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RESEARCH ARTICLE

Taxation, Property Rights and Fiscal State: The Historical Analyses of China In *Capital and Ideology*

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Abstract
The widely acclaimed *Capital and Ideology*, though an important contribution to the inequality debates, is limited by its use of secondary sources and fiscal state framework in its historical analysis of China. Its arguments for a Confucian trifunctional society with property rights sacralized by nobles' and scholars' regalian functions, and persistently low and stagnant taxation in premodern China overly simplify the historical reality. Using primary Chinese sources, this article highlights the major oversimplifications. The information and issues presented here are also worth considering for similar social and fiscal studies of premodern China.

Keywords: economic history; social structure; inequality; Ming taxation; great divergence

Thomas Piketty's *Capital and Ideology* is monumental both in its scope and argument. It is an epic sequel to the widely acclaimed *Capital in the Twenty-First Century*, and it makes an important contribution to the inequality debates.[1] So far, reviews of the book have been overwhelmingly positive. To solve inequality, this book argues that there are viable alternatives to capitalism, and that its ills can be cured by non-revolutionary means. Based on historical analyses of how different social groups justified their property rights, this book contends that societies have gone through a five-stage progression: from trifunctional societies (i.e. societies with a structure of three functional groups, nobility, clergy, and workers, in which nobility and clergy justified their property rights by their regalian functions), to ownership societies (i.e. societies in which property rights are sacred, despite the transfer of regalian functions from the nobility/clergy to the state, the non-state social groups' property rights were inviolable), to colonial and

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[1]Thomas Piketty, *Capital and Ideology*, trans. Arthur Goldhammer (Cambridge, MA: The Belknap Press of Harvard University Press, 2020); Thomas Piketty, *Capital in the Twenty-First Century*, trans. Arthur Goldhammer (Cambridge, MA: The Belknap Press of Harvard University Press, 2014).

slave societies and then social democratic societies (which broadly include all welfare and communist states), and finally to today's hyper-capitalist societies.[2] This book uses taxation as a major tool for understanding the past and creating a better future. Anchored in cross-country historical analyses, it recommends progressive taxation as the non-violent wealth redistribution tool to solve inequality. China is one of the non-European examples analyzed to illustrate the universal validity of its arguments, thus buttressing its transnational recommendations.

The trifunctional model, five stages societal categorization, and linear progression are conceptually clean, but they don't reflect the complex reality in premodern China. There are also other important oversimplifications in this book's analyses of premodern China's taxation and social configuration. Oversimplifications are understandably used in this book to find historical commonalities across a sweeping scope of countries and time periods, but they also mask significant differences and jeopardize its transnational conclusions. Some oversimplifications appear to be scope and methodology issues. But some are inherited: this book's social and fiscal analyses of premodern China are largely based on secondary sources, and certain oversimplifications seem to be derived from assertions often repeated in analyses under the "fiscal state" framework. Instead of belaboring the praise for this book, this article will use primary Chinese sources to highlight the major oversimplifications. *Capital and Ideology* makes broad claims across China's history, but the data and argument presented are particularly problematic for the late-fourteenth to mid-seventeenth centuries, a period with watershed taxation changes and complexities that do not fit this book's explanatory model. More examples from this period will therefore be used to illustrate the issues of this book's sweeping interpretations of the Chinese case. The information and issues presented below, especially those on social configuration, low taxation, and the fiscal state, are also worth considering because they are topics scholars of Chinese history discuss.

The Trifunctional Model and Premodern China

In the "Trifunctional Society and the Construction of the Chinese State" section of chapter 9, *Capital and Ideology* argues that China had been configured trifunctionally "throughout its history, until the revolution of 1911," and was "analogous to the trifunctional regimes found in Europe and India until the eighteenth or nineteenth centuries" (p. 389). Recognizing the differences between China and Christian Europe, and in order to fit premodern China into the trifunctional explanatory model, this book creates a "Confucian version of trifunctionality" by replacing the clergy in the European explanatory model with Chinese scholars. This book posits that the "fundamental difference between the Confucian and Christian versions of trifunctionality" is that the Chinese scholars were not "seen as a religious organization distinct from the state" (p. 389). In other words, by discounting the clergy, all of premodern China is essentially interpreted as a trifunctional society of nobility, scholars and workers, with scholars' and nobility's property rights justified by their regalian functions. However, premodern Chinese society was a lot more complex than the overly simplified trifunctional model, and private property of the major social groups was not simply justified or denied by the performance or non-performance of regalian functions.

The first complexity is that, instead of being trifunctional, premodern China had long had a different ideology of organizing the scholars and other commoners (*shumin* 庶民) into four social categories (*simin* 四民): scholars, farmers, craftsmen

[2]Piketty, *Capital and Ideology*. In this book, regalian functions mean "security, justice, and legitimate use of violence"; see p. 1044.

and merchants.[3] It is very difficult to explain *simin* by the trifunctional model because *simin* was categorized by professions, not property and regalian functions. *Simin* was not originally purposed to justify or deny private property among the commoners, but to segregate the commoners based on their professions and restrict their residential locations, so as to facilitate social control.[4] Ideologically, there was no blanket exclusion of all commoners from property across the whole of premodern China. On the contrary, it was believed that commoners should have dedicated professions and property; and if they had property, they would be incentivized to remain at the same place until they died.[5] The fixing of people's profession and residence, especially with the emphasis on farming and property, could then reduce the floating and unproductive population (*youshizhimin* 游食之民), which in turn, would improve social stability.[6] In fact, in early premodern China, instead of being excluded from property, commoners were already granted land and taxed accordingly.[7] At least from the early Han (206 BCE–220), commoners were able to sell their land.[8] In the Ming (1368–1644) and

[3]According to the Ming scholar Gu Yanwu 顧炎武 (1613–1682), the first appearance of *simin* was in the book *Guanzi* 管子; see Gu Yanwu, "Shi heshi" 士何事, in *Rizhilu jishi* 日知錄集釋 (Shanghai: Shanghai Guji Chubanshe, 2006), 439–41. *Guanzi* recorded the deeds and major policies implemented by Guan Zhong 管仲 (?–645 BCE) in the early Chunqiu period for the Qi 齊 state. It was probably compiled across the Zhanguo period and the middle of Western Han; see the date analysis in Xie Haofan 謝浩范 and Zhu Yingping 朱迎平, trans., *Guanzi quanyi* 管子全譯 (Guizhou: Guizhou Renmin Chubanshe, 1996), Preface, 9. A similar text on *simin* also appeared in the Chunqiu Zhanguo history compendium *Guoyu* 國語; see Shang Xuefeng 尚學鋒 and Xia Dekao 夏德靠, trans. *Guoyu* 國語 (Beijing: Zhonghua Shuju, 2007), 72–76. *Simin* or the four categories of commoners were also mentioned in other texts recording pre-Qin events, which were compiled in the Han or before, for example; see Li Xueqin 李學勤 ed., *Shisan jing zhushu: Chunqiu Guliangzhuan zhushu* 十三經注疏: 春秋穀梁傳注疏 (Beijing: Beijing Daxue Chubanshe, 1999), 211; and Kong Anguo 孔安國 and Kong Yingda 孔穎達, *Shangshu Zhengyi* 尚書正義 (Shanghai: Shanghai Guji Chubanshe, 2007), 704; Wu Zeyu 吳則虞, *Yanzi chunqiu jishi* 晏子春秋集釋 (Beijing: Zhonghua Shuju, 1982), 509. The usual translation of the term *shi* 士 as "scholars" is followed here in the general context of *simin*. However, considering the sweeping coverage of this book's trifunctional model and assuming its "scholar" and "literati" are the English translations of *shi*, we must be aware of the complexity that the social group represented by *shi* could vary over time and did not necessarily always mean "scholars" or "literati" across premodern China. For example, it could mean lower rank nobles before the Qin; see Yang Tianyu 楊天宇, *Liji yizhu* 禮記譯注 (Shanghai: Shanghai Guji Chubanshe, 2004), 141. We should also be aware of another complexity that this book's "Confucian literati" or "scholars" could also mean *ru* 儒 in premodern China. *Ru* could be a household category in certain dynasties (e.g. in the Ming, see note 42 below), having different rights and obligations, which, in terms of inequality, could complicate this book's blanket explanatory model for premodern China.

[4]Li Xiangfeng 黎翔鳳 and Liang Yunhua 梁運華 eds., *Guanzi jiaozhu* 管子校注 (Beijing: Zhonghua Shuju, 2004), 400–401.

[5]For example, see Zhang Shuangli 張雙隸, et al. trans., *Lüshi chunqiu yizhu* 呂氏春秋譯注 (Jilin: Jilin Wenshi Chubanshe, 1986), 915–16.

[6]For example, see Yang Bojun 楊伯峻 trans., *Mengzi yizhu* 孟子譯注 (Beijing: Zhonghua Shuju, 1988), 117, for the Zhanguo period scholar Mengzi's 孟子 view that property was important in incentivizing the people's loyalty and social stability; and see Ban Gu 班固, *Han shu* 漢書 (Beijing: Zhonghua Shuju, 1964), 1131, on the problems of *youshizhimin* if the people were not tied to their property.

[7]For example, in the Qin, commoners were granted land and taxed accordingly; see "Shuihudi 11 hao Qin mu zhujian" 睡虎地 11 號秦墓竹簡, in *Qin jiandu heji* 秦簡牘合集, edited by Chen Wei 陳偉 (Wuhan: Wuhan Daxue Chubanshe, 2014), vol. 1, 47.

[8]For example, see the Han's following of the Qin policy of allowing commoners to sell their land, which led to the inequality and wealth concentration problems in the Han, in Ban, *Han shu*, 1137; see also Zhu Honglin 朱紅林, *Zhangjiashan hanjian ernian lüling jishi* 張家山漢簡二年律令集釋 (Beijing: Shehui Kexue Wenxian Chubanshe, 2005), 201.

Qing (1644–1911), private property among commoners was a common phenomenon (see the public versus private capital analysis below). Although there were occasional property restrictions in certain time periods and for certain commoners, a simple trifunctional model of blanket property exclusion among all commoners except scholars cannot explain *simin* and the historical reality across the whole premodern China.[9]

Another complexity undermining the trifunctional model is the explanation of the changing status inequalities among *simin*. The social status superiority sequence of *simin* (such as the sequence of scholars, farmers, craftsmen and then merchants) indeed varied over time, which cannot be explained by the static and blanket trifunctional model. When *simin* first emerged, all the four social categories were regarded as important foundation stones of the state, and *simin* was not directly used to discriminate one category of commoners against the others.[10] The social status superiority sequence then varied until the Qin and Han.[11] Furthermore, the sequence advocated by the government could be different from the social reality. For example, in the Han, there was a time when merchants were lowered by law to a social status below farmers; but in reality, merchants were much more powerful and wealthier than the farmers, and society at large viewed farmers as having a lower status.[12] In fact, the superiority sequence of *simin* was repeatedly challenged in premodern China because of the changing social reality. For example, in the Song (960–1279), Ming, and Qing, scholars and government officials argued that the four *simin* categories should be viewed as equal.[13] These arguments happened in a

[9]For example, in the early Han, there were property ownership restrictions for merchants; see Sima Qian 司馬遷 et al., *Shiji huizhu kaozheng fujiaobu* 史記會注考證附校補 (Shanghai: Shanghai Guji Chubanshe, 1986), 830. However, in reality, the legal discriminations were not effective in curtailing the wealth growth of the merchants; see Ban, *Han shu*, 1133.

[10]Li and Liang, *Guanzi jiaozhu*, 400.

[11]The status superiority sequencing of *simin* was not very rigid before the Qin and Han. For example, in the *xiaokuang* 小匡 chapter of the book *Guanzi* mentioned above, *simin* was sequenced as "scholars, farmers, craftsmen and merchants," but in the *zhiguo* 治國 chapter of the same book, the sequence was changed to "farmers, scholars, merchants and craftsmen." It also stated that inequalities could be reduced by mutual exchange of roles among the four categories; see Li and Liang, *Guanzi jiaozhu*, 926. In the Guliang 穀梁 interpretation of the *Chunqiu* 春秋 history compendium, the sequence was "scholars, merchants, farmers and craftsmen," see Li, *Shisan jing zhushu: Chunqiu Guliangzhuan zhushu*, 211. In another book *Zhou li* 周禮, which emerged in Han and was probably first compiled in the Zhanguo period, the status superiority sequence of all the people in the country was "nobility, scholars, craftsmen, merchants, farmers and women workers" (merchants were ahead of farmers); see Yang Tianyu 楊天宇, ed., *Shisan jing yizhu: Zhouli yizhu* 十三經譯注: 周禮譯注 (Shanghai: Shanghai Guji Chubanshe, 2004), 598–99. In the early Han, although the status of merchants was lowered, some restrictions were later relaxed; see Sima, *Shiji huizhu kaozheng fujiaobu*, 824; see also the different sequencing in the book *Zhou shu* 周書 as quoted in *Shiji* versus Sima Qian's own sequencing, in Sima, *Shiji huizhu kaozheng fujiaobu*, 2042; and the mentioning of five categories of commoners, "scholars, farmers, travelling merchants, craftsmen and stationary merchants," according to Fu Qian's 服虔 annotation, in Sima, *Shiji huizhu kaozheng fujiaobu*, 2046.

[12]Ban, *Han shu*, 1133. Similar situations happened in the Qing. The status superiority of farmers over merchants was emphasized by the government but there were difficulties in enforcing this superiority in reality because society regarded merchants and craftsmen as superior to farmers; see *Shi Zong shilu* 世宗實錄 (Beijing: Zhonghua Shuju, 1985), 277–78, 866–67.

[13]For example, see the Tang official Liu Zongyuan's 柳宗元 (773–819) argument, in his biography of a pharmaceutical merchant, that it was wrong to discriminate against merchants; Liu Zongyuan, "Song Qing zhuan" 宋清傳, in *Liu Zongyuan ji* 柳宗元集 (Beijing: Zhounghua Shuju, 1979), 471–72. See also the Song official Sima Guang's 司馬光 (1019–1086) argument that the three categories of farmers, craftsmen and merchants all made important contributions to the country's fiscal resources, in Sima Guang, "Lun caili shu" 論財利疏, in *Wenguo Wenzheng Sima Gong wenji* 溫國文正司馬公文集, collected in *Sibu*

changing social context in which the boundaries among the four categories were becoming increasingly blurred, especially the boundary between merchants and scholars. China was largely evolving into a society in which it was mainly merchants' sons who could afford to become scholars.[14] The static and blanket trifunctional model is inadequate to explain the complex social reality, especially in terms of *simin*'s changing status inequalities, across premodern China. There are also other structural and scope complexities of reconciling *simin* with the trifunctional model, which are explained below.

Structurally, it is difficult to fit *simin* into the trifunctional model, such as by replacing the European clergy with *simin*'s scholars, and by reducing the other three *simin* categories into the workers functional group of the model. One major difficulty is that the four *simin* categories were not mutually exclusive. A person could belong to multiple *simin* categories at the same time, such as being both a scholar *and* a farmer, or a scholar *and* a merchant. In the Han, it was not unusual for government officials to engage in merchant activities, effectively being both a scholar and a merchant within the context of *simin*.[15] In the Song, because of their meager salary, government officials had to be farmers and/or merchants at the same time in order to earn a sufficient living.[16] In the Yuan (1271–1368), it was thought that to earn a living, a scholar should ideally also be a farmer; but as long as the ethics were not abandoned, ideologically, there was also nothing wrong with a scholar also being a merchant.[17] Also, the boundaries among nobility, officials/scholars and other commoners could be less than distinct in premodern China. In many time periods in premodern China, there were policies which allowed commoners to obtain official positions, or even nobility titles by making "donations and payments" (*juan na* 捐納) to the government.[18] The purchased noble

Congkan Chubian Jibu 四部叢刊初編集部 (Shanghai: Shanghai Shangwu Yinshu Guan, 1919), 23.5b; and see the Song official Fan Zhongyan's 范仲淹 (989–1052) four poems on *simin*, which highlighted the important contribution from all four categories and argued against discrimination, especially against the merchants, in Fan Zhongyan, "Simin shi" 四民詩, in *Fan Zhongyan quanji* 范仲淹全集 (Chengdu: Sichuan Daxue Chubanshe, 2007), 23–25. For examples of similar arguments in later dynasties, see Chen Qiqing 陳耆卿, *Jiading Chicheng zhi* 嘉定赤城志 (The Zhongguo Guojia Tushuguan Collection, Hongzhi Period), 37.13b; Wang Shouren 王守仁, "Jiean Fanggong mubiao" 節庵方公墓表, in *Wang Yangming quanji* 王陽明全集 (Shanghai: Shanghai Guji Chubanshe, 1992), 25.941; Huang Zongxi 黃宗羲, "Mingyi daifanglu" 明夷待訪錄, in *Huang Zongxi quanji* 黃宗羲全集 (Hangzhou: Zhejiang Guji, 1985), vol. 1, 41; Wang Daokun 汪道昆, "Yubu Chen Shijun quezhengbei" 虞部陳使君榷政碑, in *Taihan ji* 太函集, collected in *Xuxiu siku quanshu* 續修四庫全書 (Shanghai: Shanghai Guji Chubanshe, 1995), vol. 1347, 65.16b.

[14]For example, see Shen Yao 沈垚, "Fei Xishan xiansheng qishi shuangshou xu" 費席山先生七十雙壽序, in *Luofanlou wenji* 落帆樓文集, collected in *Congshu jicheng xubian* 叢書集成續編 (Shanghai: Shanghai Shudian, 1994), vol. 135, 24.12a.

[15]For example, see merchant activities of Han officials in Ban, *Han shu*, 2643, 2652 and 3204; see criticisms of government officials' competing with the people in merchant activities, and other policy advice on forbidding Han officials' engagement in merchant activities, in Ban, *Han shu*, 2520–21 and 3077.

[16]For example, see Wang Anshi 王安石, "Shang Renzong Huangdi yanshi shu" 上仁宗皇帝言事書, in *Linchuan Xiansheng wenji* 臨川先生文集 (Beijing: Zhonghua Shuju, 1959), 39.416; and Shen, *Luofanlou wenji*, 24.11b–12a. Even officials with a scholarly reputation and family heritage of occupying senior government positions were actively involved in merchant activities; see the example in Sima Guang 司馬光, *Sushui jiwen* 涑水記聞 (Beijing: Zhonghua Shuju, 2009), 199.

[17]For example, see Huang Zongxi, "Songyuan xuean" 宋元學案, in Huang, *Huang Zongxi quanji*, vol. 6, 90.533.

[18]For an example of the purchase of official positions by craftsmen and merchants in the Chunqiu and Zhanguo periods, see Wang Xianshen 王先慎, *Hanfeizhi jijie* 韓非子集解 (Beijing: Zhonghua Shuju, 2003), 455; for the purchase of noble titles in the Qin see Sima, *Shiji huizhu kaozheng fujiaobu*, 155; for

titles could sometimes even be traded among commoners.[19] To further complicate matters, nobility in premodern China could be demoted across generations and, under certain situations, nobility could also be commoners or scholars/officials.[20] The static and blanket trifunctional model cannot explain the complex realities across premodern China, such as the non-mutually exclusive identities among the four *simin* categories and the nobility.

In terms of scope, it is difficult for the static and blanket trifunctional model to cover all the social category variations across premodern China, which even *simin* itself could not encompass. The social categories before the Qin were already more complex than *simin*; for example, the state of Chu had ten different social categories.[21] In fact, the *simin* categorization was repeatedly viewed as inadequate in reflecting the social reality in premodern China. At least from the Tang (618–907), it was already impossible to use *simin* to represent the whole of the population without increasing the social categories from four to six (by adding the monks and priests).[22] Chinese society continued to

examples in the Han, see Ban, *Han Shu*, 1133–34, and Sima, *Shiji huizhu kaozheng fujiaobu*, 825; for an overview from the Han to Tang, see Du You 杜佑, *Tongdian* 通典 (Beijing: Zhonghua Shuju, 1988), 241–44; for examples in the Tang, see Liu Xu 劉昫, et al., *Jiu Tang shu* 舊唐書 (Beijing: Zhonghua Shuju, 1975), 2087 and Yuan Jie 元結, "Wen jinshi—dier" 問進士—第二, in *Quan Tang wen* 全唐文, edited by Dong Gao 董誥 et al. (Beijing: Zhonghua Shuju, 1983), 380.9a; for an example in the Song see Xu Song 徐松, *Song huiyao jigao* 宋會要輯稿 (Beijing: Zhonghua Shuju, 1957), 3613; for an example in the Yuan see Tao Zongyi 陶宗儀, *Nancun chuogenglu* 南村輟耕錄 (Beijing, Zhonghua Shuju, 2004), 93; for an overview in the Qing see Oda Yorozu 織田萬, *Qingguo xingzhengfa* 清國行政法 (Beijing: Zhongguo Zhengfa Daxue Chubanshe, 2002), 306, 313–14. To avoid clutter, the many examples of purchasing official positions and nobility titles across premodern China are not exhaustively listed here.

[19]For example, see Ban, *Han Shu*, 131, 1128.

[20]For example, in the Ming, there was a scheme of demoting the nobles across generations, and a noble could be demoted to the status of commoner if he committed a serious crime; see Zhang Xuan 張萱, "Xiyuan wenjianlu" 西園聞見錄, in *Xuxiu siku quahshu*, vol. 1169, 46.1b. There were also other situations in which nobles could become commoners in the Ming. For example, the number of registered nobles increased from about fifty-eight in the early Ming to 28,492 in 1569. Because of the increase, the government was no longer able to provide stipends for all of them (e.g. in 1574, the annual stipend which had to be provided to the registered nobility was about 9,000,000 *shi* of grains, but the total reserve across all relevant provincial granaries could only meet less than half of this amount), and therefore had to allow them to live and work as commoners or take the civil service examinations and become officials; see *Ming Muzong shilu* 明穆宗實錄 (Taibei: Zhongyang Yanjiu Yuan Lishi Yuyan Yanjiu Suo, n.d.), 32.9b–13a; *Ming Shenzong shilu* 明神宗實錄 (Taibei: Zhongyang Yanjiu Yuan Lishi Yuyan Yanjiu Suo, n.d.), 23.9a, 25.6a–7a. Also, the nobility in the Ming was not a homogeneous social group. The side branches of those nobles who were not entitled to a stipend (*mumingliang shuzong* 無名糧庶宗) were allowed to be farmers or merchants to earn a living, and were liable to the same criminal laws as commoners (i.e. no exemption privileges in terms of criminal liabilities); see *Ming Shenzong shilu*, 224.5a. It is therefore difficult to argue for mutually exclusive trifunctional groupings of nobility, officials and commoners.

[21]Yang Bojun 楊伯峻, *Chunqiu zuochuan zhu* 春秋左傳注 (Beijing: Zhonghua Shuju, 1995), "Zhaogong Qinian" 昭公七年, 1284.

[22]For example, the Tang official Han Yu 韓愈 (768–824) mentioned in one of his essays that the number of categories of commoners was increased from four to six, which meant adding the monks and priests to the four categories under *simin*; see annotations in Han Yu, "Yuan dao" 原道, in *Han Yu wenji huijiao jianzhu* 韓愈文集彙校箋注 (Beijing: Zhonghua Shuju, 2010), 31. See also his memorial to the Emperor Muzong 穆宗 in 821–824, in which monks and priests were identified alongside *simin*, in Ma Duanlin 馬端臨, *Wenxian tongkao* 文獻通考 (Beijing: Zhonghua Shuju, 1986), Kao 考 153. For another example of expanding *simin* to include monks and priests after the Tang see the policy recommendation in 1303, in Ke Shaomin 柯紹忞, *Xin Yuan shi* 新元史 (Shanghai: Kaiming Shudian, 1935), 385; see also p. 386 on their significant social influence and the popular tax avoidance arrangement of parking property under

develop to such complexities that in the late Ming it was suggested that *simin* should be expanded from four to twenty four categories (*ershisimin* 二十四民) to better reflect the complex social reality.[23]

Another scope issue regards the Confucian trifunctional model's discounting of clergy, which limits our ability to understand certain premodern Chinese societies. As highlighted above, instead of discounting the religious groups, *simin* had to be expanded to include monks and priests in the Tang, because of their significant influence. Many commoners in the Tang tried to obtain a monk or priest registration to avoid their tax liabilities.[24] This caused serious inequalities and social issues because the avoided taxes were then redistributed and extracted among the remaining poor and powerless people.[25] We can examine a more specific example in the Tang to understand the religious groups' influence. In 845, the emperor, upon the advice of certain Daoist priests and officials, recognized the social and economic threats of the Buddhist monks and revoked the licenses of about 260,500 monks and nuns; their over 150,000 slaves and servants were also reverted to being taxable households under government's control, and a few billion *mu* 畝 of their fertile farmland were confiscated.[26] However, the revocation policy was overturned after only two years.[27] Though the precise amount of land confiscated in 845 is not known, its order of magnitude gives us a rough idea on how influential the monks were. We do not know the exact size of the total government controlled land in 845, but in the early Tang, the

them. The exact date of first expanding *simin* to resolve its inadequacy by including monks and priests cannot be ascertained. However, the Qing official Jin Fu 靳輔 (1633–1692) suggested that *simin* was expanded to include the monks and priests after the Zhou Dynasty; see Jin Fu 靳輔, "Shengcai yuxiang diyishu" 生財裕餉第一疏, in *Huangchao jingshi wenbian* 皇朝經世文編, edited by He Changling 賀長齡 (Taibei: Wenhai Chubanshe, 1972), 26.952. Jin Fu's view was probably impressionistic, but similar views on expansion of *simin* from four to six categories to include monks and priests after the "ancient time" was also suggested by the Ming official Wang Shuying 王叔英 (?–1402); see Wang Shuying 王叔英, "Zizhi ceshu (fumin zhishu)" 資治策疏(富民之術), in *Huang Ming jingshi wenbian* 皇明經世文編, edited by Chen Zilong et al., collected in *Xuxiu siku quanshu*, vol. 1655, 12.3b.

[23]Yao Lü 姚旅, *Lu shu* 露書 (Fuzhou: Fujian Renmin Chubanshe, 2008), 9.202–3.

[24]For example, see *Cibu*'s 祠部 (the government unit which was once responsible for regulating the monks in the Tang) memorial in 830 on banning the tax avoidance practices: "Qing shenjin sengnizou" 請申禁僧尼奏, in Dong, *Quan Tang wen*, 966.7b; see also the comments from the senior official Li Deyu 李德裕 (787–849) that to avoid taxes, on average, one third of the taxable headcount (*ding* 丁) in each household became monks, and Li believed that if no action was taken, the loss of taxable headcount could be up to 600,000 in less than a year just in the southern Jianghuai 江淮 area, in Liu, *Jiu Tang shu*, 4514.

[25]For example, see Liu, *Jiu Tang shu*, 3421.

[26]See Du Mu 杜牧, "Fanchuan wenji" 樊川文集, in *Wenyuange sikuquanshu* 文淵閣四庫全書 (Taiwan: Shangwu Yinshuguan, 1986), vol. 1081, 7.9b–10a; Liu, *Jiu Tang shu*, 606; Wang Pu 王溥, *Tang huiyao* 唐會要 (Beijing: Zhonghua Shuju, 1955), 864; Sima Guang 司馬光, *Zizhi tongjian* 資治通鑑 (Beijing: Zhonghua Shuju, 1976), 8017; and Zhang Ruyu 章如愚, *Qunshu kaosuo houji* 羣書考索後集 (Zhengde shisannian Jianyang Liushi Shendushuzhai kanben 正德十三年建陽劉氏慎獨書齋刊本), 63.2a. One *mu* in Tang is about 522.15 square meters (i.e. 240 *bu* 步x (5 *chi* 尺 x 0.295 m)^2). This is assuming the Tang official standard of 1 *mu* = 240 *bu* (square) and 1 *bu* = 5 *chi* (see Liu, *Jiu Tang shu*, 2088, and Li linfu 李林甫 et al., *Tang liudian* 唐六典 (Beijing: Zhonghua Shuju, 2016), 74), and 1 *chi* = 29.5 cm; see Chen Mengjia 陳夢家, "Muzhi yu lizhi" 畝制與里制, in *Zhongguo gudai duliangheng lunwenji* 中國古代度量衡論文集, edited by Henan Sheng Jiliang Ju 河南省計量局 (Henan: Zhongzhou Guji Chubanshe, 1990), 231.

[27]Sima, *Zizhi tongjian*, 8029–30.

government had control of a total land area of about 1.4 billion *mu*.[28] The government controlled a similar amount of land in the middle of the Kaiyuan (713–741) and the Tianbao period (742–756).[29] In the middle of the Dazhong period (847–860), a short period after the 845 revocation and over 200 years of development from the beginning of the Tang, the government controlled land decreased to about 1,168,835,400 *mu*.[30] In comparison, the 845 confiscated land was of a much larger order of magnitude than the government controlled land. The significance could be further understood by examining the land grant (*shoutian* 授田) amount in the Tang. Commoners in the early to mid-Tang were supposed to obtain their land through government land grants.[31] Each monk and nun in the Tang was to be granted 30 *mu* and 20 *mu* of land respectively.[32] Therefore, because of the land grant limit, for the 260,500 revoked monks and nuns in 845, the total land area under their control should not exceed 5,210,000 *mu* to 7,815,000 *mu*.[33] The 845 confiscated land well exceeded this land grant limit. This meant the religious groups' influence grew to such an extent in 845 that they were able to possess a very large amount of land beyond the government's land grant limit; and most importantly, they were powerful enough to control and protect a land holding that was even larger than the total government controlled land. In fact, it was already suggested in as early as the Jinglong period (707–710), over a century before 845, that 70–80 percent of the country's wealth was controlled by the monks.[34] Also, the 150,000 slaves and servants reverted to being taxable households were very probably only those known to or previously assigned by the government, and did not include all the people under the monks' influence.[35] It was estimated that, on average, each monk had at least ten households to support him; so for the 260,500 monks and nuns, the actual number of people under their influence could be many times the 150,000 people.[36] Given such level of influence of the religious

[28]This was from the Zhenguan period (627–649) to approximately the Kaiyuan period (713–741); see Wang Pu 王溥, "Wudai huiyao" 五代會要, in *Congshu jicheng chubian* 叢書集成初編, edited by Wang Yunwu (Shanghai: Shangwu Yinshuguan, 1936), vol. 832, 305.

[29]The land area was 1,440,386,213 *mu* and 1,430,386,213 *mu* respectively; see Lü Xiaqing 呂夏卿, *Tang shu zhibi* 唐書直筆 (n.p.: Guangya Shuju, 1899), 4.3a; and Du, *Tong dian*, 32. Similar land area (i.e. 1,430,386,213 *mu*) for the middle of the Tianbao period was also documented in Zheng Qiao 鄭樵, *Tong zhi* 通志 (Beijing: Zhonghua Shuju, 1987), Zhi 志 735, and Ma, *Wenxian tongkao*, Kao 45.

[30]See Lü, *Tang shu zhibi*, 4.3a. The Tang government did encourage land development; for example, see the performance metrics of rewarding officials for successfully encouraging development of government or private farmland, in Du, *Tongdian*, 371.

[31]For example, see the land grant regulations in 624, in Liu, *Jiu Tang shu*, 2088, though the execution and the actual land grant amount could deviate from the regulations.

[32]Zhongguo Shehuikexueyuan Lishiyanjiusuo Tianshengling zhengli ketizu 中國社會科學院歷史研究所天聖令整理課題組 ed., *Tianyige Ming chaoben Tianshengling jiaozheng* 天一閣藏明鈔本天聖令校證 (Beijing: Zhonghua Shuju, 2006), 38; Li, *Tang liudian*, 74.

[33]5,210,000 *mu* = 260,500 x 20 *mu*; 7,815,000 *mu* = 260,500 x 30 *mu*.

[34]Ouyang, *Xin Tang shu*, 4279.

[35]See the example of assigning taxable households to be servants of the priests in 748, in Wang Qinruo 王欽若 et al., *Cefu yuangui* 册府元龜 (Nanjing: Fenghuang Chubanshe, 2006), 568.

[36]For the support ratio, see Sima, *Zizhi tongjian*, 8047. It was estimated that the 845 revoked monks were supported by around 1.7 million households. Please note that the number of 170,000 monks recorded by *Zizhi tongjian* on p. 8047 referred only to the revoked monks, excluding nuns. The total number of revoked monks and nuns was around 260,500 as per its detailed event narrative on p. 8017; this total number is consistent with the number documented in the other sources as cited in note 26.

groups, a clergy-discounted Confucian trifunctional model seriously limits our understanding of certain premodern Chinese societies such as the Tang.

Even if we were to resolve the scope limitation by extending the Confucian trifunctional model to include the discounted clergy (say, a "tetra-functional model" of nobility, scholars, clergy, and workers), it would still be difficult for the static model to explain the blurred boundaries among monks, priests, and commoners in the Tang. For example, in 757, there was a policy that monks, nuns and priests could, upon certain payments to the government, choose to become commoners and be awarded official or nobility titles.[37] Also, commoners were offered the opportunities to become monks and priests upon certain payments, bypassing the onerous approval processes.[38] To further complicate the blurring boundaries, there was also a large number of unregistered monks and nuns (*sidu* 私度) in the Tang. For example, in 830, the government realized the problems of *sidu* and asked the unregistered monks and nuns to apply for a proper license. This one exercise already attracted about 700,000 applications.[39] The Confucian trifunctional model, or even a clergy-extended model, cannot explain the complex social reality in the Tang.

The trifunctional model's explanatory power is further challenged when we move beyond the ideology level of *simin*, and examine the actual rights and obligations, and therefore the inequalities, among the social groups in premodern China. We would better understand the challenges by examining a specific example of the household registration institution in the Ming, which specified important rights and obligations for most of the population. Instead of being trifunctional, under the institution, people were organized into many hereditary household groups, mostly according to their professions.[40] At a very high level, there were four household groups: military, civilians, craftsmen, and salt households.[41] These were only the basic groups; there were other derivative groups and certain groups could also be divided into many subgroups, which were very different from the simple trifunctional model.[42] Also, unlike the trifunctional model, the inequalities among the household groups were justified more in terms of their respective tax obligations and exemptions than property. Interestingly, on property, for some of the household groups mentioned above, their

[37]Du, *Tongdian*, 244.

[38]For examples, see Ouyang, *Xin Tang shu*, 1347; Liu, *Jiu Tang shu*, 244. The approval could require difficult examinations such as reciting 500 pages of Buddhist text from memory; see Hui Jiao 慧皎 et al., *Gaosengchuan Heji* 高僧傳合集 (Shanghai: Shanghai Guji Chubanshe, 2011), 476.

[39]Shi Zanning 釋贊寧, "Da Song sengshilue" 大宋僧史略, in *Xuxiu siku quanshu*, vol. 1286, 685.

[40]For example, see "Wanli Yangzhou fuzhi" 萬曆揚州府志, in *Beijing Tushuguan guji zhenben congkan* 北京圖書館古籍珍本叢刊, edited by Beijing Tushuguan Guji Chuban Bianji Zu (Beijing: Shumu Wenxian Chubanshe, 1988), vol. 25, 3.2a.

[41]Gu Yanwu 顧炎武, *Tianxia junguo libing shu* 天下郡國利病書 (Shanghai: Shanghai Guji Chubanshe, 2012), 579; Zhang Tingyu 張廷玉 et al., *Ming shi* 明史 (Beijing: Zhonghua Shuju, 1974), 77.1878. These four groups were often collectively referred to in the Ming rules and regulations, such as the *Da Ming huidian* 大明會典, as representation of the general population.

[42]For example, the craftsman household, in the early Ming, had about sixty-two sub-categories based on their specializations; see Shen Shixing 申時行 and Zhao Yongxian 趙用賢, "*Da Ming huidian*" 大明會典, in *Xuxiu siku quanshu*, vol. 792, 189.2a–5a. There were also many peripheral groups other than the four basic groups, such as monks, priests, doctors, Confucian literati or scholars (*ru* 儒), etc.; see Shen and Zhao, *Da Ming huidian*, 9.6b. Those other groups could be secondary groups derived from these four basic groups, and these basic groups were viewed in the Ming as like the root of a large tree with many branches, and despite the many variations of the households groups, those variations could be traced back to these four basic groups; see Zhao Guan 趙官 et al., *Houhu zhi* 後湖志 (Nanjing: Nanjing Chubanshe, 2010), 202.

property claims in terms of land grants were justified by the fulfilment of their tax obligations, not by the performance of regalian functions as suggested by the trifunctional model. For example, the salt households were granted land for the fulfilment of their salt production obligations.[43] It was not a universal justification of property rights by regalian functions performed by the trifunctional groups of nobles and scholars as this book argues. The salt households' property claims indeed evolved into very complex property regimes (see the "future property rights" example below). Most importantly, unlike what is proposed by the trifunctional model, most of the commoners, regardless of their household groupings, were *not* excluded from land ownership. To encourage land development and increase revenue, the Ming compendium of rules and regulations, *Da Ming huidian* 大明會典, documented a rule in 1527 that households from any of the four major groups (i.e. military, civilians, craftsmen, and salt households) could be granted, on a perpetual basis, land that were abandoned anywhere in the country.[44] Land grants and property rights protection for the commoners were mainly justified by *tax contribution*, not by regalian functions as suggested by the trifunctional model. *Tax and property relations* were intertwined.

The Ming taxation and household registration institutions pose additional challenges for the trifunctional model to explain the monks and priests. Similar to the Tang, there was a government licensing system with separate registers and qualifying examinations for Buddhist monks and Daoist priests in the Ming.[45] However, they were still linked to their originating household groups, such as military, civilians, craftsmen, or salt households. The *Great Ming Code* (*Da Ming lü* 大明律) stipulated that if a monk or priest committed an offence, the person would be struck off the Monks/Priests Registers (effectively losing their licenses), revert to their originating household groups and be subjected to the respective service obligations.[46] Also, in the Ming, monks and priests had a relatively low social status; even their clothing had restrictions similar to those of the bottom social classes.[47] Property ownership by a temple was constrained by the Ming government and land owned in excess of the limit was supposed to be confiscated.[48] Property ownership by monks and priests was not justified by their regalian functions under a universal trifunctional model. Their property ownership could be nominal and was differently justified, depending on the services they provided to the local community. For example, upon payment of an annual service fee, the monks and temples could provide tax management and/or avoidance services by accepting a transfer of land, and thus the associated tax liabilities, under their household registration. Taxable land was nominally "owned" by the temples for the sake of the tax services. There were even market prices for such services as taking nominal ownership of taxable land. In the mid to late sixteenth century, the average price for such services was about ten *shi* 石 of grain (disguised as an annual rental payment to the monks), for

[43]For example, see Ye Mengzhu 葉夢珠, *Yueshi bian* 閱世編 (Shanghai: Shanghai Guji Chubanshe, 1981), 1.24; and Fang Yuegong 方岳貢 and Chen Jiru 陳繼儒, "(Chongzhen) Songjiang fuzhi" (崇禎) 松江府志, in *Ribencang Zhongguo kanjian difangzhi congkan* 日本藏中國罕見地方志叢刊 (Beijing: Shumu Wenxian Chubanshe, 1991), 14.2b–3b and 14.12b–13a for the granting of land, and 14.14a–16b for the size of the land grants at the various salt production sites in Songjiang Prefecture.

[44]Shen and Zhao, *Da Ming huidian*, 17.18a.

[45]Shen and Zhao, *Da Ming huidian*, 104.2a–3b.

[46]Ying Jia 應檟, "Da Ming lü shiyi" 大明律釋義, in *Zhongguo lüxue wenxian* 中國律學文獻, edited by Yang Yifan 楊一凡 (Harbin: Heilongjiang Renmin, 2005), Series 2, 1.274–5.

[47]Shen and Zhao, *Da Ming huidian*, 61.36b.

[48]Shen and Zhao, *Da Ming huidian*, 17.24b–27a.

taking over one *shi* of annual tax liability in Fujian province.[49] In addition to tax services, property could also be "parked" under a temple by civilians as a financing arrangement to fund the various services to be provided by the temples, such as ancestor worship services for lineages, facilities operation, and maintenance of irrigation systems.[50]

The final problem with the trifunctional model is that the local social structure in premodern China varied widely by location and was very much determined by interactions among the local power holders. It cannot be explained by the static and blanket trifunctional model. For example, in terms of dispute resolution, in the early Ming the government required that all disputes, such as the ones related to marriage, land, and brawls, should be arbitrated and judged by the elders in the local community.[51] If the parties went directly to the government for arbitration, the concerned parties would be first punished by a beating of sixty strokes, regardless of the grievances or whether their causes were justified, and the case would then still be referred back to the elders.[52] The elders could also control local public goods provision such as water affairs management.[53] The elders were mainly local elites determined by the local power configuration. They did not have to be nobles, clergymen, or scholars, but they performed regalian functions such as dispute arbitration, which is a defining characteristic of the nobles and clergymen/scholars in the trifunctional model. It is therefore hard to argue that a static trifunctional society, with the nobles and scholars owning all the property, and with their property justified by their regalian functions, persisted across the entire history of China before 1911.

Linear Societal Progression and Wealth Redistribution by Taxation

China's development trajectory was also more complex than the linear societal progression from a trifunctional society to today's capitalist mixed economy (i.e. a mix of public and private capital in the ratio of 30 percent to 70 percent in today's China, pp.607–8) described in *Capital and Ideology*. If we evaluate China based on a similar private capital ratio of 70 percent or more, this defining characteristic of the twentieth century's mixed economy and ownership society did also appear in premodern China. For example, in the sixteenth century, China already had a substantial proportion of private capital. China was then predominantly an agricultural economy, and land was the primary productive asset from which a majority of the national income was derived. Ownership distribution of this most important productive asset could give us a rough idea on the relative proportion between public and private capital. In

[49]Gu, *Tianxia junguo libing shu*, 3074–5, 3081.

[50]For example, see *Guyu Zhangshi zongpu* 古虞章氏宗譜 (1920) (The Church of Jesus Christ of Latter-day Saints (hereafter, "CJCLS") Collection), Image 132; *Cheshi zongpu* 車氏宗譜 (1902) (CJCLS Collection), Image 832, for examples of parking land in temples and using temples for gate maintenance in irrigation systems. Also, see *Shangyu Zhoushi zongpu* 上虞周氏宗譜 (1926) (CJCLS Collection), Images 242, 347, 350, 351, and 360, for an example of civilian land being indirectly controlled through a temple and the monks being expelled if they failed to fulfill their patron's expectations.

[51]*Ming Taizu shilu* 明太祖實錄 (Taibei: Zhongyang Yanjiu Yuan Lishi Yuyan Yanjiu Suo, n.d.), 232.6b.

[52]Beijing Tushuguan Guji Chuban Bianji Zu 北京圖書館古籍出版編輯組, ed., *Huang Ming zhishu* 皇明制書 (Beijing: Shumu Wenxian Chubanshe, 2000), 287.

[53]For example, see Wang Jixiang 王繼香, ed., *Chongke wuxiang shuili benmo* 重刻五鄉水利本末 (1883) (The Columbia University Library Collection), "Shuili Benmo Xia" 水利本末下.6b, 15b and 26b.

1578, the total taxable land in China was about 701,397,628 *mu*.[54] The highly taxed government land (*guantian* 官田) accounted for approximately 30 percent of the total taxable land.[55] Given the weak control on government land and tax evasion, some of the government land was sold deceptively as private civilian land (*mintian* 民田), and, in reality, the proportion of private civilian land was probably much higher than 70 percent. In fact, after the unified tax liabilities redistribution across all civilian and government land (*guanmintian heweiyize* 官民田合為一則) in 1581, it was lamented that the government lost control of most of its government land.[56] Such a high private land ownership proportion shows that China in the sixteenth century already had the characteristic of the "mixed economy": a Chinese society with significant private capital was not exclusive to the twentieth century, as this book argues. In fact, the high proportion of private civilian land was not unique to the sixteenth century. In 1753, according to the government's fiscal accounting records, the proportion of private civilian land out of the total registered land was at a level of over 90 percent in most of the provinces, with a national average of over 94 percent.[57]

Premodern China also manifested the ownership society characteristic of respecting property rights because of the intertwining property and tax relations. Instead of being justified by regalian functions, as in the trifunctional model, property rights were protected by *taxation* against infringement by other social groups and/or the state. For example, in those gigantic lake irrigation systems in the prosperous Yangzi River Delta, which usually included vast lakes as water stores, extensive distribution networks, massive physical facilities (e.g. gates, dikes) and complex rules (e.g. water allocation rules, security rules, tax liability distribution rules), higher unit tax liabilities (e.g. per *mu*) were distributed to the more fertile land within the irrigation footprint. The unit tax liabilities distributed to the irrigated land could be 100 percent higher than the land outside of the irrigation footprint. The social groups covered by the irrigation systems leveraged their higher tax contribution to secure government protection of their privileges and property, in terms of lake land and water rights, against competing social

[54]Zhang Xueyan 張學顏, "Wanli kuaijilu" 萬曆會計錄, in *Beijing tushuguan guji zhenben congkan* 北京圖書館古籍珍本叢刊 (Beijing: Shumu Wenxian Chubanshe, 1989), 1.13. One *mu* in Ming is approximately 639.22 square meters (i.e. 240 *bu* 步 x (5 *chi* 尺 x 0.3264 m)^2). This is assuming the Ming official standard of 1 *mu* = 240 *bu* (square), 1 *bu* = 5 *chi* (see Qing Gaozong chizhuan 清高宗敕撰, *Xu tongdian* 續通典 (Shanghai: Shangwu Yinshuguan, 1935), juan 3, Shihuo 食貨 3, Dian 典 1122), and 1 *chi* = 32.64 cm (this *chi* to centimeter conversion is based on the length of the Baoyuan Ju land measurement brass ruler (寶源局量地銅尺); see Chen, *Muzhi yu lizhi*, 231. Please also note that the Ming *mu* to square meters conversion in Chen, *Muzhi yu lizhi*, 232, has an arithmetic error: its Ming *mu* calculation is based on the construction ruler 營造尺, and it should be 606.744m^2; instead of 607.744m^2; this arithmetic error persists in the latest compilation of Chen's works (i.e. Chen Mengjia 陳夢家, *Chen Mengjia xueshu lunwenji* 陳夢家學術論文集 (Beijing: Zhonghua Shuju, 2016), 543). Since this total taxable land area is taken from the central government's fiscal publication, the Ming official *mu* to *bu* and *bu* to *chi* standard ratio (i.e. 1 *mu* = 240 *bu* (square), and 1 *bu* = 5 *chi*) is used here. However, please note that because of the land measurement and tax manipulations during land surveys, the size of one *mu* (e.g. the *mu* to *bu* and *bu* to *chi* conversion ratios) could vary widely across locations in the Ming, for example; see Gu, *Rizhilu jishi*, 586–87.

[55]Huang, *Huang Zongxi quanji*, vol. 1, 25.

[56]Gu Yanwu 顧炎武, "Guantian shimokao" 官田始末考, in *Jiankang gujin ji, wai bazhong* 建康古今記, 外八種 (Shanghai: Shanghai Guji Chubanshe, 2012), 584–85.

[57]"Qinding Da Qing huidian" 欽定大清會典, in *Wenyuange siku quanshu*, vol. 619, 10.1b–13b.

and political groups from the thirteenth century to the sixteenth.[58] Commoners could secure property and privileges by *taxation*, not performance of regalian functions.

Because of the intertwining property and tax relations, the protection of property rights by taxation evolved to such sophistication that on certain tax payments, the government could offer property exclusion and protection not just for existing property rights but also for future, yet-to-emerge ones. One interesting phenomenon was the future property rights associated with land along the seaside or riverside. Those lands could be subject to tidal or river course landscape changes. They were unstable and could collapse and emerge under the sedimentary effect of a river and/or the tidal bore attack. On emergence, if they could be fenced off, drained and/or desalinated properly, they could be developed into cultivatable land. For example, in the mid-sixteenth to mid-seventeenth centuries, in Fujian Province, future property rights to yet-to-emerge coastal land (*daitian* 埭田) could be secured by civilians by paying the government an annual future land tax.[59] Certificates were issued to taxpayers to prove their future entitlements. Waiting for the emergence of a piece of coastal land required a lot of patience, as it could take generations. For those who did not have the patience or financial resources to keep paying taxes on non-existent land, these future property rights were so popularly recognized that the owners could choose to sell them to others.[60] Similar examples of future property rights existed across time and space in premodern China. In the Ming and Qing, the salt households, especially those in the coastal areas, were allocated *zaodi* 竈地, which were supposed to be in the proximity of a salt production site, to enable their salt production, and the allocated land was associated with certain tax liabilities.[61] In the eighteenth to nineteenth century, in Zhejiang province, because of the tidal bore attacks, certain *zaodi* collapsed into the sea. Instead of petitioning the government for a tax reduction, the salt households chose to continue to pay taxes for their collapsed *zaodi* in order to secure their property claims for some future, yet-to-emerge land. By continuing to pay taxes for the disappeared land for years, they could then claim that any future-emerged land was part of their previously collapsed land. Because of their tax payments, they obtained the government's protection on their claims for future, yet-to-emerge property against the

[58]For example, for centuries the beneficiaries in the Lake Xiagai irrigation system (whose primary water reservoir, the Lake Xiagai, was probably over 280 square kilometers at its peak size, over three times the size of Hong Kong island) committed and paid almost double taxes to protect their lake land and water rights against infringement attempts by other local elites and the state; see Wang, *Chongke wuxiang shuili benmo*, "Shuili Benmo Shang" 水利本末上. 43a–60a, "Shuili Benmo Xia" 水利本末下. 1a–32a, for a detailed history of the double taxes, attempted violations and defenses from the eleventh to sixteenth century; also see "Dongqianhu zhi" 東錢湖志, in *Zhonghua shanshui zhi congkan.shuizhi* 中華山水志叢刊.水志 (Beijing: Xianzhuang Shuju, 2004), vol. 36, 3.7b, for the Lake Dongqian irrigation system; and Mao Qiling 毛奇齡, "Xianghu shuili zhi" 湘湖水利志, in *Zhongguo shuilizhi congkan* 中國水利志叢刊 (China: Guangning shushe, 2006), vol. 68, 31, for the Lake Xiang irrigation system.

[59]*Daitian* was a type of coastal land which was fenced off from the sea by dikes, and fresh water was artificially channeled behind the dikes for irrigation. The dikes and irrigation facilities required regular maintenance and because of the salinity, the land thus developed was regarded as a medium productivity land; see Gu, *Tianxia junguo libing shu*, 3073.

[60]Gu, *Tianxia junguo libing shu*, 3074.

[61]Wang Qizuo 王啟祚, "Zumin yuguo ershishu (Shunzhi shiliunian)" 足民裕國二事疏(順治十六年), in He, *Huangchao jingshi wenbian*, 26.973. The per *mu* tax liabilities were usually lower for *zaodi* than normal civilian land, which caused many evasions and conflicts between salt households and civilians, and between the salt administration and county administration.

other local power groups.[62] In a nutshell, the ownership societies' defining characteristic of respecting property rights did exist in premodern China, and a linear five-stage societal progression cannot fully explain the complex reality.

The above historical examples of intertwining tax and property relations also highlight a potential applicability issue with this book's universal recommendation of using progressive taxation to redistribute wealth in all societies. Progressive taxation targeting elites and capitalists may not necessarily lead to a more equitable redistribution of wealth. Progressive taxation's ability to help reduce inequality could be affected by a number of factors such as how the tax system is implemented, how the taxing power is distributed among central, regional, and local authorities (e.g. on rules setting, revenue collection, exemption), how tax revenue is shared among central, regional, and local authorities, and how performance targets among the officials are established and managed (e.g. as long as the aggregate revenue target is met at the local level, the central government is less concerned from whom and how the tax is actually collected). If in certain societies the taxation systems breed intertwining tax and property relations like our examples above, and if local officials can set rules and benefit from the revenue collection, etc., then tax payments could morph into protection money. The more tax one pays, the more property and privileges one could secure. Such situations did not happen only in premodern China, as the examples above show. In fact, during the economic reforms of the past forty years, local governments in China offered protection and special privileges to enterprises based on their tax revenue contribution.[63] The intertwining tax and property relations in China evolved to such an extent that it created a "buyers' market," in which elites could shop around for the best protection of their property/privileges across locations.[64] Taxation could be used to fortify the elites' property claims and privileges, making it difficult to redistribute wealth away from them. In other words, instead of being the universal solution for inequality that this book argues it is, progressive taxation, depending on its implementation, could aggravate it.

Persistently Low and Stagnant Taxation

The validity of *Capital and Ideology*'s conclusion depends on its historical taxation analyses. The book compares China with a number of European states from 1550 to 1850, and finds that China's per capita tax receipts "remained around two to five days of wages" and thus "stagnated at 1–2 percent of national income" (p. 366). According to the book's supporting Excel spreadsheets, this persistently low and stagnant extraction conclusion for premodern China is based on four data points of "per capita tax receipts in equivalent days of wages," that is, 2.5 days of wages in 1550, 3.8 days of wages in 1650, 5.0 days of wages in 1750 and 3.8 days of wages in 1850.[65] Since the

[62]Yang Changjun 楊昌濬, *Liangzhe yanfa xuzuan beikao* 兩浙鹽法續纂備考, 1874, 9.3b–4a and 9a–9b.

[63]There are many studies on the relationship between taxation and privileges; for example, Bai Jingming 白景明, et al., "Dongbei diqu zhengfujian shiquan yu zhichu zeren huafen gaige yanjiu" 東北地區政府間事權與支出責任劃分改革研究, *Caizheng Kexue* 2018.3, 36, reports findings in northeast China.

[64]For example, see Gong Hui 龔輝, "Zhongguo xianjieduan difangzhengfu caizheng jingzheng wenti yanjiu" 中國現階段地方政府財政競爭問題研究 (PhD diss., Liaoning Daxue, 2016), 58. See Sun Xiulin 孫秀林 and Zhou Feizhou 周飛舟, "Tudi caizheng yu fenshuizhi: yige shizheng jieshi" 土地財政與分稅制: 一個實證解釋, *Zhongguo Shehui Kexue* 2013.4, 40–59, for an example of the intertwining property and tax relationships.

[65]This book's supporting Excel spreadsheets can be downloaded from its website: piketty.pse.ens.fr/ideology. The spreadsheet used in the analyses below was accessed on November 15, 2020.

low and stagnant conclusion is based on only four data points, the validity of each and every data point is therefore critical in supporting such a conclusion. However, there are issues with both the methodology and supporting data.

On methodology, using "days of wages" in cross country comparison could avoid many comparative issues such as purchasing power and exchange rates across payment mediums, but it creates another oversimplification issue. As cited above, the persistently low and stagnant extraction conclusion for premodern China is based on state extraction equivalent to two to five days of wages from 1550 to 1850, which is then translated to mean only 1–2 percent of national income (p. 366). Contradictorily, one of this book's three cited sources for the four data points highlights a consensus among China historians that "only 1–2 percent of the Ming population were wage laborers."[66] With such a low wage labor population in the late fourteenth to mid-seventeenth centuries, unless this book also proves that the historians' consensus is wrong, wages of the very few laborers could hardly be argued as a representative proxy for national income in 1550 and 1650. Translating tax receipts and national income into wage equivalents does not reflect the reality of the time.

On the data issue, instead of primary sources, this book's supporting Excel spreadsheet says that the four data points are from three secondary sources: Richard von Glahn, *An Economic History of China*, 358–82; Tuan-Hwee Sng and Chiaki Moriguchi, "Asia's Little Divergence: State Capacity in China and Japan before 1850" Centre for Economic Institutions Working Paper Series, No. 2014–6, August 2014, 3–4, and Mark Dincecco, "The Rise of Effective States in Europe," *The Journal of Economic History* 75.3 (2015), 909–10.[67] However, since the data points do not seem to be extracted directly from these sources, it would be very helpful to the readers if more details on how the data points were deduced are disclosed. For example, in the Sng and Moriguchi article that provides the most detailed statistical data among the three sources, the China revenue data series starts only after 1650, does not include corvee services and has no wages details.[68] So, to be convinced of the persistently low and stagnant taxation conclusion, the readers would need to better understand the calculation bases, such as the total actual tax receipts (not revenue targets) in the year 1550 and its primary source (as there seems to be no known surviving nationally consolidated fiscal revenue official publication for 1550), whether this revenue includes the revenue of government units other than the Ministry of Revenue, the national daily wages and waged labor population in 1550, the common fiscal accounting unit for consolidation (e.g. grain, silver), commutation rates among tax payment mediums, and related estimation assumptions. Detailed disclosure of the calculations and bases is also helpful because one of the three cited sources indeed warns that "there are significant theoretical and empirical problems both with calculating GDP and real wages and their utility as measures of comparison, and the results of such exercises must be viewed with caution."[69]

[66]Richard von Glahn, *An Economic History of China: From Antiquity to the Nineteenth Century* (Cambridge: Cambridge University Press, 2016), 361.

[67]See the footnote on China in the book's supporting spreadsheet page "Data F9.1" from the companion website to Piketty, *Capital and Ideology*, piketty.pse.ens.fr/ideology (accessed November 15, 2020). The spreadsheet Data F9.1 is under the link "Data series (xls)."

[68]Sng and Moriguchi, "Asia's Little Divergence," 3n3 and 4, Figure 1.

[69]Von Glahn, *An Economic History of China,* 354; the concerns about data quality and comparability are so important that they are reiterated by Von Glahn two more times, on pp. 358 and 359. In addition to Von Glahn, the many scholars who have raised concerns about data quality and statistical analysis for

It is especially important to understand the sources and estimation bases of the 1550 data point since the taxation institutions in the late-fourteenth to mid-seventeenth century were much more complex than the eighteenth and nineteenth centuries. The complexities make this book's argument for persistently low and stagnant taxation in 1550–1650 particularly questionable. In particular, the complexities are in the areas of tax increases through indirect means, significant surcharges, independent extractions by multiple government units without consolidated national fiscal accounting, and so forth. Unless these complexities are properly addressed, the argument for persistently low and stagnant taxation before the mid-seventeenth century could hardly be convincing. The following paragraphs will explain some of these complexities and the associated issues.

For the complexities of tax increase through indirect means, it could happen through changes in commutation rates, extra-target requisitions, manipulation of surcharges, switching among various in-kind and silver levies, and so forth. There were even *tibian* 提編—advanced collection of taxes in future years (especially the advanced extractions by commuting services obligations in future years into silver, such as *tibian junyao* 提編均徭).[70] Depending on the number of years of taxes that the government tried to collect in advance and the number of advanced collections, the actual extraction in a year could be much more than that single year's regular tax targets.[71] *Tibian* was supposed to be only a temporary tax increase for covering military expenditures; however, once imposed, the advanced extractions persisted and were diverted to other uses.[72] So, nominally, there seemed to be no increase in the annual tax targets but taxes were effectively increased by repeated/continuous advancement.[73] In fact, among the various tax increases, the government realized that *tibian* created the most serious burden among the people.[74] For example, there was an advanced extraction to cover the military campaigns against the "Japanese" pirates in early to mid-sixteenth century. It was extracted almost on an as-needed basis by the local in-charge military commander, and *tibian* was arbitrary and prone to abuses.[75] Such "temporary"

premodern China, especially macro long run analysis, include Tsurumi Naohiro 鶴見尚弘, *Zhongguo Mingqing shehui jingji yanjiu* 中國明清社會經濟研究, trans. Jiang Zhenqing (Beijing: Xueyuan Chubanshe, 1989), III; Kent Deng and Patrick O'Brien, "How Well Did Facts Travel to Support Protracted Debate on the History of the Great Divergence between Western Europe and Imperial China?" Working Paper No.257, London School of Economics and Political Science, Department of Economic History, March 2017, 12–13; Kent G. Deng, *Mapping China's Growth and Development in the Long Run: 221 BC to 2020* (Singapore: World Scientific, 2016), 5.

[70]For example, see *Ming Shizong shilu* 明世宗實錄 (Taibei: Zhongyang Yanjiu Yuan Lishi Yuyan Yanjiu Suo, n.d.), 417.3a–3b, 436.1b, 437.3a, 439.4a, 443.2b, 446.5b, 454.1a–2a, 456.4a; Zhang, *Ming shi*, 205.5414; and Zheng Ruozeng 鄭若曾, *Chouhai tubian* 籌海圖編 (Beijing: Zhonghua Shuju, 2007), 710, for information and events related to *tibian*. Advanced collection was not unique to the Ming; the practice existed in as early as the Tang; see Gu, *Rizhilu jishi*, 608–10, Sima, *Zizhi tongjian*, 7165-66 and 7559, Wang et al., *Cefu yuangui*, 5755, and Lu Zhi 陸贄, *Lu Xuangong quanji* 陸宣公全集 (Shanghai: Shijie Shuju, 1936), 156.

[71]There was no fixed rule on the frequency and number of years of advanced extractions; for example, in 1554, there was advanced extraction for the taxes in 1556, i.e. collection of taxes two years in advance; see *Ming Shizong shilu*, 417.3b.

[72]For example, the *tibian* silver extracted from Henan was used to pay for the nobility's stipend in 1556; see *Ming Shizong shilu*, 434.3b.

[73]See *Ming Shizong shilu*, 447.3a, for an example of continuous advancement.

[74]*Ming Shizong shilu*, 433.6a.

[75]For example, a number of officials in charge of the military campaigns were criticized by the censors for extravagance and misappropriation of funds; see *Ming Shizong shilu,* 474.7954–7, 454.7683–5; Yan

tax advancement practices, once implemented, became indispensable and were still in place in 1562–1591, long after the original "Japanese" threat had subsided.[76]

A good illustration of tax increases through other indirect means is offered by the changes in Shanxi province. Military extractions were particularly heavy for Shanxi.[77] There were multiple and substantial increases in the extraction for the northern borders such as the Datong Defense Area (*Datong Zhen* 大同鎮).[78] For example, in 1443, Shanxi was obliged to deliver to the Datong Defense Area over 418,860 *shi* of in-kind grain, plus 150,000 *shi* of grain which were commuted to silver, at the commutation rate of 0.25 taels of silver per *shi*. On top of the grain, Shanxi province had to deliver another 600,000 trusses of horse hay. Six years later, the in-kind grain was increased to 445,315 *shi*, and then there was a new extraction under the tax category of cloth, which was commuted to grain in the amount of 364,568 *shi*. So, in terms of in-kind grain, the effective increase was over 93 percent.[79] Then, in 1457, the silver commutation rate for the commuted grain was changed from 0.25 taels to 1 tael, a 300 percent increase. In 1480, there was another new extraction under the tax category of "white cotton cloth" in the amount of 160,000 bolts, which was commuted to 160,000 *shi* of grain. In terms of horse hay, it was also increased from 600,000 to one million trusses in 1449, an increase of over 66 percent, and there was another increase in the amount of 700,000 trusses in 1482.[80] We must also note that the above increases had to be extracted under a context of taxable land reduction in Shanxi from 41,864,248 *mu* to 36,803,927.21 *mu*, a reduction of over 12 percent, from the Hongwu period (1368–

Congjian 嚴從簡, "Shuyu zhouzi lu" 殊域周咨錄, in *Xuxiu siku quanshu*, vol. 735, 544–45. There were observations that a majority of the "Japanese" pirates were in fact, Chinese; for example, see Yan, *Shuyu zhouzi lu*, 554, 556, and *Xiqiangmen Zhi Chenshi zongpu* 西牆門支陳氏宗譜 (1922) (CJCLS Collection), Image 345.

[76]See *Ming Shizong shilu*, 514.8a, in which the government was still, in 1562, chasing the collection of *tibian* silver from many locations. See also the *tibian* practice of advancing one year of regular taxes (i.e. not only commuted services obligations, *tibian junyao*) in 1591 across the prosperous Su, Song, Chang, and Zhen prefectural areas, in *Ming Shenzong shilu*, 243.3b. In fact, in addition to *tibian*, there were other advanced collection practices; for example, see the 70 percent advanced collection in Sichuan in Wang Dewan 王德完, "Sichuan yichang kunku qiciteen yijiudaoxuanshu" 四川異常困苦乞賜特恩以救倒懸疏, in Chen, *Huang Ming jingshi wenbian*, 444.37.

[77]Zhang, "Wanli kuaijilu," 7.256.

[78]Charles O. Hucker's translation of the Ming *zhen* 鎮 is followed here; see Charles O. Hucker, "Governmental Organization of The Ming Dynasty," *Harvard Journal of Asiatic Studies* 21 (1958), 63.

[79][(445,315—418,860) + 364,568]/418,860. There was no explicit record of cancellation of the silver commuted grain.

[80]The taxation details and data in this paragraph are taken from Zhang, "Wanli kuaijilu," 24.850–1. Please note that, although the core Datong extractions were supposed to be fixed at the commuted grain equivalent target of 481,975 *shi* from 1524, there were continued tax increases through manipulations of surcharges and commutation rates. For example, in 1555 (five years from the 1550 data point), there was a 17.6 percent tax increase through new transportation surcharges for the tax grain and horse hay (i.e. an increase of 90,568 taels of silver from the 1524 commuted target of 481,975 *shi*, which was further commuted to a silver equivalent of 513,992.68 taels); see Zhang, "Wanli kuaijilu," 24.850. This increase was mild when compared to other border defense areas' increase. For example, in the Gansu Defense Area, one military provision target was increased from around 76,900 tales in 1566 to around 175,400 taels in 1585, a 128 percent increase (see *Ming Shenzong shilu*, 202.1b–2a). In fact, the overall border defense expenditure had never been stagnant throughout the Ming, and there were skyrocketing increases in the late sixteenth to mid-seventeenth century (see the last section and note 125 below). One tael in Ming is approximately 36.9 grams. This is based on the benchmark weight of a silver ingot (*yinting* 銀錠) in 1383; see Wang Li, *Wang Li guhanyu zidian* 王力古漢語字典 (Beijing: Zhonghua Shuju, 2003), 1815.

1398) to 1578.[81] The tax burden was aggravated because those substantial tax increases were distributed and extracted against a contracting tax base of productive assets. This Shanxi example was not the only one. In the fifteenth to sixteenth centuries there were also tax increases in provinces such as Shandong and Henan for border defense.[82] With all these changes, we could hardly argue that taxation was persistently stagnant in premodern China.

In addition to the issue of being stagnant, this Shanxi example also illustrates another issue with *Capital and Ideology*'s argument that the per capita tax receipts were persistently low: "at 1–2 percent of national income" (p. 366). Even if we follow the book's methodology and examine the regular tax revenue under the Ministry of Revenue alone, the book's persistently low tax conclusion is questionable for the years 1550–1650. For example, based on the Ministry of Revenue fiscal targets in 1578, the combined Summer and Autumn Tax target for Shanxi amounted to a total of 2,314,802.6 *shi*, and the registered headcount was 5,319,359.[83] So the average tax target was about 0.44 *shi* per registered headcount.[84] If we apply the same subsistence

[81]Zhang, "Wanli kuaijilu," 7.216–7.

[82]*Ming Xiaozong shilu* 明孝宗實錄 (Taibei: Zhongyang Yanjiu Yuan Lishi Yuyan Yanjiu Suo, n.d.), 192.8b–9b; which also shows tax increases in other categories in provinces like Zhejiang, Yunnan, etc.

[83]Zhang, "Wanli kuaijilu," 7.217–9. Please note that the Summer and Autumn Tax number was the collection target and the registered headcount was the population in the government's fiscal records, and probably not the actual population. The Summer and Autumn Tax target and registered headcount used here and in the following paragraph were fiscal figures from the same government fiscal publication, which was meticulously compiled by the Ministry of Revenue with an objective of strengthening fiscal control. In other words, they were numbers over which the government believed they could exercise fiscal control. Also, unlike the southern regions, the registered headcount in the north probably did not deviate greatly from the actual population in the sixteenth century; see Gu, *Tianxia junguo libing shu*, 2443; Fan Weicheng 樊維城 and Hu Zhenheng 胡震亨, "(Tianqi) Haiyanxian tujing" (天啟) 海鹽縣圖經, in *Siku quanmu congshu* 四庫全書存目叢書 (Tainan Xian Liuying Xiang: Zhuangyan Wenhua Shiye Youxian Gongsi, 1996), vol. 208, 5.3a–b. Therefore, they are consistently used here, instead of mixing historical fiscal figures with modern day proxies, to obtain a rough understanding of the then fiscal capacity and extraction burden using the methodology of *Capital and Ideology*.

[84]2,314,802.6/5,319,359 = 0.44. It must be emphasized that this and the following calculations on unitizing tax liabilities per registered headcount are only hypothetical attempts to understand the reasonableness of this book's using its methodology. The taxation realities in the Ming were a lot more complex than and different from our modern conception. For example, the unitized liabilities called "tax rates" in the Ming are different from our modern day tax rates, and tax burden analyses based on the modern conception of tax rate could lead to erroneous conclusions. First of all, tax liabilities in the Ming were *not* assessed by applying a set of universally promulgated extraction percentages on *production outcome*. It was, in a way, a reverse process, and was very location or scope specific. The desired extraction targets were usually set first, and then unitized within a specific scope. So, the setting of "tax rates" in the Ming was the outcome of extraction targets distributed to a particular scope of liabilities distribution and then unitized per assessment unit (e.g. per *mu* of registered taxable land) within that scope. The unitization could involve considerations of historical precedents and negotiations with the local power groups in the scope. However, regardless of the precedents and negotiations, it was of paramount importance that the overall desired extraction targets within that scope were met. As the desired extraction target was not dependent on production outcome, the risks of revenue variability (e.g. crop failure, flood, etc.) were transferred to the taxpayers. For example, in case of a flood, even if there was a benevolent waiver of the tax liabilities distributed to the flooded area, the waived liabilities could still be redistributed to another scope (such as another *xian* 縣) which was not subject to the flood damage (see *Ming Shenzong shilu*, 6.8b–9a). To further complicate matters, taxpayers were liable for joint and several liabilities and there was a passed up hierarchy of the liabilities distribution scopes (e.g. passed up from *li* 里 or *tu* 圖, to *du* 都, and then to *xian* 縣) for distribution of the extraction targets and redistribution of any collection shortfalls. Also, Summer and Autumn

national income proxy from the cited source of the Sng and Moriguchi article of 2014 (p.3–4), this Summer and Autumn Tax target alone was already at about 13.8 percent of subsistence national income, much higher than the "1–2 percent" argued in *Capital and Ideology*.[85]

The above example of Shanxi was not an isolated exception. If we examine the national Summer and Autumn Tax target (i.e. 26,638,460.07 *shi*) and registered headcount (i.e. 60,692,856) in 1578, the average tax target in terms of subsistence national income percentage was about 13.7 percent for the whole of China, again well above the "1–2 percent" level.[86] To allow for the possibility that the registered headcount deviated more from the actual population in the south than the north in 1578 because of regional variations in the methods of distributing tax liabilities and extractions, we can perform a further scenario analysis to assess the reasonableness of the "1–2 percent" conclusion.[87] To get to the "1–2 percent" level, if we assume the same subsistence national income of 3.2 *shi*, the national registered headcount in 1578 will have to increase by seven to fourteen times, i.e. from 60,692,856 to the population range of 420 million to 850 million.

Tax was not the only extraction target for distribution (please see further examples on other extractions below). Collection shortfalls could be redistributed across the liabilities distribution scopes within a passed up hierarchy, with an attempt to meet the overall targets. Therefore, it could be very misleading to draw a conclusion on high or low tax burden or inequalities by simply comparing hypothetical unitized liabilities, or average "tax rates" with a hypothetical subsistence national income, without considering the scopes of liabilities distribution and redistribution (e.g. the "spilled over" from other scopes). It was entirely possible that the final liabilities in certain scopes after repeated redistributions could be crippling and beyond the people's subsistence limit, while the liabilities distributed/redistributed across other scopes could be less onerous, and averaging could mask extreme inequalities. There were indeed serious inequalities in terms of ruinous tax liability redistribution, which impacted property inequalities. Therefore, it is hard for generalized low tax conclusions to be convincing without the support of detailed scoping analyses. Liability redistribution and scoping are complex and much neglected topics among Ming taxation studies, for case examples and details on liability redistribution and scoping, see Leung Waiming, "Redistribution Arenas: Taxation, Property Rights and Elites Competition in Sixteenth Century China Shangyu" (PhD diss. The Chinese University of Hong Kong, 2019), 218–467.

[85]Based on *Capital and Ideology's* cited source of Sng and Moriguchi, *Asia's Little Divergence*, 3n4, the annual subsistence consumption per capita is assumed to be 345 liters of grain. Since 1 *shi* is about 107.4 liters (this Ming *shi* to liter conversion ratio is based on Ray Huang, *Taxation and Governmental Finance in Sixteenth-Century Ming China* (London: Cambridge University Press, 1974), xiv), the annual subsistence consumption per capita in terms of *shi* is thus around 3.2 *shi* (345 liters/107.4 liters). For a 0.44 *shi* of per registered headcount tax target, the extraction in terms of subsistence national income is thus at around 13.8 percent (0.44 *shi* /3.2 *shi*).

[86]Zhang, "Wanli kuaijilu," 1.11–16, assuming the same subsistence national income proxy of 3.2 *shi* per registered headcount.

[87]As explained in notes 83 and 84, because of the differences in the practices of tax liability distribution/redistribution, the registered headcount in the south probably deviated more from the actual population than it did in the north. Registered headcount in the south was evolving into a basis on which the government distributed/redistributed tax liabilities interchangeably with land in the late sixteenth century. Also, there were certainly off-register headcounts. If we spread the same tax revenue target across a population including all those off-register headcounts, the hypothetical per capita tax burden will certainly be lower. It is in a way analogous to the situation of today's working population who are outside of the tax net and official population (e.g. illegal immigrants, illegal workers on visitor visas, etc.). It is arguable whether we should exclude the "dilution effect" of those "tax free" people when we assess a country's tax burden. However, the 1578 registered headcount from the official fiscal record did represent the extraction scope which the government exercised fiscal control over, and from which the government understood the then extraction burden. So, it is used here as a starting point for scenario analyses to gauge the reasonableness of this book's conclusion about the extraction level at "1–2 percent" of national income.

Such a population range means, in 1578, 86–93 percent of the population were outside of the tax net and government's administrative control. If this were true, one has then to answer why China was having one of the most prosperous periods in the Ming in terms of fiscal capacity during the 1570s–1580s, instead of disintegrating due to poor fiscal and administrative control. Also, the population range of 420 million to 850 million means a population growth of 600–1,300 percent from the late fourteenth century to 1578. Such a population level in 1578 does not seem to appear in commonly known primary sources and is well above contemporary scholars' population estimates of about 130 million to less than 200 million in late sixteenth to early seventeenth century.[88] It does not seem to be a very convincing scenario that could support the "1–2 percent" conclusion.

We must also note that the above revenue numbers only reflect the Summer and Autumn Tax's nominal targets concerning the Ministry of Revenue and do not include many other extractions, surcharges, indirect means of tax increases as explained above, and extractions by other government units and vaults. Those other extractions were not trivial, and they varied widely across locations.[89] Worse, even the underlying Summer and Autumn Tax categories changed substantially over time. For example, in the late fourteenth century, the Summer Tax had only three tax categories, including the grain tax, and the Autumn Tax also had only three tax categories, including the grain tax. Then, in the late fifteenth to early sixteenth century, the Summer Tax increased to twenty-three categories, and the Autumn Tax increased to eighteen categories. In 1578, the Summer Tax changed to twenty-one categories, and the Autumn Tax increased to thirty-one categories.[90] In fact, the hypothetical 13.7 percent level of

[88]For example, Ge Jianxiong 葛劍雄 estimates a population of 160–197 million in 1600 (see Ge Jianxiong, *Yizhao simin* 億兆斯民 (Guangzhou: Guangdong Renmin, 2014), 434–35); He Bingdi's 何炳棣 estimate is 130–150 million in 1600; see He Bingdi, *Mingchu yijiang renkou jiqi xiangguan wenti* 明初以降人口及其相關問題 (1368–1953) (Beijing: Zhonghua Shuju, 2017), 312. Cao Shuji's 曹樹基 estimates are 192 million in 1630 and 152 million in 1644; see Cao Shuji, *Zhongguo renkou shi* 中國人口史 (Shanghai: Fudan Daxue Chubanshe, 2000), 451–52.

[89]For example, the royal supply vaults had their own extraction targets. The extraction orders could be regular or ad hoc and the amount was not fixed, especially in the early to mid-Ming. One extraction item was the order for wax. In the early Jiajing period (1522–1566), the targets were at 85,000 catties of yellow wax and 4000 catties of white wax. By the end of the Jiajing period, the yellow wax extraction was increased to more than 200,000 catties (an increase of over 135 percent) and white wax was increased to over 100,000 catties (an increase of over 2400 percent); see She Jideng 佘繼登, *Diangu jiwen* 典故紀聞 (Beijing: Zhonghua Shuju, 1997), 18.324. There were also other notoriously heavy extractions from the royal supplies vaults, such as the weaving and porcelain orders; for example, see Wang Dewan, "Ji caiyongguijie zhiyuan zhuo yingzao huanji zhiwu yiguangshengde yijishijian shu" 稽財用匱竭之源酌營造緩急之務以光聖德以濟時艱疏, in Chen, *Huang Ming jingshi wenbian*, 444.43-45; *Ming Shenzong shilu*, 156.6a, 434.10a; Zhang, *Ming shi*, 78.1907 (on the weaving orders exceeding the fiscal target by several times), and 235.6132 (on the weaving expenditure reached a height of over 2,700,000 taels of silver). The supply vaults could also impose their own surcharges. For example, in the sixteenth century, the vault for wooden fuel and charcoal had a 15 percent surcharge on the submitted wooden fuel and a 10 percent surcharge on the submitted charcoal; see *Ming Shenzong shilu*, 207.2a. Many location-specific extraction items can be found in the *shihuo* 食貨 chapters of the various local gazetteers; for example, see Wang Shangning 汪尚寧, "(Jiajing) Huizhou fuzhi" (嘉靖) 徽州府志, in *Beijing tushuguan guji zhenben congkan* 北京圖書館古籍珍本叢刊 (Beijing: Shumu Wenxian, 1988), vol. 29, 8.185–194, for the supply orders from the Ministry of Revenue in Nanjing and Beijing, Ministry of Works and Ministry of Rites in the case of Huizhou. See The History Department of The Chinese University of Hong Kong ed., *Shandong jingkuai lu* 山東經會錄 (Jinan: Qilu Shushe, 2017), passim, for items in Shandong.

[90]Zhang, "Wanli kuaijilu," 1.11–16.

taxation calculated in the previous paragraph could be a serious underestimation because, in the late fifteenth and early sixteenth centuries, it was observed that the actual extraction level, in terms of pure civilian land tax (i.e. which broadly included the core Summer and Autumn Tax categories and before other extractions such as supplies orders, services obligations, etc.), was already at 40–50 percent of the civilian land output.[91]

On the complexity of surcharges, for example, the Shanxi extractions above for the Datong Defense Area reflected only the basic extractions such as grain and horse hay, other surcharges such as substantial transportation costs had also to be borne by the taxpayers separately and were not included in the above numbers. If silver was transported from a location of over 500 *li* 里 to Datong, the additional transportation cost was already at the 20 percent level.[92] For delivery of the heavier tax grain from Shanxi to Datong, the additional transportation cost was around 600–700 percent in the mid-fifteenth century; and it was observed in the late fifteenth to early sixteenth century that, depending on the originating locations, the additional transportation cost for border defense areas' tax grain delivery could be up to 800–900 percent.[93] Transportation surcharges were also not negligible in other deliveries, such as the 70 percent for transporting tax grain from around the Yangzhou area to Beijing,[94] and the 216 percent for delivering rice from the Suzhou Prefecture to the royal household in Beijing.[95] Other than transportation costs, there was a general observation that if the taxes were commuted to silver, the surcharge of silver meltage waste (*huohao* 火耗) alone could amount to a 50 percent addition for the regular taxes, and a 70–80 percent addition for the miscellaneous taxes.[96]

Another complexity of accounting for the surcharge-related tax increase was that tax could be increased by manipulating surcharges without increasing the regular tax targets. For example, around 1540, in the Suzhou Prefecture, there was an increase of three tax categories with an additional tax target of 33,428 *shi* plus an additional surcharge of 45,074 *shi* (i.e. a total increase of 78,502 *shi*, with an average surcharge at 134 percent of the additional tax target). At the same time, there was a removal of another three tax categories, resulting in a reduction of the tax target by 34,390 *shi* with an associated surcharge of 13,502 *shi* (i.e. a total reduction of 47,892 *shi*, with an average surcharge at 39 percent). So, superficially, it was not incorrect to say there was a tax target reduction in the amount of 962 *shi* (i.e. 34,390 *shi*–33,428 *shi*). However, in substance, there was a net tax increase of 30,610 *shi* (78,502 *shi*–47,892 *shi*) because of the replacement of lower surcharge tax categories by higher surcharge categories.[97]

Independent extractions by different government units formed another complexity at odds with *Capital and Ideology's* blanket conclusion on persistently low and stagnant

[91]Zhang, *Ming shi*, 182.4841–2. Please note that this observation was well before the substantial nationwide land tax increases in the early to mid-seventeenth century. There was also an observation of a roughly 40 percent land tax for the registered land owners in the late sixteenth to early seventeenth century in the Suzhou and Songjiang areas; see Xu Guangqi 徐光啟, *Nongzheng quanshu jiaozhu* 農政全書校注 (Shanghai: Shanghai Guji, 1979), 15.359.

[92]Zhang, "Wanli kuaijilu," 7.217–8.

[93]*Ming Yingzong shilu* 明英宗實錄 (Taibei: Zhongyang Yanjiu Yuan Lishi Yuyan Yanjiu Suo, n.d.), 55.3a; Zhang, *Ming shi*, 182.4842.

[94]Gu, *Tianxia junguo libing shu*, 1313.

[95]Gu, *Tianxia junguo libing shu*, 574.

[96]Gu Yanwu 顧炎武, "Qianliang lunxia" 錢糧論下, in *Gu Tinglin Shiwen Ji* 顧亭林詩文集 (Beijing: Zhonghua Shuju, 2008), 1.19; Gu, *Rizhilu jishi*, 659.

[97]Gu, *Tianxia junguo libing shu*, 574. The net regular tax target reduction was recorded in the book as 966 *shi* instead of 962 *shi*. The small difference is probably due to an arithmetic or transcription error.

state extraction. The taxation system in the late-fourteenth to mid-seventeenth century was essentially designed as a multipoint to multipoint extraction system, i.e. multiple government units extracted independently from multiple taxable sources, and the various tax sources were supposed to deliver their tax dues to the vaults of the various government units, without a single national control point and consolidated national fiscal accounting across government units. The crisscrossing in extractions and deliveries were particularly complicated before the location- and circumstances-specific tax reforms in the late fifteenth to early seventeenth centuries. The Summer and Autumn Tax, as explained above, was mainly the Ministry of Revenue's concern, and it did not represent the total state extractions, especially the other government units' extractions. For example, the Ministry of War had their own extraction policies, such as those regarding horse provision. The unit responsible for the actual horse provision administration (*Taipusi* 太僕寺) accumulated a surplus of over 10,000,000 taels of silver in the mid-sixteenth century.[98] In comparison, the annual revenue target of the Beijing Ministry of Revenue's main silver vault (*Taicang* 太倉) was only about two million taels of silver in the early to mid-sixteenth century.[99] So, the horse provision extractions surplus reached a level of over 500 percent of *Taicang*'s annual revenue target. The Ministry of War and *Taipusi*'s extractions were obviously not negligible. The Ministry of Works also had their own extractions in terms of materials, labor and silver for various construction and maintenance projects, water control projects, and so forth. In the late fifteenth to early sixteenth century, the water control projects in areas such as Shandong, Henan, Suzhou, and Songjiang, already required over 400,000 people.[100] In 1556, for the regular extractions under the Ministry of Works, the portion of material requisitions that was commuted to silver already amounted to about 500,000 taels.[101] This amount did not include the value of materials that had to be submitted in-kind and other silver commuted extractions, such as the ones for the craftsmen, for which the Ministry of Works had an extraction headcount target of 142,486 craftsmen in 1562.[102] Worse, in addition to the regular extractions, there were special project extractions, such as those related to mausoleum construction and maintenance, palace repairs, or preparation for major ceremonies. Resources were extracted on an as-needed basis for those projects, which could be arbitrary and very substantial. For example, for the mausoleums of three emperors in the Ming, each construction project cost over

[98]Zhu Guozhen 朱國禎, *Yongchuang xiaopin* 涌幢小品 (Beijing: Zhonghua Shuju, 1959), 2.41–2, *Ming Shenzong shilu*, 437.4b, *Ming Xizong shilu* 明熹宗實錄 (Taibei: Zhongyang Yanjiu Yuan Lishi Yuyan Yanjiu Suo, n.d.), 81.29b. The increase in the horse provision target was also substantial; for example, in 1490 the horse reserve target was about 10,000 horses; this extraction target was continuously increased; and in 1515, despite some reduction, the target was still at the level of 25,000 horses (i.e. 150 percent increase compared to 1490), see Xie Ruyi 謝汝儀, "Jiupianbi yiyu mazhengshi" 救偏弊以裕馬政事, in Chen, *Huang Ming jingshi wenbian*, 168.405.

[99]Zhang, *Ming shi*, 79.1928.

[100]Zhang, *Ming shi*, 182.4842.

[101]Shen and Zhao, *Da Ming huidian*, vol. 792, 207.444.

[102]See Shen and Zhao, *Da Ming huidian*, vol. 792, 189.274, for the 1562 craftsmen extraction target; also see pp.188–89, 268–92 for craftsmen extraction details, and pp.190, 293–98 for materials extraction details. For more detailed rules and items extracted by the four major units *sisi* 四司 under Ministry of Works, see He Shijin 何士晉, "Gongbu changku xuzhi" 工部廠庫須知, in *Beijing tushuguan guji zhenben congkan* 北京圖書館古籍珍本叢刊 (Beijing: Shumu Wenxian Chubanshe, 1987), vol. 47, 311–703; for an overview of the fiscal related functions of the Ministry of Works, see Sun Chengze 孫承澤, *Chunming mengyu lu* 春明夢餘錄 (Beijing: Beijing Guji Chubanshe, 1992), 46.961–1004.

8,000,000 taels of silver, or over 24,000,000 taels in total.[103] There were sixteen emperors in the Ming, as well as many members of the nobility.[104] Although we don't have the total construction costs for all the emperors' and nobility's mausoleums, this 24,000,000 taels for three gives us an idea of the magnitude of the total resources needed. The direct and indirect extraction impact of this expenditure was certainly also not negligible and must be accounted for in the total state extraction estimation.

On palace construction projects, for example, the Ministry of Works estimated, for the projects initiated in 1514, that the materials and labor would cost about 1,000,000 taels of silver. These special funding needs were met by additional extractions, collected alongside regular taxes. The increased taxes were distributed to the households in Zhejiang province, and all the prefectures and counties in Northern and Southern Zhili.[105] For palace repairs, during the Jiajing (1522–1566) and the Wanli period (1573–1620), each repair project cost about 4,000,000–5,000,000 taels of silver, as each piece of wood already cost over 1,000 taels of silver.[106] In 1600, the projects' funding needs were so substantial that the Ministry of Works' central vault account balance, which was supposed to be the annual regular extractions, net of expenditure, plus cumulative surplus, if any, was not even sufficient to cover 10 percent of the needs.[107] There were suggestions that certain projects should be suspended, but the

[103]*Chongzhen changbian* 崇禎長編 (Taibei: Zhongyang Yanjiu Yuan Lishi Yuyan Yanjiu Suo, n.d.), "Ming Shilu," Appendix 4, 2.23. Please note that this was just the official expenditure and did not include many indirect extractions. For example, during the mausoleum construction for the Wanli Emperor, there were onerous indirect extractions through government procurement at unfair prices. As a result, many suppliers had to abandon their homes and became monks; see *Ming Shenzong shiliu*, 207.1b–2a. It must also be noted that the figures cited were for construction only and did not include ongoing maintenance, which could be substantial. For example, in 1593, the repair of the mausoleum of Emperor Hongxi 洪熙 (who only reigned for one year, in 1425) had a budget of 40,000 taels of silver; see He Zhongshi, 賀仲軾, "Lianggong dingjianji" 兩宮鼎建記, in *Congshu jicheng chubian* 叢書集成初編 (Changsha: Shangwu Yinshuguan, 1937), *xia*.18. In about 1603, heavy rain damaged at least six mausoleums. Repair projects had been ongoing for six years with no known end date. Up to 1609, over 70,000 taels of silver had been spent on repairing just one of the mausoleums; see *Ming Shenzong shiliu*, 461.5b.

[104]For example, in the late sixteenth to early seventeenth century, there were on average over 23,000 registered nobility, see Wang Shizhen 王世貞, *Yanshantang bieji* 弇山堂別集 (Beijing: Zhonghua Shuju, 1985), 1.6–9. Given the large number of registered nobility, their total mausoleum construction expenditure was not negligible. For example, in 1594, the mausoleum construction budget for a princess or her husband was supposed to be about 14,000 taels of silver, and this amount was increased to 24,000 taels (over 70 percent increase); see He, "Lianggong dingjianji," *xia*.19.

[105]*Ming Wuzong shilu* 明武宗實錄 (Taibei: Zhongyang Yanjiu Yuan Lishi Yuyan Yanjiu Suo, n.d.), 119.1a, 4b. The extraction was mild when compared to the extractions for palace construction when the capital was moved to Beijing in the early Ming; see Zou Ji 鄒緝, "Fengtiandian zaishu" 奉天殿災疏, in Chen, *Huang Ming jingshi wenbian*, 21.257–58.

[106]Wang Shixing 王士性, *Guang zhi yi* 廣志繹 (Beijing: Zhonghua Shuju, 1981), 46. As a more specific example, for the repair project initiated in 1557, an additional silver levy in the amount of 1,000,000 taels was imposed, and in this project about 20,000 people were drafted for twenty-eight days in the Shuntian Prefecture 順天府 and nearby areas to move a large piece of stone into the palace; see He, "Lianggong dingjianji", *shang*.1–2. For those households distributed with the actual repair supplies obligations, the liabilities were so onerous that some simply abandoned their homes and fled; see an example in He, "Lianggong dingjianji", *xia*.25. As another perspective, the palace projects cost over 20,000,000 taels of silver in the early sixteenth century, and during the Jiajing period, the cost was about 6,000,000–7,000,000 taels of silver before 1536 and was increased by over ten times in the rest of the period; the expenditure in the Wanli period similarly exceeded the fiscal targets by several times; see Zhang, *Ming shi*, 78.1907.

[107]*Ming Shenzong shilu*, 344.10b.

suggestions were ignored by the emperor.[108] In 1605, there were again attempts to add extractions for the palace repair and renewal projects. There were even suggestions to place dedicated senior central government officials directly in the provinces of Huguang, Sichuan, and Guizhou to push harder for the ad hoc extractions. After careful deliberations, some of the projects were temporarily postponed because the government realized the then extraction burden was already so heavy that further extractions would risk inciting rebellion.[109] Then, in 1607, there was another royal wood supply order (*huangmu caiban* 皇木採辦) for palace construction projects in Beijing. The royal wood supply order was usually very onerous, both in terms of the financial burden and casualties during logging and transportation.[110] In Sichuan alone, the silver commuted extraction target for the order was already over 3,630,000 taels of silver, which was roughly a 300 percent increase over the previous supply order.[111] Worse, construction works for the royal household in Beijing was just part of the issue, extractions required to support the nobility in the provinces were also very substantial. For example, in the late fifteenth to early sixteenth century, the labor requirement for the nobility's residence construction projects in Huguang, Jiangxi, and Shandong was already over 1,000,000 people, and this did not include the regular supply of another 400,000 people to serve the nobility.[112] The direct and indirect impact (e.g. heavy casualties, productivity losses, etc.) of these kinds of extractions should be considered before drawing any persistently low taxation conclusion.

The Ministry of Works special projects discussed above were not isolated examples. There were also many similar special funding needs that could not be covered by regular taxes under the Ministry of Revenue. In the late sixteenth to early seventeenth centuries, *Taicang*'s annual revenue target was increased to around 4,000,000 taels of silver, which, even if fully collected, was barely sufficient to cover regular expenditures. However, the Ministry had to fund three special military campaigns, which cost over 8,000,000 taels of silver; and the other ad hoc palace and ceremonial funding in the Wanli period amounted to 3,600,000 taels of silver.[113] The marriages of the Wanli Emperor's many children were events requiring special funding. For example, the marriage of Prince Fu cost 270,000 taels of silver, the wedding event for the eldest princess cost 120,000 taels, and the one for the seventh princess in 1608 was reluctantly reduced

[108]*Ming Shenzong shilu*, 347.10b.

[109]*Ming Shenzong shilu*, 415.10b.

[110]Zhang, *Ming shi*, 226.5938–9; Xie Zhaozhi 謝肇淛, *Wu zazu* 五雜組 (Beijing: Zhonghua Shuju, 1959), 10.278. The death rate in Sichuan could be over 100,000 people per supply order; and the supposed procurement reimbursement, if any, was very limited. It was essentially additional extraction; see Wang, "Sichuan yichang kunku qiciteen yijiudaoxuanshu," 444.35–37, and Wang, "Ji caiyongguijie zhiyuan zhuo yingzao huanji zhiwu yiguangshengde yijishijian shu," 444.44–45.

[111]Huang Tinggui 黃廷桂, et al., *Sichuan tongzhi* 四川通志, in *Wenyuange siku quanshu*, vol. 559, 16 *shang*.655–56.

[112]Zhang, *Ming shi*, 182.4842. As a more specific example, the construction of one princely residence in Sichuan required 7,960 people (see *Ming Taizu shilu*, 177.5a); and the cost of one repair project of this residence was estimated at 700,000 taels of silver (see Zhang, *Ming shi*, 288.7400).

[113]Zhao Shiqing 趙世卿, "Ti guoyong guifa youyou shu" 題國用匱乏有由疏, in Chen, *Huang Ming jingshi wenbian*, 411.315–6. The 8,000,000 taels were probably only the expenditure that had to be funded by the Ministry of Revenue. The total military expenditure for the three military campaigns could be up to 12,000,000 taels of silver, and taxes were increased by distributing the desired extraction across the taxable land; see Zhang, *Ming shi*, 78.1903, 235.6132 and 305.7805.

from 400,000 taels to 120,000 taels under the context of recent tax-incited rebellions.[114] We cannot arrive at a total state extraction unless all these special funding needs and their direct and indirect extraction impact are properly accounted for.

Also, depending on how we estimate the total annual fiscal revenue, we have to note that the then fiscal accounting was on a complicated cash basis, and actual revenue/extractions were expenditure driven. Fiscal control usually focused on four key figures: the regular annual revenue targets, the actual receipts in a particular year, the actual expenditure in a particular year, and the actual cumulative surplus. Without proper adjustments, using the regular annual revenue targets alone as the total annual fiscal revenue proxy could create a misleadingly stagnant picture. If we take the various vaults' annual silver revenue targets as an input for estimating the total fiscal revenue, because of the cash basis accounting, we have to be aware that the nominally stable annual revenue targets could mask significant year to year fluctuations resulting from the varying level of actual regular tax receipts (which could include extra-target tax increases, indirect means of extractions, borrowings for special funding needs, etc. as driven by the needed expenditure). For example, in 1549 (one year before our concerned 1550 data point), *Taicang*'s regular revenue target was 2,125,355 taels of silver, but the actual receipt was 2,957,116 taels of silver, 39 percent over the regular target (there were special fund raising means such as plundering local resources (*soukuo* 搜括) and the selling of degrees and offices). And then, in 1550, although its annual revenue target remained the same, *Taicang* somehow covered a funding need of 4,122,727 taels, almost 94 percent over its regular revenue target.[115] Also, some of the supposedly one-off special funding needs, once initiated, became regular extractions. Before drawing any persistently low and stagnant tax conclusion, we have to be aware of the time period they became effective. For example, in 1618, there was a direct tax target increase of over 2,000,000 taels of silver to cover a special military funding need in Liaodong; and in 1619, there was another similar increase, and then in 1620, there was a further increase, leading to a total tax target increase of over 5,000,000 taels of silver over the three years, and this special funding need became an annual extraction.[116] If we take only one

[114]See Zhang, *Ming shi*, 220.5805–6; and Cha Jizuo 查繼佐, *Zui wei lu* 罪惟錄 (Hangzhou: Zhejiang Guji Chubanshe, 1986), 2110. The total marriage and crowning expenses for all Wanli Emperor's sons were around 9,340,000 taels of silver; see Zhang, *Ming shi*, 235.6132. These were not isolated examples, there were similar special funding requests in other Ming periods; for example, there was a 400,000 taels of silver request to Ministry of Revenue in the Zhengde period (1506–1521) for covering the royal wedding ceremony's expenses; see *Ming Wuzong shilu*, 15.18b.

[115]Pan Huang 潘潢, "Hongyuanlü zeshixiao yi jifuqiang shu" 弘遠慮責實效以濟富強疏, in Chen, *Huang Ming jingshi wenbian*, 199.62. The four fiscal control figures were also stated by Pan Huang in his memorial. In fact, for the six to seven years after 1550, *Taicang*'s nominally stable annual revenue target (around 2,000,000 taels of silver) could only cover less than half of the annual funding needs. The deficit was covered by inter-vaults borrowing, covert tax increases such as the *tibian junyao* explained above, commuting service obligations to silver, etc.; see *Ming Shizong shilu*, 456.3b–4a. *Taicang*'s deficit was eventually extracted from the people; see Pan Huang 潘潢, "Huiyi diyi shu" 會議第一疏, in Chen, *Huang Ming jingshi wenbian*, 198.32. Please also note that, under the complicated cash basis accounting, *Taicang*'s "actual expenditure" could include prepayments rather than actually incurred expenditure, especially for the border defense's military expenditure; for examples, see *Ming Shenzong shilu*, 71.11a (for prepayment of 50 percent of the 1578 border defense expenditure target in the first lunar month of 1578), and 218.8b–9a (for prepayment of the first six lunar months of the 1590 border defense expenditure target in the twelfth lunar month of 1589).

[116]See *Ming Shenzong shilu*, 574.11b (for the 1618 increase), 589.10a (for the 1619 increase), and 592.6a (for the 1620 increase). The order of magnitude of the 1620 increase could be approximated by applying

random data point in the 100 years period of 1550–1649 (for example the 1550 data point, as *Capital and Ideology* does) to represent the long term extraction pattern, in addition to the issue of the actual tax receipts' year to year fluctuations from regular revenue targets, we could also miss major tax target increases (such as the tax increase of over 5,000,000 taels of silver in 1618–1620) and deduce a conclusion that deviates from historical realities.

The above complexities pose daunting challenges to the estimation of the level of total extraction. Unfortunately, we cannot avoid these challenges, as the extractions on top of the Ministry of Revenue's regular taxes (such as the advanced extractions, ad hoc extractions, extractions by various government units, etc.) were not negligible. To further assess the reasonableness of *Capital and Ideology*'s low tax conclusion, we can also examine the issue from another perspective: the tax avoidance arrangements. We can examine how much the taxpayers were willing to pay in order to offload their tax liabilities, which could give us a very rough sense of how substantial the total extractions could be in relation to the regular tax. For example, in the mid-sixteenth to mid-seventeenth century, in Zhangzhou prefecture of Fujian province, taxpayers could offload their liabilities through a nominal transfer of taxable land to someone else's household registration, and the prices they paid were disguised as "rental payments."[117] More specifically, in Nanjing County of Fujian province, one could offload one's tax liabilities by paying 0.3–1 *shi* of grain for every 0.1 *shi* of tax liabilities.[118] This level of tax liabilities transfer price shows a transfer price multiple of three to ten (i.e. 0.3 *shi*/0.1 *shi* to 1 *shi*/0.1 *shi*), which means that the actual total tax liabilities could be three to ten times of the regular tax for a normal taxpayer. This was because, if otherwise, there would be no incentive for one to pay such a premium to offload one's tax liabilities. In some other areas, such as Longxi County, the offloading price was at ten taels of silver per one *shi* of tax liabilities. The official commutation rate for civilian tax grain (*minmi* 民米) was around 0.5 taels of silver per one *shi* of tax grain.[119] So, given the liabilities transfer price, the total actual extractions could be up to an extreme level of twenty times (i.e. 10 taels/0.5 taels) the regular tax liabilities. Worse, the total tax liabilities could even become well above the agreed transfer price upon sudden new tax impositions. For example, in the mid to late sixteenth century, the monks in Fujian accepted, on

the 0.002 taels of silver per *mu* tax target increase to the registered taxable land area in 1578 (i.e. about 701,397,628 *mu*, see Zhang, "Wanli kuaijilu," 1.13) as per *Ming Shenzong shilu*, 574.11b and 592.6a. See also Zhang, *Ming shi*, 220.5807 for the total tax target increase of 5,200,000 taels of silver in 1618–1620. Please note that there are discrepancies in the exact tax target increase numbers between *Ming Shenzong shilu* and *Ming shi*, but their orders of magnitude are similar. There were also very substantial tax target increases in 1630, 1635, 1637, and 1639, and the total tax target increase in 1618–1639 amounted to over 20,000,000 taels of silver; see Zhang, *Ming shi,* 78.1903–4. These are examples of more significant tax target increases, and there were also other relatively smaller increases in the regular tax targets after 1550. For example, in 1587, the actual Autumn Tax target in Guangxi province was increased by about 15 percent (i.e. from around 369,202 *shi* to 424,889 *shi*); see *Ming Shenzong shilu*, 186.6a.

[117]The nominal land transfer normally happened during the year of Yellow Register compilation (i.e. *Huangce dazao zhinian* 黃冊大造之年), which was supposed to be a regular household account and property update exercise conducted every ten years. There were many ways to profit from the tax avoidance arrangement, for example, the person who accepted the liability transfer could resell the liabilities to a third party, and the third party could simply vanish or just refuse to pay the tax (e.g. if the third party was one of those powerful local elites (*shihao zhijia* 勢豪之家) who became tax consolidators (*lannahu* 攬納戶)); see Gu, *Tianxia junguo libing shu*, 3073.

[118]Gu, *Tianxia junguo libing shu*, 3120.

[119]Gu, *Tianxia junguo libing shu*, 3072 and 3074.

average, a transfer price of ten *shi* of grain for taking over one *shi* of tax liabilities. When in 1564, the government, in order to cover its military expenses, imposed an additional tax of 3.74 taels of silver on each *shi* of tax liabilities, the monks faced the grave situation that their tax liabilities well exceeded their income of ten *shi* of grain. It was because the then market price of the ten *shi* of grain income received by the monks was worth only 2.5 to 3 taels of silver; and the additional imposition by the government meant an annual net loss of 0.7 taels of silver or more (e.g. 3.74 taels–3 taels) for every *shi* of tax liabilities that the monks accepted.[120] In this case, a persistently low taxation was certainly not what the monks experienced. This example also shows that the tax increase could be very sudden and drastic. Based on the price of 2.5 to 3 taels of silver for ten *shi* of grain, each *shi* of tax liabilities was worth only 0.25–0.3 taels of silver. The 3.74 taels additional imposition per *shi* of tax liabilities meant a more than 1,000 percent sudden tax increase.

The above are just some of the many examples which contradict a stagnant picture of low taxation. In fact, apart from high or low taxation, to fully understand inequalities in premodern China, we must also understand tax liabilities redistribution. For example, the avoided taxes in the Ming were repeatedly redistributed among powerless people and created serious inequalities. Powerless people were trapped in a vicious cycle of tax liabilities redistribution. The more taxes the powerful elites avoided, the more avoided taxes were redistributed among the powerless, especially those with land holding, however small, on the government's register. To avoid attracting the ruinous tax liabilities redistribution, more desperate people disposed of their land, and more avoided tax liabilities had to be redistributed. This led to an ever-contracting tax liabilities redistribution scope, and an ever increasing tax burden for those remaining in the scope; inequalities were thus pushed to the extreme.[121] Tax liabilities redistribution was a significant factor affecting property redistribution and inequalities. It was not just about high or low taxation.

The Fiscal State Analysis Framework

Capital and Ideology inherits the fiscal state studies' economic development causation logic that "the rise of the fiscal and social states played a central role in the transformation of ownership societies into social-democratic societies" (p. 456), and "the rise of the fiscal state did not impede economic growth … Indeed, the opposite is true: the

[120]The above details are from Gu, *Tianxia junguo libing shu*, 3074–75 and 3081. The land owned by the monks was notorious for its dubious origins and the monks were actively involved in various tax avoidance arrangements, about 30–40 percent of the taxable land in Nanjing and Longxi County were registered under the monks; see Gu, *Tianxia junguo libing shu*, 3074 and 3081. These examples might seem extreme, but affordability and subsistence impact were not necessarily the officials' primary consideration when imposing new extractions, especially those related to material supplies and service obligations; for example, see He Tang 何瑭, "Mincai kongxu zhibiyi" 民財空虛之弊議, in Chen, *Huang Ming jingshi wenbian*, 144.128.

[121]On land disposal, in addition to the previous examples of land "parking" tax avoidance schemes, there were also people who simply abandoned their land to avoid tax redistribution; for example, see the Minister of Revenue's observations in 1567, in *Ming Muzong shilu*, 7.13a, and She, *Diangu jiwen*, 18.325. Incidentally, the grandfather of Ming's founding emperor had also to abandon his land and run away to avoid the ruinous tax liabilities, see Lang Ying 郎瑛, *Qixiu leigao* 七修類稿 (Shanghai: Shanghai Shudian Chubanshe, 2001), 75, and Lin Shidui 林時對, *Hezha congtan* 荷牐叢談 (Taibei: Taiwan Yinhang, 1962), 1.10. For explanations of tax liability redistribution and scoping, see note 84 above.

fiscal state played a central role in the modernization and development of the economy in Europe and the United States over the course of the twentieth century" (p. 458), and "no rich country has been able to develop with tax revenues limited to 10–20 percent of national income" (p. 457).[122] Following this logic, to explain the "great divergence" between Europe and China, the book argues that, rather than Smithian institutions (i.e. low taxes, free markets, property rights, etc.), Europe's domination in the nineteenth century was due to its superior military power, which in turn was a result of high extractions and strong revenue capacity (pp. 374–381, 479). China "was a structurally weak state with extremely limited fiscal revenues and little to no capacity for economic or social intervention or oversight" (p. 390). China remained a "weak state"

[122]On the fiscal state history scholarships, for the western countries, see the various essays in Richard Bonney ed., *The Rise of the Fiscal State in Europe, c. 1200–1815* (Oxford: Oxford University Press, 1999); Bartolomé Yun-Casalilla, Patrick K. O'Brien and Franciso Comín Comín ed., *The Rise of Fiscal States: A Global History 1500–1914* (Cambridge: Cambridge University Press, 2012); and Andrew Monson and Walter Scheidel ed., *Fiscal Regimes and the Political Economy of Premodern States* (Cambridge: Cambridge University Press, 2015). For Song China, see William Guanglin Liu, "The Making of a Fiscal State in Song China, 960–1279," *Economic History Review*, 68.1 (2015), 48–78; Kent Deng, *Demystifying growth and development in North Song China, 960–1127*, Working Papers No.178/13, June 2013, Department of Economic History, London School of Economics; and Kent Deng, "Imperial China under the Song and late Qing," in *Fiscal Regimes and the Political Economy of Premodern States*, 321-26; which argue that to meet the threats and demands of the nomads, Song had to strengthen its tax capacity and promote industry and commerce; the Song state pioneered and architected many financial innovations, and as a result, had sustained prosperity (i.e. not modern economic growth). Deng, "Imperial China under the Song and late Qing" also covers Qing, and please note that the 8 percent low tax burden conclusion on p. 316 (i.e. "the Qing per capita tax burden in 1766 was merely 8 percent of the 1381 level under Ming rule (1368–1644)") seems to be an underestimation: the 8 percent was probably calculated by taking only the average per capita in-kind grain tax (i.e. 3.96 shi in 1766/ 49.27 shi in 1381 = 8%) from the secondary source of Liang Fangzhong 梁方仲, *Zhongguo Lidai Huko Tiandi Tianfu Tongji* 中國歷代戶口田地田賦統計 (Shanghai: Renmin Chuban She, 1980), 428, and the substantial 1766 silver land tax in the amount of 29,917,761 taels of silver on p. 428 was not included in the calculation. For other Ming and Qing fiscal state scholarships arguing for low taxation leading to weak state capacity and then the absence of modern economic growth, for example, see Ray Huang, *Taxation and Governmental Finance in Sixteenth-Century Ming China* (London: Cambridge University Press, 1974), which argues that China's low taxation and weak state capacity prevented it from developing growth inducing institutions and attributes Ming's demise to low taxation. His argument is further developed in Ray Huang, "The Ming Fiscal Administration," in *The Cambridge History of China, v. 8, The Ming Dynasty, 1368-1644, pt. 2*, edited by Denis Twitchett and Frederick W. Mote (Cambridge: Cambridge University Press, 1998), 107, 113; Huang Renyu黃仁宇, "Zhongguo jindaishi di chulu" 中國近代史的出路, in *Da Lishi Buhui Weisuo* 大歷史不會萎縮 (Taipei: Lianjing, 2004), 103, 105-106; and Huang Renyu黃仁宇, "Ming Taizong Shilu zhong di nianzhong tongji" 明太宗實錄中的年終統計, in *Fangkuan lishi di shijie* 放寬歷史的視界 (Beijing: Joint Publishing Company, 2007), 65. There are also studies which take for granted the persistently low and stagnant taxation argument and attempt to explain it. For example, see Debin Ma, "State Capacity and Great Dvergence, the Case of Qing China (1644–1911)," *Eurasian Geography and Economics* 54.5–6 (2014), 484–499, which argues that China had a different economic development trajectory from Western Europe because it had to keep its taxes low, and China had to levy low taxes because its size and the centralized political structure caused information asymmetry and incentives misalignment problems. Similar explanations of China's different economic development trajectory because of low taxes and with fundamental causes attributed to the size of China, information asymmetry problems, etc. are also posited by T.H. Sng, "Size and dynastic decline: the principal-agent problem in late imperial China, 1700-1850," *Explorations in Economic History* 54 (2014) 107–127, and Tuan-Hwee Sng and Chiaki Moriguchi, "Asia's Little Dvergence: State Capacity in China and Japan before 1850," *Journal of Economic Growth*, 19.4 (2014), 439–470.

"until the nineteenth century," "incapable of autonomously guaranteeing the security of people and property and of maintaining public order and enforcing respect for the rights of property" (p. 368). The fiscal state causation logic serves as a backbone in buttressing its universal recommendation of progressive taxation across all the countries. But did high extraction definitely lead to modern economic growth? The argument that high extraction leading to strong state capacity and then modern economic growth may be valid in explaining Europe's economic development, but its applicability to the whole of premodern China is questionable. We have seen that taxation was not persistently low and stagnant throughout premodern China. There were indeed periods with significant increase in extraction that did not result in strong state or military capacity. There were also periods of strong state capacity that did not result in modern economic growth.

In terms of military capacity and extraction, the *tibian* examples and Fujian example above of a ten times tax increase for military expenses were not unique. The overall border defense military expenditure in terms of silver that had to be funded by the Ministry of Revenue in fact increased by over 500 percent from 430,000 taels of silver to over 2,700,000 taels from the late fifteenth to mid-sixteenth century.[123] In the late Ming, there was a military extraction increase of about 1,800,000 taels of silver for 120,000 soldiers, but there was no corresponding increase in the soldiers' headcount from the old register after the tax increase. Then, there was a similar failure to improve the military capacity after a tax increase of 7,000,000 taels of silver for strengthening the border defense forces.[124] In 1643, one year before the collapse of the Ming, the military expenditure reached a high of 21,221,487 taels of silver.[125] These examples show that high extractions did fail to strengthen state capacity, even when the state was in existential crises, let alone promote modern economic growth. In fact, what happened in the Ming was not unique. There was indeed an overall observation in the late Song to the early Yuan that, the increased military capacity in the Tang and Song actually led to the weakening of state capacity and demise of the state.[126]

A good example of strong state capacity (in terms of fiscal surplus), without leading to modern economic growth, was in the period under the governance of Zhang Juzheng 張居正 (1525–1582). Zhang managed to turn around the Ming government's poor fiscal position and achieve a substantial fiscal surplus in the 1570s–1580s.[127] However, despite the much-improved state capacity in terms of the fiscal surplus, modern

[123]Sun, *Chunming mengyu lu*, 574. The increase was over 700 percent from the late fifteenth century to the late sixteenth; see Zhang, *Ming shi*, 235.6132, and *Ming Shenzong shilu*, 186.7a.

[124]Sun, *Chunming mengyu lu*, 573. The Emperor Xizong also questioned the lack of soldiers despite transferring millions of taels of silver from the royal vaults to the border defense forces, see *Ming Xizong shilu*, 15.20a. The failure was attributed by some to the soldiers' recruitment system, which attracted fraudsters and people without incentive to fight, instead of a conscription system based on household registers, for example, see *Chongzhen changbian*, 35.36–39.

[125]Ni Yuanlu 倪元璐, "Ni Wenzhen zoushu" 倪文貞奏疏, in *Wenyuange siku quanshu*, vol. 1297, 8.19b–20a.

[126]See Ma, *Wenxian tongkao*, Kao, 7. The idea and argument in this paragraph are developed from Leung, "Redistribution Arenas," 512–17.

[127]See Zhang Juzheng 張居正, "Da hecao Wangjingsuo" 答河漕王敬所, in *Zhang Wenzhong Gong quanji* 張文忠公全集 (Shanghai: Shangwu Yinshu Guan, 1935), vol. 4, 313. In 1577, the royal supply vault was so excessively stocked with the extracted rice that the rice was left to rot; see *Ming Shenzong shilu*, 68.4a; and in 1583 to 1584, the main granary in Beijing had a large grain stock surplus which could cover seven to nine years' needs; see *Ming Shenzong shilu*, 144.4a, and 156.5b.

economic growth did not occur during his reign.[128] To understand this phenomenon, we have to understand that the then conception of wealth growth and redistribution was very different from the conception under the fiscal state analysis framework. They were concerned not only about inequality and the redistribution of property and tax liabilities among social groups, but also about the redistribution of wealth between the state and the people. Zhang believed that world resources, and therefore wealth, were finite and fixed; and it was a matter of zero-sum redistribution between the state and the people.[129] In other words, it was not a fiscal state conception of creating a bigger economic pie by increasing the state's capacity through higher extraction. Instead, it was believed that if the state got more of the finite wealth, the people would get less. It was essentially a "you win, I lose" or the "state against people" conception. This zero-sum redistribution conception was not conducive to the promotion of economic growth by revenue maximization. This conception was not just an isolated casual remark by Zhang. It was also shared by other influential officials, such as Pan Huang 潘潢 (?–1555), the Minister of Revenue in the Jiajing period (1522–1566), Lü Kun 呂坤 (1536–1618), who was once a senior official in the Ministry of Revenue and the Governor of Shanxi, who also published a famous administration and fiscal governance handbook, and Zhao Shiqing 趙世卿 (?–1618), the Minister of Revenue in the early seventeenth century.[130]

Indeed, similar views on finite wealth and zero-sum redistribution between the state and the people were also expressed by different emperors, for example, the Jiajing Emperor in a 1529 edict, and the Tianqi Emperor in a 1626 edict.[131] This zero-sum understanding of wealth redistribution was not new to the sixteenth and seventeenth centuries; it had a long history going back at least to the eleventh century, if not before. For example, Sima Guang, a key policy maker more than 400 years before Zhang Juzheng, expressed an almost identical zero-sum finite wealth redistribution view: an increase in state capacity in terms of higher extraction would be at the expense of the people's wealth.[132] In short, they did not all share the ideal of promoting economic growth through high state extraction. The zero-sum conception among the rulers and policy makers from the Song to Ming contradicted the aim of developing a fiscal state and growth through revenue maximization. Unless such a fundamental difference is understood, it is difficult to understand and explain the historical actors' decisions

[128]It was not an exception. There were other periods of strong fiscal capacity or high extractions without modern economic growth; the early Ming was another example; see Zhang, *Ming shi*, 78.1895, and *Ming Taizu shilu*, 110.8b.

[129]See Zhang, "Chen liushi shu" 陳六事疏, in *Zhang Wenzhong Gong quanji*, vol. 1, 6, for Zhang's conception mentioned in his policy recommendation to the emperor.

[130]See Zhang, *Ming shi*, 220.5804 for Zhao Shiqing's view, and p. 5942 for Lü Kun's view; and Pan Huang, "Hongyuanlü zeshixiao yi jifuqiang shu" 弘遠慮責實效以濟富強疏, in Chen, *Huang Ming jingshi wenbian*, 199.62, for Pan Huang's view; see also the idea in He, "Mincai kongxu zhibiyi," 144.126, that it was more important for the wealth to be with the people than the state. The idea and argument in this and the following paragraph are developed from Leung, "Redistribution Arenas," 214.

[131]See Sun, *Chunming mengyu lu*, 992, and Gu, *Rizhilu jishi*, 700, respectively. In fact, under normal circumstances, the fiscal principle of keeping the wealth among the people instead of revenue maximization by the state (*cangfu yumin erbu cangfu yuguo* 藏富於民, 而不藏富於國) was a common belief among policy makers, for examples, see *Ming Taizu shilu*, 34.3b and 176.3a, *Ming Shizong shilu*, 239.2b, *Ming Muzong shilu*, 42.19b-20a, *Ming Shenzong shilu*, 301.4b, and Zhang, *Ming shi*, 79.1929.

[132]Huang Huai 黃淮 and Yang Shiqi 楊士奇, *Lidai mingchen zouyi* 歷代名臣奏議 (Taibei: Taiwan Xuesheng Shuju, 1985), 264.24a.

and the resulting economic phenomena directly through the fiscal state analysis framework.

Conclusion

In summary, China was not a simple trifunctional society throughout its history until 1911, and a linear five-stage societal progression cannot fully reflect historical realities. Persistently low and stagnant taxation did not characterize the whole of premodern China. To fully understand inequalities in premodern China, tax liabilities redistribution must be examined alongside property redistribution. Also, the fiscal state framework's causation logic of high extraction leading to strong state capacity and then modern economic growth is questionable in the context of premodern China. A persuasive analysis of the role of the premodern Chinese state in promoting economic growth must consider the then "zero-sum" finite wealth view among policy makers.

It must be emphasized that, despite the oversimplifications, *Capital and Ideology's* attempt to transcend nationalistic and identitarian perspectives and offer a global solution to our inequality problems is highly commendable. It rightly rejects determinism, elevates the importance of overcoming ideological constraints, and increases our awareness of alternatives to capitalism. It is correct that if we set our gaze beyond the accepted ideologies which justify inequality, we can then see the many possible paths forward.

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