. Social Structure

- A. Society was primarily dominated by one type of structure: kinship organization (particularistic organization of familism), i.e. the clan.
- B. The kinship organization was efficient for ad hoc or traditional type of economic activities through the effective powers of the elders and personalism (personal and affectional relationship) among members of kinship groups.
- C. This contrasted with the modern Western indirect (contractual) and formal social relationship, which facilitated the rise of modern capitalist economic organization as efficient machine: division of labor based on differentiation of roles performed by qualified personnel specifically trained.

5. The Confucian world view as an inhibitor:

- A. The Confucian belief in the immanence of transcendental reality: i.e., the ultimate reality being immanent in the human beings as well as in the nature of myriad things. Chang Tsia: "Heaven is my father, earth is my mother, and even such a small creature as I find an intimate place in their midst. Therefore, what fills the universe I regard as my body and what directs the universe I consider as my nature." Cheng Hao: "The student must first of all understand the nature of jen. The way of jen forms one body will all things without any differentiations."

Since all things are regarded as organically related to the ultimate reality, all things are believed to partake of the ultimate reality -- man is a part of the ultimate reality.

There can be no will [arising in the midst of this belief that man is organically of this world (the ultimate reality)] to radically change (alter) this world (since this world is believed to be the ultimate reality, hence it cannot be changed by a vision based on a "truer" world of reality.)

- B. By contrast, Calvinism has succeeded in the complete suppression of the whole mystical-emotional size of religious and human experience by its doctrine of "the absolute transcendentality of God," which undermined the traditional assumption that one could somehow get a hearing from God or relate to God emotionally, or mystically. The "extreme inhumanity of this doctrine," as Weber noted, could only lead to "a feeling of unprecedented inner loneliness of the single individual," who must still believe, according to the Calvinist doctrine of predestination, that he has already been saved by God and must be "the tool of the divine will." The tension between his inner loneliness resulting from no emotional or mystical contact with God and his absolute faith in being selected by God was almost unbearable. He sought to relieve this tension by conquering or mastering the outside, material world, through compulsive and yet systematic and ascetic pursuit of worldly gains, not for his personal indulgence or enjoyment but as a glorification of God's grace by "the tool of the Divine will." (The reason that he was driven to direct his effort only to the outside, material world was because he was cut off by the Calvinist idea of the "absolute transcendentality of God" from any contact with God within his inner world.)
- C. The puritans could "live in this world and yet not be of it." Hence they could develop rational aptitudes to re-mold the world according to a higher (not this worldly) principle, a principle that is in line with the higher or truer reality of the beyond. The Confucians, not reaching beyond this world because this world is understood to be organismically related to the ultimate reality (hence, the notion of the "unity Heaven and man"), they had "no leverage for influencing conduct through inner forces freed from tradition and convention."

Confucian rationalism meant rational adjustment to the world, whereas puritan rationalism meant rational mastery of the world.

Appendix: Difference between Mark Elvin's Explanation and Max Weber's Explanation:

Mark Elvin's explanation is an explanation of "how" did China not develop toward modern industrial capitalism based on a

Appendix continued:

narrative or descriptive account of what happened in a time-sequence. Max Weber's explanation is an explanation of "why" did China not develop toward modern industrial capitalism based on a theoretical understanding of the nature of Chinese civilization in traditional times in terms of an "ideal-typical" analysis of the structure of Chinese society, politics, and culture. ("Structure" here refers to the internal relationship of different items in a given pattern.)