

# *Land, Markets and the Modernization of Rural Society: A Comparison of the Views of Fei Xiaotong and R. H. Tawney*

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**Abstract:** Fei Xiaotong's (Fei Hsiao-tung) works on rural economies and societies written in the 1940s were deeply affected by British economic historian R. H. Tawney. Through comparison, this article reveals at least two connections between their works. First, Tawney's analysis of the transition from agricultural modernization to industrial modernization in Britain serves as a reference for Fei's works on the economic transformation of the Yangtze Valley in Jiangsu and Lucun village in Yunnan. Second, Tawney's "theory of gentry" also serves as the underlying view for Fei's theory on the functions of the Chinese gentry. However, Fei does not simply follow Tawney's steps. Instead, he offers unique insights into the issues of horticulture transformation and gentry types in China. Furthermore, in Fei's social theory and practice, the role of "state" was considered to be less positive. The interrelations of the community, market, intellectuals and the state construct Fei's modernization scheme of China. His idea about how China, a slower participant in the world system, can maintain economic autonomy was still valuable today.

**Keywords:** Fei Xiaotong, land system, gentry, market, state

**DOI:** <http://dx.doi.org/10.19873/j.cnki.2096-0212.2020.06.004>

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The paper was the research result of the "Study on the Theory and Methodology of the Rural Social Transformation by the Yanqing School" (18BSH001), a general project under the National Social Science Foundation of China. Thoughts on the paper were initially formed in the "Shiheng Excellent Lecture" sponsored by Yunnan Shiheng Education Foundation in the summer of 2016.

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In the existing research on the academic history of Chinese sociology and anthropology, there was already abundant research on Fei Xiaotong's modernization scheme, but research on the academic connections between Fei Xiaotong and British economic historian Richard H. Tawney was still lacking.<sup>①</sup> Fei Xiaotong's *Peasant Life in China: A Field Study of Country Life in the Yangtze Valley* quotes several contents of Tawney's *Land and Labor in China*, and Fei affirms Tawney's discussions on the key issues including urban-rural financial relations and the formation of absentee landlords (Fei, 2001, p. 163).<sup>②</sup> *Luts'un: A Community of Petty Landowners* also quotes contents of *Land and Labor in China* several times. Fei starts a dialogue on the land system with Tawney in the last chapter of his work (Fei, 2006a, p. 183, 186). In the introduction to the English version of *Earthbound China: A Study of Rural Economy in Yunnan*, Fei Xiaotong believed that Tawney's *Land and Labor in China* was the best study of the Chinese economy in rural communities at that time. The reason why Tawney's conclusion was valuable was that it provides factual materials and that it explains the materials under the overall economic change of China—a change comparable to the change which occurred in Europe during the Industrial Revolution (Fei, 1999a, p. 392). In addition, in the sections of *The Cultural Crux of Chinese Social Changes*, the first chapter of *Rural Recovery*, when Fei Xiaotong discusses the spirit of economy of abundance for continuous accumulation and expansion to acquire more and better opportunities, the main target of the interlocution was also Tawney (Fei, 1999b). Actually, Fei Xiaotong's opinions in his reading notes on Max Weber's *The Protestant Ethic and the Spirit of Capitalism* were more similar to Tawney's *Religion and the Rise of Capitalism: A Historical Study*.<sup>③</sup> All the above mentioned texts prove that Fei and Tawney were closely related in views and values.

Of British upper-class origin, Tawney was educated at Rugby School and at Balliol College, Oxford (Peng, 2011). He began teaching at the London School of Economics in 1913, becoming professor of economic history in 1931 and professor emeritus in 1949 (Goldman, 2014). R. David Arkush once speculated that Fei was likely to have taken Tawney's lessons (Arkush, 2006, p. 33). Whether the speculation was true, Fei Xiaotong did know Tawney and had read his works. When Tawney came to China for study in 1930, the two got to know each other. In 1946, Fei gave a speech chaired by Tawney at the London School of Economics and Political Science, which represented their friendship (Fei, 1999c, p. 154).

Tawney's research monographs of China were highly respected by Fei, but the most striking achievement of Tawney was still his research on British economic and social history from the 16th to

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① Some scholars have pointed out that Tawney's important role in the Western institute of economic history was not commensurate with the study on Tawney's works in Chinese academia. There was a lack of in-depth discussions on his study of European economic history, and less attention has been paid to his studies of China (Ouyang, 2006). Wang Junbai (2015) discussed how Tawney's studies of China influenced Fei Xiaotong's rural studies and believed that Fei Xiaotong inherited the ideological tradition of gradual reform of the Fabian Society, and adopted both the historical and overall perspective consistent with Tawney. Recently, Wen Xiang (2018, pp. 207-218) also studied Tawney's views on industrialization and labor issues. He believed that the potential relationship between studies on the local China conducted by Fei Xiaotong and Tawney has not yet been fully discussed.

② Among about 20 documents and archives cited in the book *Peasant Life in China: A Field Study of Country Life in the Yangtze Valley, Land and Labor in China* was cited five times, the most among all being cited.

③ Those interested could compare Fei Xiaotong's manuscript *The Relationship between the Protestant Ethic and the Spirit of Capitalism* (Fei, 2016) to Tawney's *Religion and the Rise of Capitalism: A Historical Study* (Tawney, 2006, pp. 48-79). The comparison between Tawney and Weber was one of the topics that Western researchers focus on. Researchers generally believe that Tawney's comments on Weber's work triggered the trend of reflection on Weber's theory by scholars in economic and social history in the 20th century (Whimster, 2005, 2006; Peltonen, 2008).

the 17th centuries. Before Fei Xiaotong wrote *Peasant Life in China* and *Luts'un: A Community of Petty Landowners*, Tawney's main works, such as *The Agrarian Problem in the Sixteenth Century* (1912), *The Acquisitive Society* (1920), *Religion and the Rise of Capitalism: A Historical Study* (1926) and *Land and Labor in China* (1932), were already well known. At the same time, there were also Chinese version of Tawney's published works, including *The Acquisitive Society*, *Education: The Social Policy*<sup>①</sup> and *Land and Labor in China*.<sup>②</sup>

Tawney continued to publish works into the 1960s (Tawney & Winter, 1972). However, among his works, *The Agrarian Problem in the Sixteenth Century*, *Land and Labor in China*, and *The Rise of the Gentry, 1558–1640* were particularly noteworthy in terms of their relevance to the topic of this article.<sup>③</sup> Theory of the land and theory of gentry, two foundations of Tawney's modernization theory, was embodied in these two works, namely *The Agrarian Problem in the Sixteenth Century* and *The Rise of the Gentry: 1558–1640*, while *Land and Labor in China* features a comparative study based on the two theories.

There were considerable subsequent studies on *The Agrarian Problem in the Sixteenth Century* which was a classic of research on British economic history. These studies complement new materials and views for this book (Gergson, 1989; Whittle, 2013; Kerridge, 2006; McRae, 1996). In this book, Tawney pointed out that the “bourgeoisie” was a specific group of people of different social classes, such as landlords, tenants of capital style and free laborers receiving wages, which has emerged in the struggle between landlords and copyholders of tenures since the 16th century (Gergson, 1989).<sup>④</sup> In the article *The Rise of the Gentry, 1558–1640* published in 1941, Tawney pointed out that in the 17th century, the land issue entered into the second stage, when landlords who were not usually distinguished by their origins became strong competitors in the land market. What they had in common was that they were rich, so he called them “bumpkins” (Tawney, 1941, pp. 1-38). Therefore, some scholars have summarized Tawney's views as “the theory of gentry” (Bryer, 2006, p. 380).

It can be seen from Fei Xiaotong's research on rural society and agriculture in China that he was

① The first book was a Chinese version of *The Acquisitive Society* translated by Wu Zhichun and the second was translated by Ye Qifang which seems to be a pamphlet called *Education: The Social Policy* (1924) (Peng, 2011) written by Tawney for the Labor Party to publicize socialism. However, in Peng's article, “Tao Zhenyu” was mistakenly referred to as “He Zhenyu,” which was hereby pointed out. Both pamphlets were written by Tawney for the Labor Party's political publicity. Tawney made no secret of his political enthusiasm for socialism and social justice, and later researchers and biographers discussed the close relationship between his academic activities and social concerns (Terill, 1973; Wright, 1987; Dannis & Halsey, 1988). However, some scholars pointed out that there were rich meanings in Tawney's thoughts, and it seems that his strong ethical views were rooted in his study of social and economic history rather than politics (Seligman, 1998, pp. 5-9; Whittle, 2013, pp. 1-18).

② Translated by Tao Zhenyu from *Agriculture and Industry in China*, which was originally a memorandum submitted to the Institute of Pacific Relations in 1931. When published in 1932, it was renamed *Land and Labor in China*, and added the last chapter, Politics and Education. This chapter was first translated by Jiang Tingfu. Tao Zhenyu's version was a combination of the memorandum translation and Jiang Tingfu's translation (Tao Zhenyu, 1937). *Land and Labor in China* (2014) was translated from the English version of 1966.

③ After publishing *The Agrarian Problem in the Sixteenth Century*, Tawney together with Eileen Power, professor of University of London, co-edited and published the three volumes of *Tudor economic documents: Being select documents illustrating the economic and social history of tudor England*. It covers archives, manuscripts and memorandums of British business policy, colonial enterprises, currency markets, taxation, poverty law and other aspects from 1485 to 1603, as well as some published but rare books (Tawney & Power, 1963, v-viii). The book fully presents Tawney's main method of study and was also a classic materials integration of Western economic history.

④ This conclusion for land ownership and labor relations has aroused later researchers' interest in the comparative study of Tawney's view and Marxism (Clift & Tomlinson, 2002; Bryer, 2006).

influenced by Tawney's *Land and Labor in China*, but it was far more than that. Fei Xiaotong talks about the land system in the study of Yangtze Valley and Lucun village, and then discusses the issue of "gentry" in *Rural Recovery* where the term "gentry" also appears. It may not be a coincidence. Fei's understanding of British economic history may be beyond our expectations. This paper examines the rural research of Fei Xiaotong from Yangtze valley and Lucun village in three aspects including the land system, gentry and state through text analysis, and starts a dialogue so as to initiate a dialogue with the British economic history.

### **The First Stage: Land Markets and Agricultural Modernization**

Tawney believed that the transformation of British social modernization began with land issues. In the book *The Agrarian Problem in the Sixteenth Century*, Tawney pointed out that in the 14th and 15th centuries it was an obvious trend that the land market continued to be active in Britain. Agricultural production types changed. Investments started to increase in agriculture, and the feudal manorial system was changed to the form of market production (Tawney, 1967, pp. 19-40). We refer to this period as the first stage of rural modernization or agricultural modernization, which was characterized by changes in the land system, the comprehensive utilization of land and the formation of the land market.

It was generally believed that the period between the 9th century and the 13th century features the origination and development of feudalism in Europe. This period can be divided into two stages, taking the late 11th and early 12th centuries as the demarcation point (Bloch, 2007, pp. 130-139). In the first stage of England, the king granted land and people to landlords according to canon law, which preserved the open field agricultural strip system of the village communities. The second stage was developed based on the feudal military service system after Norman Conquest of England, which was characterized by multi-level grantings (Xian, 2009, pp. 24-31). Fiefdom and allodium were formed due to different sources of granting and different situations of the tribute of land.<sup>①</sup> The land tenure in the reign of tenure under the Norman rule can be divided into three categories: Free tenure owned by free people (including tenure by knight service, frankalmoign, serjeanty and socage), leasehold as well as villeinage owned by villeins and cottagers (Shen, 2010). Socage was a kind of tenure of land able to be inherited freely except for the fief (Weber, 2004, p. 79). Freehold was related to the allodium. Allodium can only be inherited at the very beginning, and shall not be transferred during the lifetime

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① William the Conqueror stipulated that the great aristocracy directly attached to him must have a certain number of knights for him; in order to raise these knights, most nobles chose to provide board and lodging which was usually in the charge of the monastery in their own territory at the beginning. Later, the board and lodging became a big problem. The nobility and the church had no choice but to distribute land to the knights so they could make a living. When such knights gained land, they had to be loyal to the lord and take on all kinds of labor and duties to the lord. The essence of granting land was a dual process. The granting of land also confirms the formation of the vassal relationship. However, most of the land was not the lord's territory, but the tribute of the weak vassals (voluntary or forced). The latter sacrificed their land and their personal rights. The lord returned the land to the vassals, thereby gaining custody of the land and the vassals, which was similar in nature to ownership. These two methods constitute villeins and fiefdom. Allodium was different. It might be directly granted by the Mega Church, the king or a noblesse. It might also be a wasteland that was ravaged by a vassal, which could not serve as tribute again (Bloch, 2007, pp. 284-289).

of the holder, nor can it be transferred through a testament after the holder's death.<sup>①</sup> Compared with the freehold, vassal tenants under the fief system features copyhold tenures. Around the 15th century, there was a new type of tenure in the English countryside—land lease tenure (Shen, 2010). Such tenure was the result of a contract through free negotiation between the two parties, rather than from the common law. By the 16th century, land lease tenure was widely implemented, which ultimately promoted the collapse of the manor. The land ownership turned to be an assignable right.

There were two stages in the Enclosure Movement. In the 13th and 14th centuries, the lords divided territories, and an agreement between the lord and the free tenant was reached. The use of the public ranches was the core of the movement. The Movement involved many small farmers. By the 16th and 17th centuries, the main body of the Enclosure Movement were big owners or their agents who, in a short time, accumulated small lands to form large estates. At this time, it was the big capitalists and yeoman who played a major role in land concentration (Tawney, 1967, p. 180).<sup>②</sup> In the 16th century, “yeoman” was a freeholder who could dispose of his own wasteland whose total tax was no more than 40 pounds annually (Tawney, 1967, p. 27). In this sense, a yeoman was the same as an land-holding peasant. Although the area of land transferable by a freeholder was limited by law, he could also rent wastelands. In this respect, he was also a tenant. In the process, some of the land-holding peasants became the tenants and some turned to be commercial capitalists, one of the sources of the gentry. This was the case in eastern England (Tawney, 2006, p. 121).<sup>③</sup>

Land mobility has driven the decomposition of rural households. People who remained in the country were incorporated into capitalist agricultural production; those without the right of land inheritance, such as non-eldest sons, might join the army or become workers on the farm or become wanderers. Some of these surplus populations were evacuated to farther rural areas through the Poor Law (Tawney, 1967, pp. 275-280) and others entered the overseas colonies (Wallerstein, 2013a, p. 291).

Agricultural modernization was the most valuable information for China among all the British experiences. The success of the British Agricultural Modernization lies in two important factors. One was that the king, the great aristocracy and the church put many royal and church lands on the market. For example, Queen Elizabeth sold manorial estates worth GBP817,000, and her successor sold manorial estates worth two-fold that value in the next 30 years. Such land transfers facilitated the operation of tenancy and land function conversions (Tawney, 1941, pp. 24-26). The other most valuable information for China was the introduction and development of modern horticultural technology. The British learned advanced horticultural techniques from the Dutch, and planted a large amount of flax, dye crops and forage crops such as alfalfa and clover, which enabled agriculture to be

① After the enactment of the Quia Emptores in 1290, the holder was allowed to transfer such land to others during his or her lifetime, but it also provided that the buyer shall perform the same obligation not to the holder but to the original grantor of the land. The issuing of the law inhibited any attempt to re-separate the land and interrupted the promotion of the middle-level feudal lords through fiefdom, which objectively favored the centralization of the sovereign's supremacy (Shen, 2010).

② Based on Tawney's view, Wallerstein (2013a, pp. 282-283) believed that big capitalists played a major role in the process of enclosure for the ranch, while yeomen played an important role in consolidating small plots to improve farming efficiency.

③ Wallerstein inherited Tawney's point. He also pointed out that by the 17th century, the English and French land-holding peasants or yeomen had become considerable landowners or controllers. By using large farming tools, they actually became big tenants who utilized capital investment for agricultural operations, hence they “disappeared” (it was to say that the connotation of the term “yeoman” has changed) (Wallerstein, 2013a, pp. 273-287; 2013b, p. 100).

successfully transformed into animal husbandry. At the same time, with more labor, the efficiency of animal husbandry was lifted without the need of mobile grazing on lands (Wallerstein, 2013b, pp. 96-97). The reason why British land-holding peasants were important was that they led the improvement of horticulture.

Neither of these two factors appeared in China, which featured far more complicated land issues. Tawney pointed out that, first, China's weeds, trees and other materials were often used as fuel in agricultural production. The livestock and farming rotation system of Europe since ancient times was unfamiliar to the Chinese. Since animal husbandry was less important than agriculture, the issue of common land that Europe attaches great importance to was not even listed among major topics in China (Tawney, 2014, p. 62). Second, there was no landed aristocracy in China. Usually a large amount of land was owned by the state and certain corporations such as clans, villages, temples and academies, and then rented out in small pieces. Third, the main body of agricultural production in China was land-holding peasant with small plots of land. In the south, the main body was mostly land-holding peasant and tenant farmers (Tawney, 2014, p. 63). Distinguishing between land-holding peasant and tenant farmers here was not solely based on "ownership" and "rental rights," but also on the customs and habits of land rights in each region. For example, in the dual ownership system that prevails in Zhejiang and Jiangsu provinces, tenant farmers actually have a status equal to that of British copyholders, but they do not assume any feudal labor (Tawney, 2014, p. 25). Fourth, excessive rent was not the only problem of land tenure. A new problem arises from the constant emergence of the absentee landlords. They feature a purely financial relationship with agriculture. They usually rented large areas of land, divided the land into small pieces and subleased these to farmers and harshly exploited them (Tawney, 2014, pp. 64-69). Fifth, most agricultural products were cultivated for the markets. Due to the inconvenient transportation, the markets were monopolized by merchants. Like the absentee landlords, these products were also the source of interest for usurers (Tawney, 2014, pp. 52-55).

There were several measures proposed by Tawney to improve agriculture. First, seeking other paths of making a living for some agricultural populations, such as immigration to the northeast of China or employment in industrial and mining enterprises; second, utilizing government loans to help tenants redeem land, carrying out rent reduction campaigns, and organizing agricultural cooperatives; third, introducing agricultural improvement technologies to produce various economic crops such as fruits, corn and peanuts. The impact of horticulture on Tawney has hereby been reflected (Tawney, 2014, pp. 93-106).

Although animal husbandry lacked development in China, Tawney noted that China's rural handicraft industry was another possible opportunity for agricultural rejuvenation. He pointed out that until the 19th century, there were large numbers of family workshops and small workshops in the English countryside. Such small workshops using "pre-modern" production methods were chains of capitalist production (Tawney, 2014, p. 117). China also had a similar condition. There were two types of organizations in China's rural handicraft industry: Household and mobile artisans (Tawney, 2014, p. 119). Both could form small workshops, such as the cotton textile

industry in Jiangsu and Zhejiang provinces and the fur workshops in Hebei province. With the expansion of business, family workshops could flexibly shift from autonomous production to order production, which was called “the capitalist stage before the manufacturing industries” (Tawney, 2014, p. 124). At the beginning of China’s modernization, if considering solving the problem of farmers’ subsistence, it should not initially rely on major or heavy industries, but reflect on how to graft large industries into its own society without destroying its traditional social organizations (Tawney, 2014, p. 144).

In Tawney’s view, China could first realize its agriculture modernization and then develop industry modernization. The measures proposed by Tawney could replace two of the factors leading to the success of British Agricultural Modernization. The stimulation by the landed aristocracy in the formation of the land markets could be replaced by reforms in the land system led by the government, and the improvements of horticulture led by land-holding peasant could be realized through agricultural cooperatives. Given that China’s rural modernization would inevitably bring market risks to a large number of small farmers (referring to the large number of tenant farmers and land-holding peasant who had less land and needed to rent more), Tawney’s first plan was to seek institutional and organizational security for them.

Discussions on agricultural modernization and family handicrafts by Tawney were included in *A Field Study of Country Life in Yangtze Valley* and *Luts’un: A Community of Petty Landowners*.

### **The Yangtze Valley and Lucun Village as Comparative Cases: A Response to Land Issues**

Different from a household, a family was bonded by relatives. In economic life, it was not necessarily an effective labor unit. Therefore, the word “household” was used to refer to the most basic economic unit (Fei, 2001, pp. 90-91). “Family” was an organization formed on the basis of blood relationship or ethics. “Household” may contain non-family members, and its nature features the division and cooperation of labor. There were three ways for non-family members to enter a “household”; living with the host as a guest, apprenticeship, and employment (Fei, 2001, p. 94). “Household” does not mean the implication of a family, but it was subject to family ethics under certain economic conditions, such as the mentor-apprentice relationship under the apprenticeship system.

In the Yangtze Valley, Fei Xiaotong was mainly concerned with three issues including absentee ownership, land fragmentation and the handicraft industry, while in Lucun village, he was mainly concerned with horticultural improvements.

#### **Absentee Ownership**

There were 274 households in the Yangtze Valley, with a land area of 3,065 *mu*<sup>①</sup>, of which 2,758.5

① 1 mu equals to about 666.667 square meters.

*mu* were paddy fields. 75.8 percent of the families in the village had less than 5 *mu* of land area, and 90% of the family lands were less than 10 *mu* (Fei, 2001, p. 168). To grow enough food, every family needed at least 5.5 *mu* (Fei, 2001, p. 46), and most families could barely earn their living even by selling food and raw silk. The main body of the labor force in the Yangtze Valley was self-employed tenants, but there were a few landlords. The tenancy rights and the ownership rights were separated; the holders of ownership rights were the legally recognized landowners who paid the land taxes and leased the land to others; while the holders of tenancy rights were the people who actually used the land and paid rent to the owners according to the lease contracts. Land owners could sublet their land to others or hire labors and operate it themselves (Fei, 2001, p. 157). The absentee landlord only cared about the income from renting, while the tenants, occupying their land over the long term based on their tenancy rights, gradually merged into village communities, which promoted the evolution of tenancy rights into a permanent tenancy system.

Fei Xiaotong pointed out that, as Tawney said, in the Yangtze Valley, with the absentee landlord system, more urban capital was invested in the countryside (Fei, 2001, p. 163). With urban capital, landlords could conduct the trading of land ownership rights, or rent a large tract of land and lease it to the farmers. However, urban capital was invested mainly to buy and then to rent land and eventually, because of a general rural economic depression and the leftist trend of thought against land rents, investment shrunk and land depreciated rapidly, resulting in serious social conflicts (Fei, 2001, p. 167).

In Tawney's view, the absentee landlord system in China was similar to that in other countries. Land decentralization made it difficult for the land to supply both the landlord's and the tenant's livelihood unless the landlord reinvested his income into agricultural production. If the landlord did not do so, it would cause farmers to hate their landlords. Two methods were used in Europe to solve this problem. One was to transform the tenant into an land-holding peasant through revolution, Danegeld, and transferring of part of the building ownership in exchange for the rest of the building ownership by tenant. The other was to redistribute the land. Through levying the land tax, the land of the landlord will reduce, and the land area of the small farmers will increase. Both methods were inseparable from the operation of the state (Tawney, 2014, p. 102). At that time, the national government's land policy focused on rent reductions, rent restrictions, rent term restrictions and large field area restrictions, all of which fell under the category of the second method. In fact, the most effective way was to assist in the redemption of land with government loans (Tawney, 2014, p. 104). Fei Xiaotong's focus was not on the adjustment of the tenancy relationship and whether the tenant was converting to an land-holding peasant. He believed that the result of blindly hitting land rents would only make urban capital flow to ports engaged in foreign trade such as Shanghai. The lack of funds in rural areas would make usury more active and lead to a vicious circle (Fei, 2001, p. 237). Therefore, we should have a more comprehensive understanding of the issue of land rent. We must realize that absentee landlords rely on the land rent to consume Western industrial products. With more "foreign goods," village handicraft industries will be more depressed, and farmers will be poorer, resulting

in a heavier burden from the land rent (Fei, 1999d, pp. 12-13). We must also realize that only when the countryside has its own economic capacity could the interest of urban capital in renting land be shifted. The sericulture was the most potential starting point for development. In a nutshell, Fei Xiaotong was more inclined to start from the self-rescue of society.

### **Land Fragmentation and Handicraft Industries**

Land fragmentation was closely related to the equal division of estates in China, which was different from the British primogeniture. Fei Xiaotong believed that there were natural limits in equal division of estates, so that the proportion of land and population was maintained within a certain range (Fei, 2001, p. 170), but that the loss of labor would further damage the rural economy. Sericulture in the Yangtze Valley absorbed the surplus labor force created because of the small pieces of farmland, and provided living security for the household economy, curbed usury, and stabilized the financial relationship between urban and rural areas (Fei, 2001, pp. 151-152, p. 177, p. 231). In short, land fragmentation was a result of changes in the social structure, and sericulture had greater economic potential.

The British rural family industry mentioned by Tawney was not entirely an outcome of the original manor economy, nor a variant of the urban handicraft guilds, but the commercial investments by foreign technicians. Immigrant craftsmen from Flanders brought technology to the English countryside; with innovative milling machines, the family workshops in the countryside outperformed Florence, a highly industrialized city (Meng, 2014).

Correspondingly, the Yangtze Valley also experienced the process of inserting foreign technology. People including Fei Dasheng (Fei Xiaotong's sister) directed the improvement of family farming, introduced a new type of silk reeling machine to the cooperative factories, and developed cooperative production among the organizations. Villagers and cooperative factories formed a chain of production and sales, and the government thus avoided the financial risks of cooperative production.

In Tawney's view, the UK broke the horticultural status under the agricultural feudal economy through the development of animal husbandry and realized a composite use of land. Modern animal husbandry has caused profound changes in land productivity, annual labor distributions and market supplies. Spring and summer pastoralism have been increased through large-scale fertilization to improve pasture and soil. Farmland and livestock have been managed together, which makes each region more specialized and interdependent (Wallerstein, 2013a, p. 283). The significance of sericulture for Fei Xiaotong was like that of animal husbandry for Tawney. The difference was that the former raised silkworms on the mulberry leaves, and the latter raised sheep on the pastures. The sericulture was not a handicraft industry under the conditions of traditional Chinese labor divisions. It had turned into a special production pattern from being just a sideline for increasing income during the leisure time, being limited less by the seasons. It was in this direction that people like Fei Dasheng made efforts to transform family cultivation into centralized breeding, though industrial links still needed to be formed in mulberry leaf cultivation and supply (Fei, 2001, p. 261). The Yangtze Valley's

existing skills were able to produce high-quality raw silk products, but its low production and high cost limited their market competitiveness. Therefore, through technological innovation and the way of setting the factory near the raw material production area, production costs could be reduced (Fei, 2001, p. 264).

### Improvements in Horticulture

How could a village without a handicraft foundation break through the original economic form and realize improvements in horticulture? Lucun village provided a development idea different from the Yangtze Valley.

There were two types of landlords in Lucun village, individuals and groups. Group landlords refer to collective organizations that occupy land. They could be divided into four categories. First, Tuzhu temples whose public fields were collectively owned by the village; second, fraternal associations, including the Dongjing association, the senior association, and the credit association, whose fields were used for ceremonial activities and group dinners; third, ancestral temples whose fields were clan fields used for ancestor worship, child education, etc.; fourth, temples and administrative agencies whose fields were used for institutional activities (see the table below).

Land Occupancy in Lucun Village

Total Area of Field (mu)	Types of Owner	Number of Owners (%)	Owner Composition and Percentage of Ownership (%)		Maximum Area Occupied by a Single Land Owner
690	Individual Landlord	122 households (73%)	No field	30	25 mu
			Less than 6 mu	35	
			6 – 12 mu	19	
			More than 12 mu	16	
	Group Landlord	12 (27%)			50 mu

Note. The table was based on the information on pages 61-68 of *Luts'un: A Community of Petty Landowners* (Fei, 2006a).

Most people occupied very little land except the group landlords. Although the farmland area occupied by each family was different, through lease, the actual land area managed by each family was about 6-12 mu, which was better than that in the Yangtze Valley. In most cases, farmland was leased by group landlords, while private farmland was rarely leased. The case of Lucun village coincides with Tawney's statement that there was no land aristocracy in China but that group landlords dominated.

Lucun's land system was based on employment rather than tenancy, but the development of employment was not due to a high level of a commodity economy. The economic pillar of Lucun village fell under the category of what Tawney called "horticultural," agricultural farming, which relied entirely on the technical achievements of individual farmers, with low per capita output, insufficient agricultural capital and surplus labor (Tawney, 2014, p. 46). There were two main reasons for the employment that developed. One was that the local people disliked labor and preferred to live a life at

the lowest level rather than working the fields; the other was that the cost of labor by the surrounding ethnic minorities and the overall farming costs were correspondingly low (Fei, 2006a, p. 112).

So, what should be done to carry out the modernization of Lucun village? One way was to curb the leisure economy, and the other was to create conditions for improvements in horticulture.

Fei Xiaotong selected five households and sorted them into five levels from rich to poor according to their size and daily living expenses. Taking the lowest level of the leisure economy as the reference, the five families were divided into two groups. The first group included families who had land and were self-sufficient; the second group included families who had no land and lived on wages. At that time, the policy focused on discussing how to grant land ownership to the wage-earning families. Fei Xiaotong believed it should start from the labor market price. It was possible to develop business and industry in the vicinity of Lucun village to raise the wage of workers, thus forcing surplus labor of some families to work. At the same time, it was necessary to introduce improved agricultural technologies, increase the operating income of the land, and encourage interregional exchanges of labor to avoid large-scale labor outflows and farmland abandonment in Lucun village due to industrial and commercial competition (Fei, 2006a, p. 186). In Fei Xiaotong's view, industrial and commercial competition would destroy Lucun village's economic status while agriculture depended on the exploitation of the labor force to maintain underdevelopment. It was not necessary to build a central city similar to Shanghai near Lucun village. As long as road transportation between Lucun village and its surrounding important towns was fully constructed, the industry and commerce of Lucun village could be developed. The basis for interregional exchange of labor was the diversification and scale of planting,<sup>①</sup> which was particularly consistent with the direction of horticultural improvements discussed by Tawney.

But different from Tawney's view, Fei Xiaotong believed that the primary factor determining land market prices was land location rather than land productivity. The land ownership in Lucun village was not conducive to outflow because it was far from the central city. Only by raising the price of products could the land absorb more labor and capital. As the Yangtze Valley was close to the city, its land prices would continue to rise due to the urban expansion. A developed handicraft industry (which would eventually be developed into industry and commerce) associated with the world market could attract more capital investment.

The most significant difference between the Yangtze Valley, Lucun village, and the UK was the absentee landlord system. In Britain, land concentration was driven by the desire for expanding reproduction of capital itself, while in China, land concentration was driven by the desire of the landlords to increase personal consumption. As a result, land had become the object of continuous arbitrage in urban finance. In this context, farmers and landlords could not independently stimulate

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<sup>①</sup> Fei Xiaotong's thoughts had the opportunity to be further developed and realized after the 1980s. When he was lecturing in Australia in 1981, he asked a foreign agronomy professor of Chinese origin for a high-yielding seedling of *pleurotus sajor-caju*. After he brought it back to Wujiang and made a successful trial, he envisioned further development of the sideline industry of canned *pleurotus sajor-caju*. He believed that the modernization of China could promote the development of industry through agriculture (Fei, 1984a, 1984b), which was consistent with Tawney's basic judgment.

agriculture transformations into industries.

### **The Second Stage: The Appearance of the Gentry**

The term “gentry” used by Fei Xiaotong had at least two sources. One was the works of Tawney, and the other was documents containing field studies, such as Fei Dasheng in the Chinese countryside and Fei Xiaotong himself in the English countryside. When Fei Xiaotong visited Britain in the spring of 1947, he wrote an article about the English gentry titled *Visiting the England’s Countryside and Talking About Agriculture* (访堪村话农业). Then, he subsequently delivered the works *On China’s Gentry* (论绅士), *On Intellectuals* (论知识分子) and *On Confucian Scholars* (论师儒). On the basis of these three articles, he compiled the book *China’s Gentry: Essays on Rural–Urban Relations* (Fei, 2006b). The emphasis of the three articles was different. *On China’s Gentry* (论绅士) discusses how gentries connect the local clans and the bureaucracy from the perspective of the social structure. *On Intellectuals* (论知识分子) discusses the cultural hierarchy between gentries and civilians from the perspective of sociology of knowledge. *On Confucian Scholars* (论师儒) points out how “shi” (the Confucian scholars) of Confucianism connect themselves to the imperial power and exert their influence. In addition, different types of gentries are mentioned in *Peasant Life in China: A Field Study of Country Life in the Yangtze Valley, From the Soil: The Foundations of Chinese Society*.

Tawney studied gentry from two aspects: Economic history and ideological history. From the perspective of economic history, he studied the emergence and transformation of gentry from aristocracy to distinguished families and finally to gentry and summed up the “gentry theory.” From the perspective of the history of thoughts, he discussed the enlighteners represented by Martin Luther and John Calvin, who were also the representatives of gentry.

Tawney pointed out that it was not until the 17th century that gentry became the dominant class in society (Tawney, 2006, p. 124). The aristocrats, the distinguished families and the gentries have their own era and different internal characteristics. The aristocracy mainly provided an example or paradigm. The manor, heirlooms and family history were inseparable and non-transferable as a whole. They were the embodiment of glory and prestige. Therefore, the aristocracy had many public responsibilities (Tawney, 1941, p. 8). From the late Queen Elizabeth’s reign to the reign of the Tudor dynasty, London was rapidly commercialized, and the maintenance of aristocratic life brought down many prestigious families. Many aristocrats began to sell property and marry urban upstarts of lower class (Tawney, 1941, pp. 10-11). Some aristocratic landlords tried to find financial resources from the land market and turned to contracts and interests like entrepreneurs (Tawney, 1941, p. 13). We could distinguish them from the former aristocrats according to prestige. Such aristocratic landlords were actually distinguished families living in the markets whose titles were still hereditary, but whose prestige began to be linked to their success in the markets. When the aristocrats turned into the distinguished families, the feudal era that created the aristocracy came to an end. Gentry, regardless of the origin, gained fame through commercial achievements, and ultimately achieved great success

in national politics (Tawney, 1941, pp. 25-33).

As for the case in China, Tawney believed that there was no such land aristocracy as that in Britain, but only successful intellectuals in the bureaucracy, who were isolated from the public and only cared about their official career. They did not really contribute to the improvement of people's livelihoods (Tawney, 2014, p. 200).

Fei Xiaotong also discussed these kinds of people in "Dual-track Politics" and *Rural Recovery*, which could be called "old gentry." In the study of the Yangtze Valley, Fei Dasheng could be classified as the gentry of another kind, which was similar to the meaning of gentry mentioned by Tawney.<sup>①</sup> There was also another kind of priest gentry, who appeared as ideological enlighteners, mainly recorded in the article *The Relationship between the Protestant Ethic and the Spirit of Capitalism* (新教教义与资本主义精神之关系). Fei Xiaotong seemed not to discuss the aristocracy and the distinguished families of China, so in his modernization program, the opening of the land market was ambiguous.<sup>②</sup>

Like Tawney, Fei Xiaotong was full of reflections on the old gentry. He stated that the traditional political structure and cultural rigidity led to the difficulty of China's modernization.<sup>③</sup> He believed that a new gentry, such as Fei Dasheng, could be expected to lead the reconstruction of the local economy. This was what Tawney did not realize.

Tawney believed that enlighteners, including Martin Luther and John Calvin, explained the new economic and social relationships that conveyed the changes in spiritual structures in the process of social modernization. Luther continued the ethical criticisms of the Catholic theologians regarding the economy trying to reconstruct the church system in accordance with the original Christian model, while also rebuilding people's codes of conduct and customs (Tawney, 2006, p. 51). His resentment to the church system made him a strong advocate for eliminating any intermediary between God

① An important question was whether the absentee landlords mentioned in the study of the Yangtze Valley belonged to the old or the new category of gentry. Fei Xiaotong believed that the land collectors in the absentee landlord system were the lenders including individuals, groups and institutions. They collected rent under the recognition and protection of the state. Historically, where there was such a system, an absentee landlord belonged to a distinguished family or the old gentry. In the areas affected by modern commerce, not all of the absentee landlords belonged to the old gentry. They might have belonged to the urban industrial and commercial class (Fei, 2001, pp. 161-163). That was to say, the absentee landlord was a transitional identity. Fei Xiaotong opposed Chen Hansheng's view that the absentee landlord system was a "permanent tenancy system." He explained it from the perspective of historical remains, believing that the permanent tenancy system should be regarded as a part of the absentee landlord system. According to Chen Hansheng, there were two sources of permanent tenancy. First, in the imperial era, the landlords and bureaucrats acquired a large amount of wasteland, employed immigrants to cultivate it and who then settled down to form a fixed reclamation collective. Second, farmers' lands which were sheltered by large households for tax evasion, gradually saw the farming tax become the land rent. To some extent, the permanent tenancy system had protected the land rights of the poor peasants. Chen Hansheng advocated the agrarian revolution, nationalization of the land and the construction of collective farms and factories (Chen, 2002, p. 84, 211). Fei Xiaotong agreed with the social protection function of the permanent tenancy system, but was more inclined to correct the relationships between the two through social reinforcement than to "eliminate" certain economic behaviors through political means.

② Tawney pointed out that when the royal family and nobles sold their real estate, professional legal bodies and sufficient discussions of the bill appeared. There were policies and plans for huge land transactions (Tawney, 1941, p. 20). However, Fei Xiaotong found that there were no established rules for the user's land grabbing, which left much space for rapacious land occupation; such behavior replaced the land ownership with the land use right, which also weakened the driving force of land system reform.

③ Fei Xiaotong said, "I just want to make it clear that traditional Chinese values are compatible with the nature of traditional societies and the two interact with each other. I hope it will not result in such a misunderstanding that I am advocating a return to tradition or economy of scarcity. Even if I admit that traditional societies once created environments in which people enjoyed happiness or pleasure in life, I would never want to continue such a tradition. Whether it was better or worse, the traditional situation has gone. The main reason is that the situation has changed. Near an industrialized West, there was no possibility of maintaining an economy of scarcity in the East. A lifestyle adapted to an economy of scarcity and the value system that sustains it can no longer help us survive in such a new situation" (Fei, 1999b, pp. 307-308).

and believers, allowing direct communications between God and believers. It was odd that this invisibly lowered the position of the Catholic Church, and both secular life and religious life turned into categories that could not be shared. Although everyone gained the same status in front of God, true sanctification could only be obtained through the inner life of religion and belonged to only a few individuals. Therefore, in Luther's thought, there was no position for social ethics. Luther had to appeal to the state to occupy this position, so that the task of maintaining Christian morality was transferred from the church to the state (Tawney, 2006, p. 61). Tawney's view was different from that of Weber. In Weber's view, Luther's greatest achievement was to give moral meaning to the secular professional life. For Fei Xiaotong, Luther's religious secularization mission was not so important, because Chinese society had very early moralized secular life. As he described in *From the Soil: The Foundations of Chinese Society*, the rule of courtesy has been integrated with the emotion of the communities in China. But Tawney believed that Luther's mobilization and reorganization of the rural communities was necessary. In Fei Xiaotong's view, Luther's dilemma, mentioned by Tawney, needed to be resolved through the reconstruction of the rural communities, rather than by the state.

Tawney believed that Calvin required Christians to be self-disciplined in business deals. This was not to save the individual, but to glorify God. To achieve this goal, Christians needed to sanctify the world not only through prayer, but also through struggle and labor. Calvin's doctrine reflected a kind of strong individualism and strict Christian socialism (Tawney, 2006, pp. 65-68). Before and after the British Revolution, Luther and Calvin's schemes were incorporated into the social reconstruction programs. According to Tawney's view, there was both socialism and individualism, both centralism and the pursuit of freedom in everyone's mind just as there lives a Catholic and a Protestant in everyone's heart (Tawney, 2006, p.127).

In Fei Xiaotong's view, Luther and Calvin's religious reforms were two ways to adapt to modernity. The former was based on the rural communities and the latter was based on the cities (Yang, 2016). Both reforms complement the type of gentry that could be called the priest gentry in Fei Xiaotong's theory. Among this priest gentry, "cultural heroes" emerged, such as Luther and Calvin, who shouldered the task of modern enlightenment.

It was also discussed in *From the Soil: The Foundations of Chinese Society* that at the turn of the old to the new society, there will be "cultural heroes" who were able to propose ways to organize new experiments, gain the trust of others, and control the people who follow them. Unlike the elders' ruling power that was traditionally authorized, and the democratic power that was authorized by the society, such power of domination was created by the situation of the times. In primitive society, cultural heroes were often war heroes, while in modern society, cultural heroes were bound to be leaders of an era (Fei, 1998, p. 77).

Such cultural heroes have also appeared in Chinese history. For example, Fei Xiaotong mentioned in his article On Confucianism that after the ancient prose movement in Tang led by Han Yu, Confucianism declined and Confucian scholars left the court and turned to the countryside to become teachers. The prototype of the teacher in this article refers to Zhu Xi, a great Confucian. In the era

where Fei Xiaotong lived, there were also cultural heroes, such as Liang Shuming. Fei Xiaotong praised Liang Shuming as a thinker who explored Chinese culture (Fei, 1999e, p. 142). He believed that Liang, like Ruth Benedict, put forward the view of Cultural Holism in the face of the new situation of world conflicts after the World War I (Fei, 1999f, pp. 337-342).

It was worth mentioning that although Fei Xiaotong admired Liang Shuming, he did not fully agree with Liang Shuming's modernization plans. Liang Shuming was saddened about the spiritual loss of rural culture, the scattered organization orders, the degeneration of intellectuals' rationality, the difficulty of maintaining moral communities, and the hopelessness of rural areas (Liang, 2006, pp. 115-118). The villages in Fei Xiaotong's works were full of customs and conventions. For example, Tudigong<sup>①</sup> liked to take care of others' affairs. When Fei went abroad, his wet-nurse presented him a handful of ashes on the stove (Fei, 1998, p. 7). In Liang Shuming's view, the mainstay of Chinese cultural tradition was the relationship between Confucianism and imperial power. Rural culture was subject to this superstructure, so his plan was to protect the countryside with Confucian etiquette theory. Fei Xiaotong's starting point was that the rural communities were carriers of customs (Huang, 2016). Cultural traditions reflected nothing but the daily life in the countryside. The contents were not entirely from Confucianism, nor were they entirely subject to classical disciplines.

Although Fei Xiaotong, Tawney and Liang Shuming share the same views on the issue that the old gentry were abandoned by the times, their reasons for it were different. For Liang Shuming, it was a pity but an inevitable result. In the past, the scholar was ashamed of talking about interests, but now, the intellectuals tried their best to make a fortune, and the decline of the old gentry was irreversible (Liang, 2006, pp. 60-61). Tawney believed that in England, the gentry and the clergymen despised the lower classes, and they worked together to suppress public unrest. To save the countryside, people had to rely on the democratic system brought about by the Protestant movement (Tawney, 2006, p. 164). Fei Xiaotong believed that under the community's self-defense system, the leaders of the gentry and rural autonomous groups were constantly absorbed into the bureaucratic system. In fact, the country gradually absorbed the old gentry, and interests and appeals of the grassroots could hardly be conveyed (Fei Xiaotong, 1999b, pp. 340-343). The ideals of scholars occupied the core of Liang Shuming's plan to rebuild the human heart, so the intellectuals were the foundation of the township construction movement; the intellectuals in Fei Xiaotong's views were important because of their ties, but they were not the most important in the transformation process.

### **How to Face Capital and Markets: The Role of the State**

In Tawney's and Fei Xiaotong's views, the state played an indispensable role in the modernization program, serving the core task of defending society. Britain's success in defending society benefited

① A tutelary deity of a locality and the human communities who inhabit it in Chinese folk religion.

from the theoretical foundation of the communities founded by Luther and Calvin. At the same time, the aristocracy was not completely marketized. The group maintained conservative political ethics in the political structure.<sup>①</sup> Therefore, in the face of China's reform, Tawney thought that the role should be played by a modern state with modern government. In his view, the most urgent task of this government system was not to realize national unity, but to guide economic development. For example, to restore social stability in Guangdong, Fujian, Jiangxi, the Chinese government could establish demonstration areas in some places, and the goal could be realized through the examples displayed in the demonstration areas (Tawney, 2014, pp. 183-184). For the Yangtze Valley and Lucun village, Fei Xiaotong basically accepted the idea of building demonstration areas and agreed with Tawney's idea that the reform of land policy required support from the state. However, it seems that Fei Xiaotong believed that the task of industrial construction should not be assigned to the state, but to capital operations or the markets (Fei, 1999b, p. 415).<sup>②</sup> He believed that the role of the "state" in social and economic transformation was more like a balance between society and the markets.

Fei Xiaotong and Tawney were most concerned about the national function of combating usury. Usury was the primary enemy resulting in poverty for the peasants caused by the structural defects of the small-scale peasant economy. As Tawney said, both the "root of evil" in medieval language and credit mechanisms in economic terms were names for usury which was not only an economic behavior but also a moral behavior that went against ethics. Whether to effectively crack down on usury had already been a standard measurement of a good state.

In the middle ages, through sermons and pamphlets, British priests vehemently criticized usury as a violation of sacred doctrines (Tawney, 2006, pp. 91-94). After the Reformation, nearly half of the clergies were recommended by the laity sponsors so that the church became an arm of the state, and the ecclesiastical law was then nationalized, including restrictions on usury, through legislature by the Parliament. In this context, the Poor Law was also passed (Tawney, 2006, pp. 162-163).

In rural China, the main lenders were landlords, businessmen and pawnshops. The situation of farmers' poverty and debt was similar to that in Britain (Tawney, 2006, p. 61). But in China, there was no such legislative process. The national government's statutory interest rate was 20 percent, which was equivalent to 2.5 times the interest rate set by British law in 1572 (Tawney, 2006, p. 60), which meant that protections for the countryside and farmers by law and government was inadequate. Fei Xiaotong also studied in detail the methods of usury in the Yangtze Valley, such as "pocket money earned from mulberry leaves sales", "goods in exchange for rice", leaving land as a pledge for those

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① Weber also discussed this issue, arguing that an aristocrat was a person whose economic status enabled him to freely engage in political activities. In other words, he lived for politics, but did not have to survive depending on politics, so he was a "rentner" with a fixed income. In an agricultural society, the pure aristocracy lived on land rent; in Europe, only Britain still has such nobles. In France, on the other hand, the deprivation of manor lords has led to the urbanization of political life, since only the urban rich rather than the landlords have full economic freedom to pursue a political career (Weber, 2004, p. 86).

② This was more in line with Fei Xiaotong's idea of proposing industrial decentralization and vigilance against the monopolization of large capital. He pointed out in *Rural Recovery* that he had met with his friends at the National Consumer Cooperative during his visit to Britain and they suggested that if production cooperatives such as the Yangtze Valley in China could be developed to a certain extent, their Consumer Cooperative would be willing to cooperate with such cooperatives in China and help them communicate directly with international producers and consumers. Fei Xiaotong felt that this suggestion might be too early, but the possibility was indeed noteworthy (Fei, 1999b, p. 401). In terms of capital, he expressly opposed the path that the government implemented compulsory savings and took charge of industrial operations (Fei, 1999b, p. 415).

who cannot afford to pay back and serving as the labor for those who have no land as mortgage (Fei, 2001, pp. 231-232). Fei Xiaotong believed that usury was illegal, but the reason for it was structural. It was an extreme result of the financial relationship between towns and villages. Towns continued to absorb rural wealth, while farmers could not recover equal benefits from the towns. The absentee landlord system was exactly based on usury in the financial system (Fei, 2001, p. 233).

How to handle the relationship between the state and capital was a test for government capacity. Tawney and Fei Xiaotong opposed usury because usury was the biggest menace to rural communities. They both believed that raising farmers' income was the basic way to eliminate usury, and that the state should provide low-interest loans, and guarantee and organize farmer cooperatives for farmers to eliminate usury as much as possible. The difference between the two was that Tawney stressed the establishment of a sufficient social security and relief system,<sup>①</sup> while it seems that Fei Xiaotong paid no attention to either.

In the 1940s, Fei Xiaotong did appreciate British politics. He appreciated the political spirit of the British revolution without violence but fearless of reform. He believed that the conscience of politicians should be the foundation of politics, but politics could not completely depend on the conscience of individuals. Laws, Congress, a responsible cabinet system and a civil service system would ensure the implementation of political spirits. Besides, there were organizations and societies with various interests. Any public affairs would need to be discussed (Fei, 1999g, p. 459).

Fei Xiaotong also pointed out that modern countries need to be recognized in the international political system. The 20th century was not an era led by power politics, but by the prestige of a state. In this era, a strong country must establish its prestige to make other countries willing to attach to it (Fei, 1999h, p. 471). The state could not be self-defined in isolation, and its performance in the world system was often influenced by its political and social traditions. In terms of mentality, the UK was facing the ocean, and most Britons once lived overseas. The USA showed a kind of indifference to the outside world and held to negative isolationism. In terms of foreign policy, the UK had a relatively stable imperial policy, and the people trusted the politicians. The USA policy reflected the situation of the times and compromised with various interest groups (Fei, 1999h, pp. 483-484). The prestige of Britain came from the profound aristocratic politics, and the prestige of The USA came from the investment logic of smart businessmen.

Fei Xiaotong compared the political structures of China, Britain and the US at the same time. He pointed out that, first, modern countries do not necessarily exclude centralization. On the contrary, the government needs to centralize power and strengthen the functions of the central government, but the precondition was that there was a system to fully limit the abuse of power. Second, all these countries had a dual-track structure, but their inherent natures were different. The dual tracks of

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<sup>①</sup> A number of studies have pointed out that Tawney opposed the agrarian revolution and advocated protecting small farmers through cooperative movements and protecting the interests of labors, all of which were related to his background of Fabian Society (Ouyang, 2006; Peng, 2011; Clift & Tomlinson, 2002). Some researchers also believe that Tawney's concept of "equality" was profoundly influenced by Christian socialism, and such concept has also become one of the important theoretical bases for the British Labor Party to build a welfare state after the World War II (Yang & Li, 2012).

traditional China were consistent in the nature of power, aiming to rule ordinary people. In terms of organization, the social relations of the gentry form a parallel track with the centralization of power, which was a kind of differentiation of the gentry's functions, rather than the opposite side of imperial power. Britain's parliament and prime minister, the Congress of the USA and the White House were two cases of the dual tracks structure of the modern political system, and they were more completely dualized in the nature of power (Fei, 1999b, p. 347). Fei Xiaotong did not think that China's political modernization could adopt the ways the USA or Britain could implement political modernization. He was concerned about the basic requirements of modern political civilization revealed through the political practice of the USA and Britain, that is, the denial of absolute power and the political consciousness of being people-oriented.

### **Discussion: Fei Xiaotong's Modernization Plan**

Under the conditions that capitalist production has moved away from its original form today, what was the significance of the comparison of dialogue between Fei Xiaotong and Tawney? Such a comparison reveals that Fei Xiaotong gradually formed his overall analysis framework for the modern transformation of Chinese society in the late 1930s, and this analysis is still significant today.

What Fei Xiaotong cared about was not a simple problem of economic type transformation, but a kind of "characteristics of the agricultural situation, values and social structure in such a situation" and how to "gradually break away from the original way of life in this agricultural situation and enter the way that has happened in the West since the industrial revolution" (Fei, 1999b, p. 302). Compared with Tawney's economic history research, China's experience of reform was always connected with the West, interwoven with and referred to each other.

Fei Xiaotong thought about the overall transformation of Chinese society from the relationship between the four elements of the countryside, the market, the intellectuals and the state. In his view, this was a process of transformation driven by the movement of the underlying structure.

As a basic type of social culture and economy, the countryside was at the core of the transformation. Around the countryside, the four elements form mutually complementary functional relations. Among them, the rural-market relationship was primary.

The root of rural society lies in the relationship between people and land, so the key issue of social transformation was the land issue. As the villages must face the world market, destructing the former communities consisting of people and land was inevitable. But at the same time, it was necessary to protect the communities from excessive damage by the market.

In Fei Xiaotong's comparative study, there were two major obstacles to overcome. One was the dislocation of the times. The modern transformation in Europe mentioned by Tawney was based on the collapse of the feudal system, while Fei Xiaotong discussed the modern transformation of the Chinese countryside after the end of the imperial era, when there was still a long period before the collapse of the feudal system. The other was that China and the UK play different roles in the world

system. The UK was a promoter in the modern world system, while China was a latecomer; when both were in the world system, the world pattern has developed to a different stage.

Some scholars have pointed out that Fei Xiaotong seldom mentions “feudal system” and “exploitation.” Without such premises, how could he propose plans on land system reform and transformation (Zheng, 2017)?

In fact, Fei Xiaotong equated the economies of rural communities with what Tawney called the feudal economy. Tawney saw that the development of British capitalism began with the transformation of the land system which went through two stages. In the first stage, the land entered the market through the support of the royal family. In the second stage, through rural land transactions, the distinguished families and gentry accumulated large redistributed wealth (Tawney, 1941). With the transfers of fixed land ownership flowing through the market, the theory of land ownership has changed greatly. People used to think that the rights and responsibilities of land were inseparable. In the 18th century, the concept of personal property rights as a right prior to the existence of the state was accepted. Without consent, the supreme power could not take any property from anyone (Locke concluded that this concept has long been the common sense of businessmen and landlords) (Tawney, 2006, p. 155).

In Fei Xiaotong’s view, there was only one stage—the marketization of rural land, in which only the gentry participated and almost no distinguished families were involved. Objectively, the incompleteness of this process itself limited the full integration of land markets of urban and rural areas. The main participants in the rural land market were tenant farmers and gentry, which made the discussion of land ownership theory focus more on small farmers, and was likely to ignore the rights of other participants.

The reason why Fei Xiaotong equated the characteristics of the rural communities with the feudal economy was that he understood that land was not only economically meaningful to the countryside, but also of moral significance. The Chinese rural area was a ritual society, which was called *Gemeinschaft* by Ferdinand Tönnies (Fei, 1998, p. 9). The communities’ ownership of land was based on long-term common life in the dimensions of time and space and was the overall expression of the social attributes of social members. The features and the situation it faced—the transition from fixed, non-tradable to market-based transactions, have made it possible to communicate with the feudal economy. Fei Xiaotong did not view the feudal nature of rural land from the perspective of “system,” but from the perspective of sociological contents.

The second obstacle facing Fei Xiaotong was China’s position in the world system. There were subtle differences between his and Tawney’s views on the era of China’s social changes. In the study of China’s social transformation, Tawney chose Britain in the 16th century as his reference, so the evils of capitalism and Christian ethics in the industrial age, another part of his study, did not have an impact on his study of China. “From the perspective of industrial technology and industrial organization, most of China’s manufacturing industries were still stagnating in the pre-capitalist era, or in the cradle of capitalism” (Tawney, 2014, p. 116). There were also such “cradle period” characteristics in China’s manufacturing industry. In Fei Xiaotong’s view, China was not only in the

stage developing towards the stage of Britain in the 16th century, but also faced the superposition of different stages of Britain from the 16th century to the 20th century. For example, the market competition from the Japanese silk industry facing the Yangtze Valley could not be compared with the trade war on tobacco, dyes and aquatic products between the UK and the Netherlands because the Netherlands had colonies as important external sources of economic resources. While China had to consider the transformation experience of Britain in the 16th century, it also faced the problems that the British faced in the 20th century, such as cultural hegemony and imperialism. Therefore, Tawney suggested that China should first complete the transformation to the nation-state, but it seems that Fei Xiaotong was inclined to respond to the issue of globalization through the development of society.

To be connected with the current world system, industrialized agriculture was more dominant, but Tawney and Fei Xiaotong believed that agricultural modernization was a prerequisite.

Both Fei Xiaotong and Tawney talked about the risk that large-scale industries (such as mining and large-scale manufacturing) and large-scale population flows caused by financial centers would lead to agricultural abandonment before agricultural modernization was fully developed. Employment opportunities brought about by industry were still limited but likely to quickly widen the gap between the rich and the poor. The opportunities offered by industry had a new and important impact on land tenure. Its importance lies in the fact that the concentration of wealth (agriculture) through violence or power does not lead to further accumulation of wealth and was therefore difficult to sustain. A rich official could use his wealth to make himself more powerful or wealthy, but if he fails, he simply retires back to the village and becomes a landlord, his status in decline. But industry was different from agriculture. Through industry, wealth could be accumulated continuously. And when wealth accumulated from industry was used to buy land, its purchasing power would be long-lasting, so the destructive forces caused by the properties division would no longer work, and thus the status of the landlord class would become more stable. (Fei, 1999a, pp. 419-420). Fei Xiaotong did not mean that there was no need to develop large-scale industry, but that agricultural modernization was a systematic social transformation which needed a longer period. He paid more attention to the social protection of farmers that agricultural modernization might bring.

However, it should be pointed out that Tawney's view of large-scale industry was based on the state's monopoly of mineral resources, and he regarded this as one of the ways for China's population diversion. In his view, China's population exceeded the size of the national economy. Therefore, he proposed to control fertility and implement large-scale immigration to the northeast along with large-scale engineering and industrialization to divert the population. Among them, immigrants to the three northeastern provinces, immigrant examination and land reclamation management feature an understanding of the colonial experience (Tawney, 2014, 110). It seems that Fei Xiaotong did not agree with such a colonial approach nor the way such key resources were configured. Although his investigations of the northern region continued until the 1990s when great changes had already taken place in their internal and external conditions, his policy plans, such as the division of a large state-owned enterprise into a cluster of township enterprises, the attraction of capital investments from overseas and Southeast China in large

modern agricultural enterprises and animal husbandry enterprises, could still reflect the experience of social transformation in the Yangtze Valley (Fei, 1999i, pp. 340-344; 1999j, pp. 345-354).

The incomplete development of China's internal land market and the colonized world system facing China justify why Fei Xiaotong concluded China as a latecomer in the world system. Although the objective conditions have changed, China's real cultural and economic freedom in the world system was, according to Fei Xiaotong, still in the course of development.

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(Translator: Zhou Yifan; Editor: Xiong Xianwei)

This paper has been translated and reprinted from *Sociological Studies*, No. 4, 2019, pp. 218–246.