

## **THE MYTH OF CHINESE AND EUROPEAN IDENTITIES IN SOCIO-ECONOMIC HISTORY**

**Dr. Gerrit De Vylder, Lessius University College, affiliated to Leuven University, Belgium.**

### ***Introduction***

The rise of the West from the 18<sup>th</sup> to the 20<sup>th</sup> century has so far been the focus of attention of conventional international historiography. But in the very near future the main object of historical scholarship may be how to explain the rise of China and its neighbours in the 21<sup>st</sup> century. Other perspectives and historical facts will most probably come to the forefront. Meanwhile a Eurocentric approach of world history continues to dominate historiography. Considering the scale of globalization today, should there not be a more balanced approach to world history?

Teaching history has become a very sensitive issue of which most West-Europeans are hardly aware of. An example of this is how globalization is presented. Both pro-globalists and anti-globalists like to present globalization as a “Western” phenomenon. Anti-globalists include it in their argument that everything that originates (and originated) in the so-called “West” is bad, while pro-globalists maintain that Western values and products are universal and that there are no substitutes. In doing so they both assume that there is indeed a concept like the “West”, which can be identified, defined and described. Hardly any specialist on globalization has ever tried to do so but that did not seem to bother them. A recurrent argument is that there is an Asiatic, often Chinese alternative, which proves that the “West” actually exists. What is not considered is the possibility that many movements against West-European or American globalization actually derive from the continuous claim that principles considered as universal, like scientific and rational thought, economic behaviour, democracy, equality, freedom, etc., were of European origin and had no relationship with so-called non-Western civilizations like China. Once people identify certain values as foreign or alien, even worse, if they link them to what they historically and psychologically perceive as the oppressor or the opponent, then these values also come to represent the oppressor or the opponent. I argue that this is the core of the problem of present-day globalization, which seems to invite almost automatically extreme forms of nationalism.

There are two questions here to be answered. First, is there indeed a “West” from which all universal values and institutions originate from? Second, if this is not the case, what caused this phenomenon, and how do we correct it? Of course this leads us to an alternative way of presenting and teaching both world history and the history of China and Europe.

### ***Socio-Economic History Reinvented By Europeans***

A long list of 19<sup>th</sup> and 20<sup>th</sup> C European thinkers, including Karl Marx and Max Weber, have emphasized the uniqueness of Europe’s socio-economic history. Even recent globalization historians like Landes (1999) and MacGillivray (2006), consider globalization to be a Europe-centred phenomenon that started around the 16<sup>th</sup> C., shortly after Columbus supposedly discovered America. However, let us consider the historical evidence for an Asiatic world model. Maddison’s (2003, 2007) calculations show that 2000 years ago India held 33 % of the world economy, while China was in second place with 26 %. India’s population was around 75 million while that of China was about 60 million. Just to compare, Europe had a

population of only 25 million. According to economist Deepal Lal, India and China had too much too soon and became complacent (quoted by Smith, 2007, p. 13).

Of course, such figures and descriptions can be debated but the broad picture he suggests goes unchallenged. History was clearly on India's and China's side. Smith (2007) calls the current rise of China just the return of the status quo which persisted throughout history. According to Maddison (2003, 2007), relatively little changed during the first Christian millennium, being the only significant change the relative rise of Africa. In the year 1000, India was still ahead on 29 % of the global economy, with China at 23 %. Only the next 500 years, from 1000 to 1500 saw the beginnings of the rise of Western Europe, from 9 to 18%. Simultaneously, China caught up and then overtook India. By the time of the Renaissance and Columbus's so-called "discovery" of America, China and India accounted for nearly half of the global economic activity equally divided between them. These numbers tell a different story from the traditional Eurocentric interpretation of history and also suggest a different interpretation of the history of globalization (Smith, 2007, p. 8-33; Maddison, 2003, 2007).

Similarly, another popular myth is that the so-called "Western" civilization is a result of a logical chain: Classical Greece and Rome-Renaissance-Industrial Revolution. Naturally this chain does not take into account other major civilizations like China (Wright, 2005).

The myth includes specifically China. Most West-European historians have considered Chinese culture and society as unchanging over time and have emphasized the "unique" development of modern science in the West, along with the Renaissance, the bourgeoisie, democracy and capitalism. China is "a-historical" while only Western Europe was subject to change. Many, like J. Needham (quoted by Goody, 2006, p. 153), argued that the People's Republic would never copy the West but instead develop its own "*socialist form of society*", which "*would seem to be more congruent with China's past than any capitalist one could be*". How they would interpret the present economic liberalization and openness, and how they would deal with the examples of Taiwan, Singapore and Hong Kong is another matter. This overemphasis of historical and cultural continuity of "*a powerful ethical system never supported by supernatural sanctions*" (Needham, quoted by Goody, 2006, p. 152), but nevertheless characterized by a passive attitude towards innovation and economic activities, contributes to the idea of a "clash of civilizations", in the manner discussed by Huntington (1996). The feelings that reading these otherwise very scholarly written overviews evoke among the so-called non-Western (in this case Chinese) public are not taken into consideration.

Famous and indeed talented West-European historians like Fernand Braudel (1993) had an ambiguous attitude toward Chinese history. Braudel argued that after the 13<sup>th</sup> century the Chinese economy started stagnating. He further comments that earlier "*the Chinese advance is hard to explain*" (quoted by Goody, 2006, p. 188). Goody (2006, p. 188) comments: "*But that is surely the case only if one is looking at the world from a 19<sup>th</sup> century Eurocentric standpoint*". Braudel insistence on China's lack of a sophisticated monetary system required for exchange and production while only medieval Europe finally perfected its money system is curious because all Eurasian civilizations had to exchange with one another. China's supposedly backwardness certainly contrasted with the fact that its comparative advantages were able to attract precious metals to its borders from the West for more than two millennia. So clearly Western Europe was not the only culture having hunger for gold. According to Goody (2006, p. 190) "*The East knew what it wanted and how to get it by peaceful means, namely, by trade*". He also puts the European "Renaissance" in a different light:

*“Throughout Asia, the East did not need the same rebirth since it did not have the same death. That is why China remained ahead of the West, in science until the end of the 16<sup>th</sup> century, in the economy until the end of the 18<sup>th</sup>. It neither had the extensive material collapse nor did it have in the same way a restrictive, hegemonic religion”* (Goody, 2006, p. 296).

Even Joseph Needham (1954-), the author of magisterial series on Chinese inventions, science and technology, is ambiguous. Needham concluded that science was more advanced in China until the 16<sup>th</sup> century. Yet, when it comes to “inventing invention” Western Europe comes to the forefront because of its adoption of paper and printing. Goody (2006, p. 297), on the other hand, suggests a

*“more regular evolutionary change rather than ... a sudden revolution of a putative kind. “Modern” science should be more closely linked to earlier science, and developments in the West seen as more continuous with China than Needham finally proposes”.*

There also seems to be a widespread agreement among European historians that with the exception of Japan feudalism was absent in the rest of the world. This Japanese exceptionalism is again typical of Eurocentrism with a slightly negative bend towards China. Historians like Anderson (quoted by Goody, 2006, p. 94) argue that Japan developed a system similar to Europe in the 14<sup>th</sup> to 15<sup>th</sup> centuries, explaining also Japan’s early achievements in industrial capitalism, often seen as contrasting with China’s experience. Goody (2006, p. 94) describes it as *“a judgement that has turned out to be distinctively premature”*, considering the People’s Republic growth since the 1980s. Goody demonstrates that there are no supposedly unique characteristics of earlier Japan.

Also Pomeranz (2000) shows the parallels between China and Europe as recently as 1750 in life expectancy, consumption, product and market factors, the strategies of households, and perhaps most surprisingly, ecology. Pomeranz argues that Europe’s rise in the 19<sup>th</sup> century was due to the fortunate location of coal, which substituted for timber, and the trade with the Americas, allowing the growth of resource-intensive and labour-saving strategies. Although the East Asian hinterlands boomed after 1750, both in population and in manufacturing, this growth itself prevented peripheral regions from exporting vital resources to the cloth-producing Yangzi Delta. As a result, growth in the core of East Asia’s economy essentially stopped. Thus, Pomeranz ignores West European “enlightened” mentality or spirit as a possible factor.

The role of fashion, being connected to the concept of change, was emphasized by Elvin (quoted by Goody, 2006, p. 265). Sumptuary laws were eased in China at about the same time as in Europe when in both regions the bourgeoisie started rising. Afterwards in both regions fashion and taste rather than law distinguished the elite from the masses.

Goody (2006, p. 269) further identifies charity (to the poor), the ambivalence about luxury (for the rich) as belonging to all major Eurasian urbanized societies. He also disagrees with European claims to the emotions. Medieval historians, such as George Duby (1996), identified the birth of “romantic love” in the troubadour society of 12<sup>th</sup> century Europe. Other more generally have attributed a deeper or fraternal sense of love to Christianity and its tradition of charity (“love thy neighbour”). However, in China as early as the 9<sup>th</sup> to 7<sup>th</sup>

centuries BCE love poetry appeared in “*The Book of Songs*”. In the 6<sup>th</sup> century a court poet, Hsu Ling, put together a whole collection of love poems called “*New Songs from a Jade Terrace*”. The rhetorical form of this kind of “Palace Style Poetry” became increasingly more standardized. One of the conventions was that the woman’s lover must be absent from the love scenario. Both Europe and China shared this concept as it was intrinsic to the whole nature of both letter-writing and love poetry.

Eurocentric historians also consider an efficient institutional framework necessary for socio-economic emancipation. Here democracy and “good governance”, including the protection of private property, is usually again identified with evolutions in Western Europe. Nylan (quoted by Goody, 2006, p. 252) claims that even early China (e.g. the Ch’in or Wang Mang) was characterized by a number of checks and balances and probably did not deserve its reputation for despotism. The classical Confucian texts no doubt formed a check on government and as a result the literate classes quite often were opposing the regimes. Wolf (1982) suggests to consider the authority systems of both East and West, despotic or democratic, as variants of one another, of the tributary state, with the East being sometimes more centralized than the West.

Finally, John M. Hobson even suggests “*the Eastern Origins of Western Civilisation*” (Hobson, 2004, title). In this way he revised the history of the world, arguing that Western industrialization was largely based on the adoption of Chinese, Arab and Indian knowledge, and the imposition of asymmetric trading arrangements on Asian economies. Hobson’s work may indeed recall the hugely influential work of his great-grandfather, the radical anti-imperialist J.A. Hobson.

### ***Paradigms and Religions***

Arguing that religion is the undermining force, sometimes on a subconscious level, of the prevailing paradigms in a society, we suggest to analyse the role of religion in the socio-economic development of China in order to further assess “Western exclusivity”. In Western European literature and scholarship gradually certain socio-economic interpretations of Chinese (and Eastern) religious traditions gradually came into existence. The most common and traditional is the Weberian interpretation which was especially successful among 19<sup>th</sup> century Orientalists, but also among some present-day postmodernists, claiming that Buddhism and Chinese traditions were counterproductive for economic growth and any other societal change. We consider here specifically Confucianism and Buddhism.

#### *Confucianism*

Confucianism is usually the culprit explaining why 14<sup>th</sup> century China started restricting foreign trade and all other international contacts. Beattie (2009, p. 151) calls it “*one of the most remarkable pieces of self-inflicted damage in economic history*”. Most European commentators refer to Confucius’ writings which favour stability and the maintenance of existing relationships of hierarchy within society. They also refer to the Mandarins, the Emperor’s Confucian bureaucrats, who despised and feared merchants and did their best to control them. But Confucianism already dominated China’s politics for more than a millennium. So why only from the 15<sup>th</sup> century?

Confucianism also receives other comments. China contrasted with other areas, like Europe and the Middle East, because its state religion, Confucianism, allowed other traditions to co-

exist with it, ignoring its own favour of stability. Basically China's religious tradition had no dominant player. There is no doubt that greater plurality dominated. Confucianism, while emphasizing morality, was secular in nature and rejected supernatural explanations. It provided an alternative to ancestor worship, to local shrines, and to Buddhism. Certainly neo-Confucianism allowed the development of science and of alternative views. The absence of such a relatively open environment in Western Europe may explain the need for radical institutional revolutions, like the Glorious, Cromwellian and especially the French Revolution. China, however, had its own revolutions and peasant revolts but the institutional outcome was not so radical. Peter Burke (quoted by Goody, 2006, p. 243) claims that "*the parallels between China and Renaissance humanism are remarkable, including the emphasis on ethics and literature, the recourse to the classics, the interest in editing texts, the belief that a "humane" education is better than a specialist training as an educator*".

Another view of Confucianism is that it stimulated economic growth as it created a "shame society" whereby the disapproval of the wider community enforced good business behaviour. Beattie (2009) claims that by providing a monitoring mechanism within the "self", guilt societies are better at giving their members the sense of drive and endeavour needed for a flourishing capitalist society. This can however be compared to the development of "guilt" connected to the "original sin" in West-European Christian civilization. We may conclude that neither hierarchies, shame or the non-existence of revolutionary tendencies are exclusively typical of Confucianism.

### *Buddhism and Taoism*

While Confucianism was the religion of the Mandarins, the predominant religion in China was Buddhism. Despite its Indian origin, by 600 AD an estimated 90 % of China's population subscribed to Buddhist beliefs and practices. It became part of a syncretic outlook that continued to develop Taoist and Confucian concepts. It especially mixed with Taoism and provided this religion with a model for its own progress. Mahayana, or "Greater Vehicle", the particular kind of Buddhism that had reached China, was less individual and stringent. It preached universal salvation and the transferability of "merit" earned by good works.

First there is the Weberian interpretation that Buddhism was an obstacle to economic growth. But certainly this approach received very relevant attention in the European post-War socio-ecological movement. Buddha called for controlled consumption behaviour and that the objective of activity can only be a self-sustainable economy. Weber emphasized that the resulting escape from materialistic things creates an obstacle to growth. Connected to this is the ecological approach, as advocated by E.F. Schumacher (1993 (1973)) in his "*Small is Beautiful*" (see next chapter).

Second there is the liberating interpretation of Buddhism. In the 1950s one section of the traditionally oppressed groups in India adopted Buddhism as a political and economic solution to the problem of caste oppression. Buddhism had the advantage of being an Indian religion but at the same liberating. Likewise, in Chinese history Buddhism was more intellectually and economically liberating than official Confucianism and popular Taoism as it was the dominant religion among merchants. What is the background of this liberating aspect of Buddhism?

Buddhist literature refers to the socio-economic situation in the fertile Gangaplains in Ancient India. The period between the 6<sup>th</sup> and 4<sup>th</sup> centuries BC witnessed a crucial phase of state

formation. Two distinct forms of government had taken shape: monarchical kingdoms and clan oligarchies. Within the kingdoms the king had total control over his people and is often depicted as using power in a wilful and capricious way rather than in a legitimate and controlled capacity. Even those rights, considered legitimate by the people, such as private property and the sanctity of the human person, were often subject to royal pleasure. This was the environment to which the Buddha reacted (Chakravarthi, 2004).

One of the most influential doctrines of the 6<sup>th</sup> century BC was that of the Ajivikas. This doctrine represents a deep sense of frustration and human ineffectuality in controlling or shaping one's destiny. Characterizing actions as moral or immoral seemed meaningless in a society where oppression and the despotic control of human beings were rampant. Thus, what the Buddha was witnessing was the emergence of new relations of production and new doctrines to support these. In sharp contrast the Buddha strongly believed in the power of human action and it is for this reason that the Ajivikas appear to have been the greatest rivals of Buddhist doctrines. The Buddha was an ardent advocate of the doctrine of causality and the power of human effort in shaping one's destiny.

Another development had been the emergence of the Brahmins as a distinct priesthood caste. While the Brahmins repeatedly brought up their privileged status and their right to draw service from social groups which ranked below them, their position was challenged by the Buddhists who pointed out that the real employers of service were those who could afford to buy such services with their wealth regardless of their supposed social rank. The Buddha forbade his followers from living on an income derived from slave-trade. The policy of moderation on the part of the Masters, would in turn be rewarded with loyal workers.

But the only real possibility of escaping effectively the inegalitarian and hierarchical structure of society was in the institution of the *sangha*. The *sangha* was devised as a parallel society where one could construct, with immediate effect, a new structure of relations. Chakravarthi (2004, p. 20) identifies the *sangha* as “*an institution of the asocial world, an institution outside the frontiers of existing society which was based on the vanishing pre-class societies of the past*”. By breaking the bonds that bound them to society the members of the *sangha* were abstaining from production (economic activities) and reproduction (marriage rules) which were the basis of determining social and economic status. Within the *sangha* there were to be no centres of power. The principle of seniority decided certain administrative offices and all matters were settled through discussions where a consensus was attempted. If consensus failed to emerge a vote was taken to decide the issue. The Indian Nobel Prize winner in Economics, Amartya Sen (2009, p. 331), identifies the *sangha* or Buddhist Councils, beginning from the 6<sup>th</sup> century BC, as the cradle of democracy and challenges the “Athens”-theory.

The Indian Mauryan emperor Ashoka (reigned 268-233 BC) actually tried to integrate Buddhism in his style of governance by introducing the “rule of *Dharma*”. One of the most important elements in Ashoka's philosophy was the Buddha's doctrine of “*ahimsa*” or “non-violence” towards all living things. Ashoka recognised that war caused physical suffering and never provided a durable solution. His government laid emphasis on the value of toleration, which he regarded as one of the most important ideals of *Dharma*. Moreover, he did not insist on converting to Buddhism and declared that all religions were worthy of respect. He also regarded himself as a father and servant of his people, being responsible for their welfare and happiness. Investments in road infrastructure and political stability promoted economic growth, confirming Kishore's and Ganpati's (2007, p. 38-41) comparison between Buddhism

and Protestantism. It is this legacy that was brought by missionaries and merchants to China. In China it was especially the doctrine of Maitreya which promoted social liberation as it was a politically destabilizing factor and stimulated communal self-help.

A third interpretation of Buddhism is that it stimulated economic growth. There is a connection to the previous liberating interpretation. Brahmanism had attributed low value to the economic domain. This accounts for the greater popularity of Buddhism with all categories of people involved with production (Chakravarthi, 2004). Similarly, taking the doctrine perspective, according to Dasgupta (1993, p. 13-27), the Buddha's principle of "*appamada*", which basically means taking care of, or being responsible for, could also be interpreted as in favour of promoting growth. This interpretation, of course, became relatively popular, when Japan and the Asian Tigers became economically successful after the Second World War and it received new attention with the economic success of the PRC. The individual spiritual freedom which is so typical of Buddhism comes close to individual economic freedom. From this perspective profits become a reward for initiatives. Also, the role of the state should be limited since taxation encourages corruption.

The Buddha included shrewdness, capability and the power to inspire confidence among his customers as modes of right conduct for shopkeepers. Also, a merchant should practice thrift, to the tune of saving 25 per cent of current income which should be re-invested in his business. The *Vimalakirtinirdesa Sutra* spelled out these roles in some detail. In it the life and teachings of Vimalakirti (c. 400 AD), a legendary Buddhist householder, are held up as an example. Vimalakirti taught that neither monkhood nor household life is an absolute good. Each is to be regarded as an instrumental good, a skilful means, for achieving progress on the long road to "*nirvana*". This pro-commerce attitude typical of Buddhism differs both from the Christian traditions and the Classical Ancient Greek traditions. Latin Christianity, including the Medieval Italian Scholastic theologian Thomas Aquinas, condemned the pursuit of personal material wealth as contrary to the will of God, and most Greek writers, including Aristotle, associated commerce with fraud, avarice, luxury and moral corruption.

Is there a similarity to Protestantism as it reacted against the rigidities of Catholicism and introduced capitalism to Western Europe? One might also suggest a resemblance to the 19<sup>th</sup> C American School of Individualism, including philosophers like Herbert Spencer, which were by definition all Protestants. At least some similarities are confirmed by the economic parameters during the period when Buddhism became successful in India. There is evidence that internal and external commerce significantly increased, as well as the organisational strength and political influence of mercantile groups. Many members of these groups converted to Buddhism which suited them more than the old Hindu order with its rigid *varna* hierarchy, elaborate sacrificial rites and high tax rates. The richest merchants and their guilds also became the main patrons of the Buddhist monasteries and art. The Ajanta temples, in the modern Indian state of Maharashtra, for instance, appear to have been financed by traders. Dasgupta's (1993, p. 13-27) conclusion may be too farfetched but illustrates the point: "*the Buddhist monasteries were probably among India's earliest and most important capitalists*". The Chinese experience with Buddhism was similar. Monastic wealth provided capital for many local projects, like new bridges and grain mills, outside of centrally controlled government spending.

So did Buddhism discourage or encourage economic growth? In all major religions, including Christianity and Islam we observe the same contradictions. While the Islamic law, the "*sharia*", emphasize egalitarian principles resulting from uplifting and liberating the people of

Mecca during the 7<sup>th</sup> C, they also emphasize the need for commerce as the prophet was a merchant himself. Buddhism is no different.

### ***Reasons for the “Theft of History”***

If so many contradictions appear in Chinese society, history and religions then why did West-European scholars remain fixed on one Eurocentric and negative interpretation? The Polish-Jewish scientific philosopher J. Bronowski who moved to England in the 1930s, reflected the psychology of the dominant civilization. In his work “*The Ascent of Man*” he expresses regret but also realizes the unavoidability of the temporarily of so-called Western civilization:

*“If we do not take the next step in the ascent of man, it will be taken by people elsewhere, in Africa, in China. Should I feel that to be sad? No, not in itself. Humanity has a right to change its colour. And yet, wedded as I am to the civilization that nurtured me; I should feel it to be infinitely sad. I, whom England made, whom it taught its language and its tolerance and excitement in intellectual pursuits; I should feel it a great sense of loss if a hundred years from now Shakespeare and Newton are historical fossils in the ascent of man, in the way that Homer and Euclid are”* (Bronowski, 1973, p. 437).

Chaohua Wang (2005) argues that it also may have to do with the fact that the length and depth of traditional Chinese civilization, nor the importance of China in the modern history of the world, are reflected in translations in European languages of Chinese thought and culture. This may be explained by the political criteria which the official translation offices and a foreign-language publishing house, set up by the People’s Republic after the Maoist revolution in 1949, were implementing. In particular, the spectrum of writing from late 19<sup>th</sup> and 20<sup>th</sup> century China was never adequately represented. Mitter (2008) also refers to the fact that a typical characterization of China’s past, often put forward by the Chinese modernizers of the 20<sup>th</sup> century, is that (late) imperial China was a corrupt, “feudal” mess that was held back by unchanging Confucian thought. In the “West” publishing houses were not critical towards this official point of view and not concerned with relatively expensive translations of Chinese texts which were hard to get. This resulted in an imbalance in the cultural exchange between China and Europe; Chinese readers traditionally had more access to large areas of Western literature and intellectual thought than vice versa.

Since the dismantling of most of the cultural apparatus of Maoism many political restrictions no longer apply but the Chinese state has ceased to concern itself with large-scale translations. Gradually foreign scholars took over the task of correcting the imbalance of intellectual exchanges between China and Europe. Still, history and philosophy have found less skilled translators than classical poetry or fiction. Wang (2005) refers to the lack of English translations of the work of Hu Shih, the central figure of early Chinese liberalism, of Lu Xun’s essays, which were at least as influential as his fiction, of Wang Guowei’s literary and philosophical studies, and of Chen Yinke’s historical scholarship. This explains why modern Chinese culture remains only partly visible in foreign mirrors. It also explains why the stereotypes about Chinese culture persist in Europe.

### ***An Alternative? Europe’s Search for New Socio-Economic Paradigms in East Asian Religions and Philosophies.***

Is there an alternative? European history itself may provide some answers. Before the 19<sup>th</sup> century there was a long tradition of European commentators representing Asian countries, and in particular China, as utopias or romantic oriental empires containing both spiritual and practical wisdom. Europe re-invented Asia, initially from an inferior position, and gradually from a superior position. In general this “European Asia” may not have had much to do with the real Asia. Asian philosophies and religions were used to make a point in a European context. But in doing so some traces of an authentic Asia, sometimes even forgotten in Asia itself, came to the surface. It also shows how European mentality can be open to interpretations of Asia and China in which Europe is not the centre of world history.

So far the study of the impact of Asia on European thinking focused the cultural or literary fields. As not much attention was paid to its impact on the socio-economic field, we present it here as a case-study. To what extent did Eastern philosophies and religions influence European socio-economic thinking? What was the image of the “East”, in particular China, and how did it fit into the way Europeans were reacting against their own societies and economies? Concepts like “economic equilibrium” and “sustainable development” are usually considered as concepts which originated from a growing awareness in the so-called “Western” world. Actually, these concepts are very old and, among others, have Eastern origins. Clearly, even if modern economic thinking was dominated by “Western” economists, its concepts and ideas may indirectly have been of Eastern origin.

The seventeenth century was the period in which the West-European literary world discovered, as it were, “Eastern” lands. The Oriental genre became popular. Writers like Henry Fielding and Jonathan Swift owned many such books (Rushby, 2007, p. 160). Following the explorations undertaken by the European maritime powers, and the dispatch, by the Roman Catholic Society of Jesus, of Christian missions to the East, a series of institutes and academies were set up for the study of the languages and cultures of China, India and Japan. In France even the Crown encouraged the work of early Orientalists and the discovery of the Orient was of great interest to Jean-Baptiste Colbert (1619-1683), the famous French Finance Minister for more than twenty years during the reign of Louis XIV. He encouraged travel and particularly commerce but also granted subsidies to scholars. In the final quarter of the eighteenth century Orientalism became even firmly established as a profession.

It should be emphasized that until the beginning of the 19<sup>th</sup> century the notion of racial “superiority” did not exist as such in Western Europe. In fact, while still lacking concrete information on Eastern civilisations, many authors considered China and India as equal or even superior to Europe. A certain degree of West European xenophobia may have existed but “the East” was already for centuries represented as a “Utopia” or even a model. Just like Voltaire (1694-1778), who referred to China as the first and major world civilization in his *“Essai sur l’histoire générale et sur les moeurs et l’esprit des nations”* (1756), Irish-English novelist Jonathan Swift discovered “Eastern” empires and considered them either as an alternative to, or as a pretext to criticize the socio-economic and political systems of Western Europe of his days. The difference of course is that scholars like Voltaire considered real countries like China, Japan and India. Of all the remote regions of the globe visited by the main character of Swift’s classic satirical narrative *“Gulliver’s Travels”* (1726), Japan and Fort St. George (possibly in present-day Chennai, in South India) are the only real places existing. Significantly the “heathen” Japanese were portrayed in a better light than the Protestant Dutch. But otherwise Swift basically invented countries for making a point. Clearly Swift intentionally considered only a “fantasy-world”, whereas Voltaire emphasized the true existence of these countries. But essentially also Voltaire’s China had little to do with the real

China. This suggests that the new Orientalist genre had more to do with European yearnings than Asian reality (De Vylder, 2008, p. 93-108).

Among scholars there is a lot of discussion on the nature of economic thinking among the first generations of Orientalists (seventeenth/eighteenth century). They were especially concerned with defending physiocratic (natural balance, like the taoist concept of “*jin*” and “*yang*”) against mercantilist principles (the need for government interference in order to accumulate wealth through a positive balance of payments). In 1758 the French physiocrat François Quesnay (1694-1774) published his famous “*Tableau Economique*”, advocating the economic theory that land was the source of all wealth, and that the wealth of a nation could only be measured by the extent to which it returned to its natural balance. As a court physician Quesnay compared the blood circulation of a human body to the circulation of production factors within the economy. In two books, “*Laws of Nature and China’s Autocracy*” he referred to the East as the examples of implementing the laws of nature and natural reasoning. China was a model in building its national economy on the basis of agriculture, while adhering to the reasons and principles regulated by “Lord Nature” of “Heaven”, which symbolized belief in natural law and order. He lauded China’s autocracy as a “rational autocratic government”, which was responsible for stipulating rules within the scope of natural law. Even the monarch himself had to adhere to such rules, accepting the “rules of Heaven” as his guidelines. The physiocrats became an important branch of the Enlightenment movement. In 1756 the French king Louis XV took up Quesnay’s advice and followed the example of the Chinese emperor to hold ceremonies on the occasion of ploughing and harvesting. Quesnay was so ardent in propagating the Confucian doctrine that he became known as the “Confucius of Europe”.

Similarly, another French physiocrat, Jacques Turgot (1727-1781), introduced physiocratic reforms as governor of Limousin in 1761, by abolishing the levy of labour duty on farmers and replacing it with taxation. He too was keenly interested in China’s developments in economics, taxation and technology, viewing the “Oriental nation” as a practical model of natural order. While he was governor of Limousin, Turgot came to know two Chinese students, Gao Leisi and Yang Dewang, with whom he covered subjects as the roles of land, rental, and capital in the agricultural economy, and the technological achievements in China’s paper-making, textile and porcelain industries (Fuwei, 1997, p. 275-277).

Two interesting case-studies to examine the relationship with economic thought are the works of Jonathan Swift and Daniel Defoe, famous for his “*Robinson Crusoe*” (1719). Swift reported on extraordinary lands and societies, notably the minute inhabitants of “Lilliput”, the giants of “Brobdingnag”, and the “Yahoos” in “Houyhnhnmland”, where talking horses are the dominant species. While Defoe described a primitive paradise in the West Indies, Swift discovered sophisticated utopias, superior or at least equal to European civilization of his time. Being a non-Orientalist, Defoe joined a generation which believed in the noble and beautiful “savage”.

One could argue that the entire history of the way Eastern has influenced European thinking can be deduced to Jonathan Swift’s message in “*Gulliver’s Travels*”. Swift represented economics both as a utopia and as a threat. Being part of European Enlightenment Swift viewed “Asian governance and economics” in a positive light. He genuinely considered the East as an inspiration for initiating socio-economic reform in Britain by an open-minded monarch from above. This monarch represented a natural equilibrium, as suggested by the

French physiocrats. Quesnay's admiration for Confucius as the ultimate type of leadership was never far away.

The comparison to Defoe illustrates the specificity of the role of Eastern thinking. Defoe did not look for any utopia in the East. His utopia was rather a tropical island in the West Indies. Robinson Crusoe had to be a pragmatist in order to survive all alone on his island. Defoe identified with what he considered a prospering Britain full of potential, if only it played the game the right way. This involved government intervention if required. Defoe represents 18th century Britain (or Western Europe in general) defending mercantilism, the kind of state capitalism that made the Industrial Revolution possible. The "East" did not have any message for Defoe (Chang, 2007, p. 40-64).

But what is remarkable was Swift's realism. Apart from idealizing the East, he simultaneously emphasized the hypocrisy and failure of man in general as a "*homo economicus*", regardless the economic system implemented, regardless East or West. In the end not the system is wrong but man himself. Any type of leadership is bound to fail because leaders are men. One might argue that if Swift lived today he would agree that the present rebirth of neo-classics looks very promising, reintroducing a natural equilibrium, however, "man", as a social and psychological being, is not yet ready for it. Man remains deceived by his own economic preferences, making a spiritual equilibrium impossible. Swift's refusal to detect anything positive in initiatives for promoting economic growth, and his emphasis on balance, suggests he only believed in the search for an internal balance, from within. For Swift paradise was inside oneself.

Swift identified this wisdom with the East. Considering the spirit of the time, it was not a coincidence that all Gulliver's travels are "East-bound" and his descriptions of the countries concerned are a mix of admiration and critique. "Luggnaggian" society, mentioned in part three of the book, reflected generosity, politeness, balance and fairness. On the last page of "*Gulliver's Travels*" Swift expressed a radical view about the nature of the "East" versus the nature of the "West": Gulliver wishes "*to send a sufficient number of their inhabitants for civilizing Europe*" so that Europeans may also, like the "Houyhnhnms", "*live under the government of reason*" (Swift, 2001 (1726), p. 222 & 224).

While the 19<sup>th</sup> century became characterized by a Eurocentric Orientalism which romanticized China to such an extent that it was no longer taken seriously, the 20<sup>th</sup> century saw signs of the reintroduction of China and the East as an alternative. During and after the World Wars, the spread of totalitarian regimes, and the economic crises of the 1920s and 1930s, some intellectuals reacted against economic chaos, violence and fascism by referring to "Asian wisdom". Interestingly, it was in Germany where Oswald Spengler's "*Der Untergang des Abendlandes*" ("*The Decline of the West*", 1991 (1918)) made explicit room for heterogeneities within each culture and for the cross-cultural similarities that can be clearly observed. In fact Spengler argued that there was nothing special about Socrates, Epicurus or Diogenes, who all have their more ancient Chinese and Indian counterparts. Unfortunately, as Germany got trapped in economic crises and consequently the Nazi regime, both timing and the location were wrong for introducing such ideas.

During the 1920s a Russian artist and philosopher, Nicholas Roerich (1874-1947), started expeditions to regions in Central Asia, China and India. In his philosophic and artistic essays, Roerich created an absolutely new concept of culture based on the idea of "Living Ethics". Culture and ethics are based on beauty and knowledge. Economics should focus artistic

expression and beauty, as these are basic needs for a successful and harmonious humanity. His idea of an international pact for protection of cultural treasures, was signed in 1935 in the presence of US President F. Roosevelt. Roerich's son, Svetoslav Roerich (1904-1993), while living in India, basically continued his father's work (Roerich, 2004 & 2004).

The Second World War had once again demonstrated how Europe was self-destructive and once again "Eastern" ideas were considered as possible alternatives. From the 1960s specific interest was shown in Zen Buddhism which stressed the importance of applying meditation to work and art. Mahayana (Greater Vehicle or Great Way) Buddhism, emphasizing complete Buddhahood, the perfection of wisdom and compassion, was introduced by Japanese movements in the 1960s. Together with increasing sympathy for the Tibetan cause also Tibetan communities became very popular, attracting not only Tibetan refugees but also native French and other European nationalities. Native French *lamas* and monks "Europeanized" the movement. Later, in the 1980s and 1990s, a widespread interest developed in Vajrayana Buddhism, which involves the use of rituals to achieve both Buddhahood itself and this-worldly benefits. One of the principal agents in the advancement of "engaged Buddhism" was the Vietnamese monk Thich Nhat Hanh. Through his publications and the foundation of the *Eglise Bouddhique Unifiée* he advocated a non-violent engagement through Buddhism with all aspects of life, including economic activities.

There were concrete influences on European economic thinking which emerged in Western Europe of the 1960s. E.F. Schumacher's "*Buddhist Economics*", first published in 1966, was widely understood as a call for an economics of peace. In the essay Schumacher imagines a multitude of vibrant, self-sufficient villages which, from their secure sense of community and place, work together in peace and cooperation. This idea is repeated in his "Utopian" "*Small is Beautiful*", published in 1973.

From the 1980s onwards, the emphasis gradually moved from alternative "green" messages to a more practical code for businesses in an increasingly capitalist and competitive environment. A new generation of holistic thinkers explored Asian philosophical and religious traditions and applied them to modern socio-economic leadership wisdom (Chakraborty, 2006). All these traditions refer to a basic oneness of existence whereby the inner and outer worlds merge into one reality. The success of new religious movements (NRMs) and the New Age Movement (NAM), both frequently inspired by Asian traditions, in Europe and elsewhere reflected the need for the "unchurched but spiritual". However, the "integration of the whole person" has been interpreted either as "intensified concentration" and eventually as "greater job efficiency", or as a way for extreme alienation from society. Now, the study of the origins of concepts, principles, and rituals, and thereby uncovering their spiritual meanings, became relevant for mainstream socio-economic ethics. Similarities with mainstream West-European Christian inspired humanism were noted. Falvey (2005) identified agricultural sustainability in both Christianity and Buddhism.

Simultaneously Eurocentric views of the world received exhilarating critique by thinkers such as the development economist Andre Gunder Frank (1929-2005), who forcefully argued that Asia had played the leading role in the world economy up to the eighteenth century (Frank, 1998).

From this short review it is clear that Europe also provides an answer to its own mental block to consider itself as the reference point of world history. From the 17th century onwards the "East" had become a "utopia" – a place to find wisdom and critique for Europe's growing mercantilist

and capitalist system. The psychology of the European economic and intellectual mind allowed and allows to consider “an East” which is not only free from prejudices but can be used for criticizing European socio-economic models.

### ***Conclusion***

We suggest that if more importance in education is put on history, reflecting the achievements of mankind as global phenomena and stopping presenting everything within a dangerous West/non-West framework, understanding between China and Europe would greatly improve.

Goody (2006) suggests to understand the great nations or civilizations of “Eurasia” as variations one of another. However, using notions like Asiatic or Chinese despotism and exceptionalism, and linking notions like capitalism and democracy to the “West”, makes this impossible. They prevent rational enquiry. Of course differences certainly existed. But what is needed is a more careful comparison, “*not a crude contrast of East and West, which always finally turns in favour of the latter*” (Goody, 2006, p. 4). In many “Western” world history overviews the entire continent of Asia is even overlooked, except when the so-called “West” interacted with it or intruded on it. Goody (2006, p. 8) explains his own reasons for his book “*The Theft of History*”:

*“My own aim is to show how Europe has not simply neglected or underplayed the history of the rest of the world, as a consequence of which it has misinterpreted its own history, but also how it has imposed historical concepts and periods that have aggravated our understanding of Asia in a way that is significant for the future as well as for the past”.*

Obviously, history reflects personality and environment. It certainly reflects one’s own time: most scholars still try to explain the success of the West from the 18<sup>th</sup> century to the 20<sup>th</sup> century. But in the very near future the main object of scholarship may be how to explain the rise of the East in the 21<sup>st</sup> century. But in a world that is becoming increasingly conscious of the inter-relationship between the world’s continents, there is a specific need to overcome these subjective factors and to consider globalization and development from a broadminded, genuinely international historical framework. The psychology of humans is to consider everything that they do not understand or can identify with as something suspicious. Sen (2006, p. 44) refers to a Hitchcock film called “*Rear Window*” where a crippled photographer, played by James Stewart, was observing some very suspicious events in the opposite house. Like James Stewart, the audience became convinced that a gruesome murder had been committed in the apartment that could be seen from the rear window. The film was actually an indictment of McCarthyism in the US, which encouraged everybody to watch the activities of other people with great suspicion. If Western Europe would consider itself no longer as the ultimate vehicle of civilization, and if China would stop considering itself as “the country in the centre of the world”, haunted by bad experiences of interactions with West-Europeans in contemporary history, then exchange of experiences and ideas would greatly be promoted.

The question whether we can simply implement the West-European ideals of democracy and market mechanisms within a mixed economy on a country like China becomes irrelevant as both concepts are no longer West-European. For that matter, India, the other fast-growing liberalizing economic Asian giant of the 21<sup>st</sup> century took up both. It is nevertheless characterized by huge corruption and infrastructural problems. Many analysts argue that India grows despite its government which is synonymous for “bad governance”. Many Indians envy

China for its strong unity, its planning capacities, its sense of order and discipline. India excels in individually driven activities like software and other intellectual activities connected to human capital while China excels in any production activity that requires a group coordination. Their different political cultures may explain the socio-economic differences between these two neighbours. Both have advantages and disadvantages. But when it comes to it a one party system “on a full stomach” may be preferred to democratic rights “on an empty stomach”. And China so far was more successful in fighting poverty than India. Friedman (2005) also argues that the Chinese economic growth itself has resulted in better a better standard of living and has introduced more democratic values and tools compared to the beginning of the 1980s. China may follow South Korea’s path in introducing democracy after being a one-party military dictatorship for almost half a century. But at the same time Friedman also emphasizes that no society, no matter how rich it becomes, is ever immune from seeing its fundamental democratic values placed at risk at any time. Western European countries have introduced fascism and Nazism at a time when they still economically performed much better than most other areas in the world. By the beginning of the Second World War the economic crisis of the 1930s had actually been solved. Friedman concludes that moral benefits are an important part of the story of economic growth but that a reframing of policies in order to move in the direction of genuine growth is necessary. There is no doubt that China has the tools and the values to find its own path to balance economic growth and moral considerations. The Tibetan problem may be a very important challenge but the Indian-Buddhist spiritual heritage of Tibet itself and its role in Chinese history, which cannot be denied, may play an important role in solving it.

Mitter (2008) refers to the novel “*Brave New World*” (1980 (1932)), by Aldous Huxley where the book’s protagonist, the Savage, is brought into a civilization set several centuries into the future where everybody is happy. On the one hand materials are satisfied on demand and everybody is part of a social category that suit their needs. On the other hand dangerous and uncomfortable information is kept away from the public and people with independent ideas are exiled to “Iceland”. Is there a “Brave New China”? The Chinese authorities send confusing signals. Democracy only brought chaos and an impoverished countryside to democratic India which is full of stubborn individuals with independent ideas. The Peoples’ Republic brought growing prosperity and harmony to China. But in “*Brave New World*” the Savage claims “the right to be unhappy”. The Controller, who defends the safe, cosy, and unquestioning new world, replies:

*“Not to mention-the right to have too little to eat; the right to be lousy; the right to live in constant apprehension of what may happen tomorrow; the right to catch typhoid; the right to be tortured by unspeakable pains of every kind”* (Mitter, 2008, p. 140).

After a long silence the Savage says: “*I claim them all*”. The controller, shrugging his shoulder, replies: “*You’re welcome*”. Mitter concludes that both are right and wrong. Maybe a major contribution of Western Europe, and especially its literature and arts, to China is this capacity to accept contradictions and to integrate them in an artistic way like Aldous Huxley did. But Europe itself so far has shown little sign of accepting contradictions in its interpretations of the world outside Europe, including China.

China sometimes continues to be nationalistic and even occasionally xenophobic (see Mitter, 2008), and continues to promote itself as “the alternative” or “the other”, in contrast with some other external power, in this case the so-called imperialist “West”. By seeing themselves as a unique and ultimate civilization, which was different from all other civilizations,

“Westerners” contribute to this phenomenon. Such theories like the West-non-West theories “have lives of their own, quite defiantly of the phenomenal world that can actually be observed” (Sen, 2006, p. 104). Goody (2006, p. 9) rightly observes that “the voices on the other side (the Eurocentric side) are often so dominant, so sure of themselves, that we can perhaps be forgiven for raising ours”.

## References

- Braudel, F., *The History of Civilizations*, Harmondsworth-etc., Penguin Books, 1993.
- Bronowski, J., *The Ascent of Man*, Boston-Toronto, Little, Brown and Company, 1973.
- Chakraborty, S.K., *Ethics in Management. Vedantic Perspectives*, Oxford-New Delhi-etc., Oxford University Press, 2006.
- Chang, Ha-Joon, *Bad Samaritans. Rich Nations, Poor Policies & The Threat to the Developing World*, London, Random House Business Books, 2007.
- Dasgupta, A., *A History of Indian Economic Thought*, London-New York, Routledge, 1993.
- De Vylder, G., The Economics of Oriental Utopia: the Case of Jonathan Swift, in *Review of Business and Economics*, Vol. LIII, No. 1, Jan.-March 2008, Leuven, ACCO, pp. 93-108.
- Falvey, L., *Religion and Agriculture. Sustainability in Christianity and Agriculture*, Adelaide, Institute for International Development, 2005.
- Frank, A.G., *Reorient: Global Economy in the Asian Age*. Berkeley-Los Angeles-London, University of California Press, 1998.
- Friedman, B.M., *The Moral Consequences of Economic Growth*, New York, Vintage Books, 2005.
- Fuwei, Shen, *Cultural Flow Between China and Outside World Throughout History*, Beijing, Foreign Languages Press, 1997.
- Goody, J., *The Theft of History*, Cambridge-etc., Cambridge University Press, 2006.
- Hobson, J.M., *The Eastern Origins of Western Civilization*, Cambridge-etc., Cambridge University Press, 2004.
- Huntington, S.P., *The Clash of Civilizations and the Remaking of World Order*, New York, Simon & Schuster, 1996.
- Huxley, Aldous, *Brave New World*, London-etc., Granada, 1980.
- Kishore, P. & Ganpati, A.K., *India. An Illustrated History*, Mumbai-etc., Jaico Publishing House, 2007.
- Landes, D., *The Wealth and Poverty of Nations: Why Some Nations Are So Rich and Some So Poor*, London, Acabus, 1999.
- MacGillivray, A., *A Brief History of Globalization*, London, Robinson, 2006.
- Maddison, A., *The World Economy: Historical Statistics*, Parijs, OECD, 2003, CD-ROM.
- Maddison, A., *Contours of the World Economy, 1-2030 AD. Essays in Macro-Economic History*, Oxford-etc., Oxford University Press, 2007.
- Mitter, R., *Modern China. A Very Short Introduction*, Oxford-etc., Oxford University Press, 2008.
- Needham, J. (ed.), *Science and Civilization in China*, Cambridge, Cambridge University Press, 1954-.
- Pomeranz, K., *The Great Divergence. China, Europe, and the Making of the Modern World Economy*, Princeton, Princeton University Press, 2000.
- Roerich, S., *Art and Life*, Moscow, International Centre of the Roerichs, 2004.
- Roerich, S., *Creative Thought*. Moscow, International Centre of the Roerichs, 2004.
- Rushby, K., *Paradise. A History of the Idea that Rules the World*, London, Robinson, 2007.
- Sen, A., *The Idea of Justice*, Cambridge, Mass., The Belknap Press of Harvard University Press, 2009.

- Schumacher, E.F., *Small is Beautiful. A Study of Economics As If People Mattered*, London -etc., Vintage, 1993 (1973).
- Smith, D., *The Dragon and the Elephant. China, India and the New World Order*, London, Profile Books, 2007.
- Swift, Jonathan, *Gulliver's Travels*, Ware, Wordsworth Editions, 2001, original publication: 1726.
- Sprengler, O., *The Decline of the West*, New York-Oxford-etc., Oxford University Press, 1991, original publication: 1918
- Wang, Chaohua (ed.), *One China, Many Paths*, London-New York, Verso, 2005.
- Wolf, E.R., *Europe and the People Without History*, Berkeley, University of California Press, 1982.
- Wright, R., *A Short History of Progress*, New York, Carroll & Graf Publishers, 2005.