The Essence of History and the Difficulty of Explaining History

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Abstract
Since the middle of the 19th century, China has started the process of modernization under the impact of the western world. This process has been accompanied by drastic changes in economy and society. Today China's modernization has become a unique path that is different from those of the Western countries. Many Chinese and foreign scholars have examined China's modernization process from different perspectives and compared it with that of the West. Based on the "Great Divergence: Europe, China, and the Making of the Modern World Economy" written by the American scholar: Kenneth Pomeranz, this paper intends to compare and comments on the views of Chinese and Western scholars such as Kenneth Pomeranz, Philip C. C. Huang, R. Bin Wong, Jean-Laurent Rosenthal, Wang Jiafan, Liu Chang, so as to understand the historical process of China's modernization since the middle of the 19th century as well as the similarities and differences of the Chinese and the Western modernization more objectively.

Keywords
China, modernization, Large diversion, Historical process

In the middle of the 19th century, China, which has a history of more than 3000 years, met the western world from another culture, and experienced profound pain and great setbacks under the impact of the West. The huge gap between China and West caused the national and social crisis, which prompted generations of Chinese people to reflect on their own history and tradition, and to compare the history and culture between China and the West. During this period, a question had been asked again and again that why ancient China, which had a very splendid culture and economy, could not produce the industrial revolution and modernization like Western Europe.

1. Debate on Eurocentrism

The fact that the great advantages and strengths of the western world during more than 100 years after the collision between China and the West have made the academic circles regard the western development path as a universal model, and use it as a yardstick to explain China's history. Since the beginning of the new century, Professor Philip C. C. Huang's profound insight into the traditional Chinese smallholder economy has attracted the attention of the academic community. However, his criteria for judging the pros and cons are still based on the Western model (Philip C, 1990). Specifically, he believed that before the industrial revolution, European growth followed an evolutionary path leading to unlimited economic improvement, while China's growth reflected an "involution" path, that is, growth without development, which is characterized by increasing investment but decreasing remuneration. Therefore, the agricultural reform in Europe and the United States in the early modern times was often accompanied by the simultaneous increase of absolute output and unit labor output, while the increase of agricultural output in China mainly came from intensification and involution (Development of Small Farmers' Families and Rural Areas in the Yangtze River Delta, 1350-1988), and the path of the two was thus divided. For hundreds of years,
people have become more and more familiar with this perspective of comparing China and the West.

However, the fact that China has achieved substantial economic and social changes in the process of modernization in a totally different way from those of the West provides another perspective on Chinese history, which makes it possible to reinterpret the history of the same period. Professor Kenneth Pomeranz, an American scholar, said in "Great Divergence: Europe, China, and the Making of the Modern World Economy" that in the 17th and 18th centuries, the most developed Yangtze River Delta region in China and the most developed Britain in Europe had basically the same development track and level, and it was not until the 19th century that the bifurcation began to occur. Moreover, in the process of modernization in Western Europe, the emergence of capitalism and the emergence of the industrial revolution are quite accidental. His view clearly overturned the long-held concept of Eurocentrism. Professor Wang Jiafan, a Chinese scholar, agreed with this and pointed out that many western social theories often come from the historical experience of Europe's own development, which is hard to apply to other regions including China. In his view, the development of Chinese history has many particularities that is different from those of Europe, and it is easy to be ignored by the historical view of Eurocentrism. But to break the Eurocentrism is to correct the historical prejudice that only European history is normal, not to give up the exploration of the universality of human history. On the contrary, to fully reveal the diversity of the history of various regions and reasonably compare the length of various historical quantities is precisely to better summarize the practical experience of the whole human history and deepen the understanding of the common aspects of human social development. For this reason, Professor Wang Jiafan also believed that the interpretation of European history by Professor Kenneth Pomeranz's new conclusion from breaking the myth of "Eurocentrism" is too simple. For example, he attributed the era change that still affected world history to one or two accidental factors rather than the mutation caused by the long-term accumulation of multiple factors in history. Professor Wang Jiafan was worried that this deduction would make people think that China's connection with the world did not seem to be important, so there is no need to interact with the West, and it can also be developed by self-logic.

2. The impact of Smith's growth momentum on China and Europe

After comparing the history of China with the history of the West for a long time, these theories and arguments show that the academic community has a profound understanding of both Chinese history and western history that surpasses the predecessors. In the process of re-evaluating the old theories of predecessors, Professor R. Bin Wong is undoubtedly one of the active and clear-cut scholars. In his book "Transforming China - Historical Changes and Limitations of European Experience", he pointed out that the economic trajectories in the history of Europe and China have important common characteristics, that is, they are part of the market-based Smith growth dynamics. The essence of this impetus is a process of economic improvement, which is driven by the productivity improvement based on the expansion and deepening of the division of labor, and is only limited by the market breadth. Economic improvement has increased income and effective demand, expanded the breadth of the market, and created conditions for a new round of division of labor and economic improvement. However, with the passage of time, this virtuous circle has encountered the restrictions of regional scale and institutional environment on the market. Due to these limitations, this process falls into the trap of high-level equilibrium. Europe and China have the same Smith-type power, but China has fallen into a high-level trap, and Europe has escaped this trap through the industrial revolution. Why? Professor R Bin Wong believes that the reason why Europe can break through the internal constraints of Smith-type growth is not to seize new resources by overseas expansion, nor to develop production by institutional reform, but to obtain raw materials from non-agricultural products such as mineral deposits and develop energy reserves in a large amount, and the UK is a typical example of this benefit.

Professor Andre Gunder Frank, another professor who is as active and clear as Professor R Bin Wong holds the opposite view. He attributed the reason why the industrial revolution took place in Britain or Europe rather than in China or Asia to the common Smith-type power, which had the opposite effect. In Asia as a whole, especially in China, economic expansion has caused labor surplus and capital shortage, which is the basic feature of Smith's high-level equilibrium trap. In Europe, however, economic expansion has resulted in labor shortage and capital surplus. According to Professor Andre Gunder Frank, it was this opposite result that led to the industrial revolution after 1975. However, this explanation of the endogenous factors of the industrial revolution does not explain why the common Smith power has had opposite consequences in the West and the East. Professor Kenneth Pomeranz put forward an explanation for this contradiction. He attributed the great diversion to the difference between resource endowment and core edge relationship, that is, the primary products and manufacturing requirements sup-
plied by the Americas to the core regions of Northwestern Europe are much more abundant than what the core regions of East Asia can get from their own edge regions. He believed that "abundant domestic cheap fossil fuel endowment is the basic condition for the take-off of the British Industrial Revolution", but "without the supply of primary products in the Americas, it is impossible for Europe's technology and investment to develop in the direction of labor intensity, land and energy consumption", "especially in the case of intensified resource pressure at that time", and this kind of pressure is "shared by all regions" in the West. At the same time, it "forced the development of East Asia to take a more resource-saving and labour-absorbing path", and because "the relief of ecological pressure depends not only on the rich natural resources of the New World, but also on the slave trade and other features of the European colonial system to open up new ways of marginal areas, which enables Europe to export a growing number of manufactured goods in exchange for a growing number of land-intensive products". Obviously, these scholars are trying to transcend Eurocentrism, and at the same time, they show their differences in different ways, which makes the problem they face together seem profound, complex and thought-provoking.

3. Another Interpretation of the Differences between Chinese and Western Economic Changes

After this debate, Professor R Bin Wong and Professor Jean-Laurent Rosenthal's book "Before and after Divergence – The Politics of Economic Change in China and Europe", translated and published in recent years, continue to compare the similarities and differences between China and Europe in order to answer the question that has been discussed for a long time: "Why does sustained economic growth occur in Europe rather than China?". This is an old question, so from the very beginning, their research was faced with the explanation that "many people agreed that the divergence between Europe and other regions in the 19th century originated from the differences in habits and environments". This explanation has been popular for a long time, but after 20 years of research, Professor R Bin Wong and Professor Jean-Laurent Rosenthal put forward another explanation, that is, the formation of economic differences between China and the West is more rooted in the political differences between China and the West. In the preface to this book, Professor Bozhong Li pointed out that Professor R Bin Wong and Professor Jean-Laurent Rosenthal provided a new explanation for the different patterns of economic change in Europe and China. They believe that there is a major difference between Europe and Asia in the period of 1000-1500, that is, there are many competing countries in Europe, while China is the only superpower in Asia, whose political and economic influence is unmatched in the region. This situation has profoundly affected the political and economic evolution of Europe and China. Although unification and division have alternated in the history of China and Europe, China has always followed the model of unified empire, while Europe has experienced more division. The protracted war has plunged Europe into poverty, but these conflicts and competitions have inadvertently led to capital-intensive production. On the contrary, China has nurtured a large-scale market in its long-term peace and reunification and benefited from the division of labor. It was not until 1750 that European capital-intensive machine production showed some advantages. Before that, China's economic development concept in the Qing Dynasty was the consensus of all regions of the world, that is, emphasizing agriculture, reducing taxes and non-intervention in domestic trade. In contrast, many traditional views lack sufficient historical basis in the previous discussions on the comparative history of China and the West.

Focusing on this central topic, the book “Before and after Divergence – The Politics of Economic Change in China and Europe” has discussed from many angles. An important focus of the book is the role of kinship in promoting economic growth. "Kinship plays two roles in promoting economic growth in the late period of the Chinese Empire. First, kinship groups give entrepreneurs a group of possible partners. Second, kinship provides a background for solving economic disputes - which is particularly important in the context of long-distance transactions. Professor R Bin Wong and Professor Jean-Laurent Rosenthal believe that kinship in the late period of the Chinese Empire provides opportunities for the formation of enterprises and the settlement of economic disputes, so that it does not rely on the state-run courts and the law." Here, Professor R Bin Wong and Professor Jean-Laurent Rosenthal correctly sees the factors of family existence in the characteristics of Chinese history. Before the Qin and Han Dynasties, China was a patriarchal society. After the Qin and Han Dynasties, the patriarchal society in its original sense has undergone great changes, but the family system connected with patriarchal clan system has still maintained for more than 2000 years. Therefore, the economic activities generated and existing in China are inseparable from the family. It can be said that this kind of historical legacy has become a part of economic activities, which is not found in western history. In the pre-modern period, this family factor participated in commercial activities, and its consequences were not entirely negative. As Professor R Bin Wong and Professor Jean-Laurent Rosenthal cor-
rectly pointed out, the family system provides a ready-made partnership, including partners who divide labor in the business process, and sometimes get help when money is scarce. In the era of no commercial law, sometimes there is a family to another behind the economic disputes. The extensive connection between the two families will lead to the possible intersection between them, thus creating new connections, so as to resolve the tension between individuals and individuals, so that business activities can be maintained. Of course, this former advantage has reached modern times. In the process of transition between China and the West, between tradition and modernization, it is also possible to make enterprises excessively familial and become a shackle.

From this, Professor R Bin Wong and Professor Jean-Laurent Rosenthal focuses on many methods provided by the society to transform long-distance and infrequent transactions into local or regular transactions. The most common is to run long-distance transactions in the network. In that case, credit extends between groups, and this group is connected with family or geographical origin and has frequent exchanges, which are true in China and Europe. This type of network does not rely heavily on the courts. On the contrary, their members respect the contract, because this is the absolute prerequisite for continuing to become network members.

Obviously, the network referred to by Professor R Bin Wong and Professor Jean-Laurent Rosenthal has two meanings. On the one hand, it is the relatively fixed geographical and spatial traffic formed after a long period of commercial activities. On the other hand, this kind of geographically and spatially connected network is a unique and sometimes exclusive relationship between merchants from generation to generation. Businessmen from one place to another have accumulated over a long period of time. This relationship is not easy to form or break. Everyone makes a living by it, so everyone is trying to maintain it. Its long and tenacity is often not seen in western history.

Another important issue that this book focuses on is why Chinese production is mostly concentrated in rural areas, while European production is more concentrated in cities? From the perspective of Professor R Bin Wong and Professor Jean-Laurent Rosenthal, the primary reason for European production gathering in cities is war. Compared with China, European wars and civil disturbances are more frequent, more local and more regional political competition. Therefore, even in times of peace, the people and rulers of Europe should prepare for war or be involved in war. Although everyone hopes to escape the destruction of the war, compared with farming and farmland, product production is more mobile and therefore easier to loot, especially high-value products. So European craftsmen can only seek the protection of the city wall and stay away from the countryside. In China, on the contrary, compared with the long history, national governance is a long period of dynasty stability and less wars, and its production choices are naturally different from those in Europe (Kenneth Pomeranz, 2000).

These statements are reasonable to some extent, but if we go deep into history, it seems too simple and one-sided. Western craftsmen are professional, often only engaged in one skill all their lives. However, in China, the largest number of handicraft products has been textiles for a long time. On the whole, textiles are not normally regarded as a specialized and professional industry, but more as an auxiliary to agricultural production. Some places, such as the Jiangnan area, also have a large part of professional textiles, but the relationship between towns and villages in China has always been closer than in the West. The urban population and rural population in the West are completely separated, but the population relationship between urban and rural areas in China has been in a continuous link since ancient times. Individual small farmers can produce in the countryside, and then take the produced goods to cities and towns to sell. Behind this connection is China's farming and weaving tradition, that is, the combination of farming and weaving, which has lasted for a long time and is regarded as necessary, and indispensable for production and survival. (Of course, in addition to textiles, there are also some products, such as making iron pots and cakes, which are concentrated in cities. There are also markets between rural and urban areas, as well as small food stores with shops in front and workshops in the back. The existence of these facts shows that the situation in China is obviously more complicated than what Professor R Bin Wong and Professor Jean-Laurent Rosenthal said).

Since its written history, China had taken farming as its mode of production, so farmers could only live in the countryside where the land was located. In rural areas, everyone could become a labor force. Although in some areas with high taxes, such as the Jiangnan area, a large number of women were often engaged in textiles in order to use the income from textile sales to compensate for the taxes that agricultural production cannot bear. But in the final analysis, its origin was still related to land tax, and thus to agriculture. In addition, as far as daily life was concerned, farming men and weaving women combine the two production activities of clothing and food to reduce consumption. Their foothold was still in rural production and life. The pressure caused by national taxes, local taxes and usury will eventually lead to the inability of the household textile industry to support itself, so it had to help
farming. As a result, the textile industry, which originally contained the trend of independence from agriculture, had to be rooted in the land. Narrow farmland agriculture could not support people because of heavy rent, and the family textile industry with small profits could not support people. Therefore, the two could only combine and assist each other in this dilemma to achieve production and reproduction. This process was always attached to the land, so although the Jiangnan region was rich in textiles, the production in this region was still concentrated in the countryside as the normal.

From economic relations to political relations, another argument of Professor R Bin Wong and Professor Jean-Laurent Rosenthal points out that Chinese rulers regarded public goods as an important element to maintain social order. The reason was that China's rulers realize that social stability was equal to political permanence, and social stability must rely on mass material security. In contrast, although the rulers of Europe understand the value of democratic social order better than the Chinese monarchs, they had no time to pay more attention to the people's livelihood because they often faced the financial consequences of war.

In the view of Professor R Bin Wong and Professor Jean-Laurent Rosenthal, the logic of Chinese maintaining a country is completely different from that of Europeans. Its core lies in two aspects, one is to lighten taxes and the other is to avoid interfering with business. For example, before modern times, there were few transportation taxes and tariffs in China, and although China controlled the international trade between China and foreign countries in name, which restricted it, its domestic market was generally larger than that of Europe. Before 1500, China's central government mainly taxed farmers in the form of grain and labor services, but in the next three centuries, both forms were converted into money payments, making tax easier and more feasible. Next, Professor R Bin Wong and Professor Jean-Laurent Rosenthal took the Ming Dynasty as an example to show that officials at that time could collect most of the taxes sent to the capital and left at the local level. Although there is no comprehensive statistical system, the power of the Minister of Finance (Minister of Household Affairs) can allocate taxes among different places to prevent excessive demand. Under normal governance, these practices have reduced the demand and possibility of collecting higher taxes within local areas to provide resources. "Throughout the 18th century, the conventional taxes levied by Chinese officials only accounted for 5% - 10% of agricultural output, but this country can still maintain river works, build water conservancy projects for irrigation, build large granaries, and carry out other projects that contribute to material prosperity and economic development". Generally speaking, "In the richer provinces, the proportion of land tax is also relatively high. Moreover, the part of land tax collected by the richer provinces is not released to the central government, but is used to assist the poorer provinces. Zhejiang and Suzhou, located in the Jiangnan Delta, are the richest regions in the country, contributing nearly a quarter of the agricultural tax of the whole empire, but their population accounts for less than 20% of the country."

In these narrations, Professor R Bin Wong and Professor Jean-Laurent Rosenthal correctly summarized the main purpose of traditional Chinese finance. Because Confucianism has always emphasized the people-oriented principle, and the foundation of people-oriented is to consider the people's livelihood, and the ultimate goal is to ensure the stability of the world. With the stability of the world, there will be lasting peace and stability of the whole court. Professor R Bin Wong and Professor Jean-Laurent Rosenthal pointed out insightfully that China's tax rate is very low compared with that of Europe, and behind this fact is the people-oriented consciousness that "governing the world is not as good as securing the world, and securing the world is not as good as the world being stable by itself". Along the way, Professor R Bin Wong and Professor Jean-Laurent Rosenthal also explained the use of taxes in China, stressing that most of them were not used for the consumption of officials and the royal family, but were used in three main aspects, first, for the daily expenses and salaries, second, for the army, and third, for the adjustment of the rich and the poor. In particular, the third aspect is that China's geographical size, population distribution, climate and product diversity are the norm. In the agricultural economy, there must be a considerable part of the goods produced in the region that are difficult to support themselves every year. Therefore, from the perspective of the dynasty, a rich province is responsible for providing surplus products to distribute to the needy people. At that time, a large proportion of the money and grain they handed to the country in areas with surplus production, such as Hunan and Hubei provinces, Guangdong and Guangxi provinces, and the Jiangsu and Zhejiang provinces, were moved to poor areas such as Gansu, and Shanxi provinces to maintain their livelihoods. In the finance of the central
government, this behavior was called "assistance". While this part of China's tax system is not available in the West, we can also see the differences in the economic content between China and Western Europe, as well as the different historical causes and effects from the two cultures. The book "Before and after Divergence – The Politics of Economic Change in China and Europe" focuses on finding the reasons why China's economy is different from that of Western Europe from the perspective of Chinese history itself, and its vision is far greater than that of other similar works. Nevertheless, there are still some areas that can not be completely covered in the narrative. For example, Professor R Bin Wong and Professor Jean-Laurent Rosenthal saw that much of the government's finance is reserved for local public affairs. As far as the relief of natural disasters and the river repair project were all presided over by the state, their statements reflect the facts. However, it was more common and customary to rely on the private sector to prepare and maintain public affairs. For example, when facing regional famine, under normal circumstances, it was often the private sector that reserve a charity warehouse at ordinary times and collect donations to maintain local relief. In addition, things that affect people's daily life, such as road and bridge construction, were mostly raised by the local people themselves and solved by the people themselves. In these facts, we can see that history has shaped economy, and economy has shaped history. The resulting crisscross and complexity make it more difficult to interpret history.

Another point of view in the book "Before and after Divergence – The Politics of Economic Change in China and Europe" is that the frequent wars in modern Western Europe will inevitably cause various disturbances and damages to the economy and waste a large amount of resources on non-productive activities. In contrast, under the rule of the United Kingdom, China's economic activities were not disrupted by war, which was not only conducive to the formation and growth of a unified national market, but also conducive to reducing transaction costs. Unlike other theories, which believe that political competition only seeks benefits without considering its costs, Professor R Bin Wong and Professor Jean-Laurent Rosenthal believes that "Political conflict is not only a game and threat in bargaining, but also a concern about what happens and when it is uneconomical. From Professor R Bin Wong and Professor Jean-Laurent Rosenthal's point of view, the primary reason for European production gathering in cities is war. Although everyone wants to escape the destruction of war, compared with farming and farmland, product production is more mobile and therefore easier to loot, especially high production Value products. So European craftsmen can only seek the protection of the city wall and stay away from the countryside. In China, on the contrary, compared with the long history, national governance can be regarded as long-term dynasty stability and less wars, and its production choice is naturally different from that of Europe". The problem leads to the problem. Professor Liu Chang thinks about this historical theory and its conclusion from another aspect, and put forward the question: "If there were also fierce regional competition in China in the Ming and Qing dynasties, as well as the pressure and impetus on the economy (R BinWong, 1998), what would the result be? If the huge social energy stimulated by China's aggression and oppression by western powers since the 19th century; especially in the past three decades, the regional competition generated and stimulated by the reform based on the principle and characteristics of local decentralization has been beneficial to China's development in this period The tremendous impetus it has given us cannot but reflect on the various institutional measures taken by the state to maintain unity and strengthen centralization caused by the unified imperial pattern in China's history, which will not intentionally or unintentionally suppress the autonomy of local independent development, stifle the competition between local countries similar to that between modern western European nation-states, and may have a negative impact on China's economic and social development". Both the assertions of Professor R Bin Wong and Professor Jean-Laurent Rosenthal and the cross-examination of Professor Liu Chang contain the authenticity of history. The contradiction between authenticity and authenticity makes us feel very strongly when reading this book about the complexity and diversity of China and the permanent attraction of this topic, which is why history is often read and updated.

References


