

CHINESE ECONOMIC HISTORY – Ancient period (To 500 CE)

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Bronze Age

Agriculture. The economy of Bronze Age China was largely agrarian. Many peasants were serfs or subsistence farmers and barely grew enough food to pay their taxes and survive from season to season. Unlike some of the other Bronze Age cultures, bronze implements were slow to be introduced into the daily life of peasants (and equally slow to be used for military purposes). The reason for this is unknown. Nonetheless, some bronze tools have been unearthed in archaeological sites. This indicates that though peasants were able to scratch a living out of the earth, their ability to produce food in excess was likely limited.

Diet. In contrast to conventional wisdom, the Chinese diet in the early and middle Bronze Age was not based on rice. Instead, crops more suited to cultivation on the north China plain were grown including millet, early varieties of wheat, hemp, barely and the like. There is also evidence of the consumption of livestock such as pork and beef. In the southern areas of China where moisture is much more abundant, wet rice agriculture was in use as early as the 4500 BCE. However, it was not introduced into northern China until the late Shang period. Wet rice agriculture is very labor intensive, but good producers were able to grow more than was necessary for consumption by one family. Calories were therefore beginning to be produced in excess in the late Bronze Age, allowing for additional members of society to specialize in pursuits other than agriculture and for a rise in population. As a result, cities grew dramatically larger and more important. Vestiges of pre-wet rice agriculture can be seen in the regional cuisine of contemporary China. For example, the cuisine of north China still shows evidence of more reliance on grains other than rice.

Currency. The monetary system of the Shang period (1600 BCE to 1050 BCE) is unknown. It is believed that there was no minting of coins and the like. Jade was sometimes used as currency, as were some kinds of sea shells. It is not clear what specie taxes were paid in or how markets functioned in the absence of coinage. During the Zhou Era (1046 BCE-771 BCE), coins were minted for the first time. They were made of bronze and copper. They do not appear to have had much intrinsic value, but bore the mark of the monarch and therefore carried the weight of officialdom. However, it is not clear how widespread their use was and how well controlled they were by the government.

Iron Age

Agricultural Advances. The economy of Iron Age China was largely agrarian. That is not to say that there were not advances in technology which made the lives of working peasants, artisans and laborers much more productive than their ancestors. Indeed, the Chinese economy benefited immensely from the shift from Bronze Age technology to Iron Age technology. Iron implements made possible the expansion of agriculture into marginal lands which had previously not been under cultivation. It was possible in the late Warring Kingdoms period (475 BCE-221 BCE) for your average peasant to possess iron hoes, scythes, plows, axes and more, all of which were utilized in agriculture. Iron was also used in carts used to transport goods and in yokes to harness oxen both on the roads and in the fields. In addition, iron was used for shovels to dig irrigation ditches, in dredging equipment and the like. Finally, iron cooking utensils became widespread during the Iron Age. Because of advances in agriculture, populations increased dramatically. There were also more people shifting from subsistence farming to other endeavors where they were allowed to specialize in skilled professions and become masons, smithies, farriers, carpenters, coopers, and the like. Others became educators, philosophers, clergy, accountants, bookkeepers and bureaucrats. Still others were dedicated to the art of war and became fletchers, swordsmiths, bowmen, professional soldiers, foundrymen, etc. Many of these professions had existed in the Bronze Age, but in much smaller numbers. Their proliferation in the Iron Age made possible the classical age of human history.

Taxes. As more land was brought under cultivation and the land already under cultivation was made more productive, property and goods could be more effectively taxed. This enriched treasuries, made possible more stable governments and created predictable government budgets. One of the initiatives the Qin (221 BCE-206 BCE) were

known for was standardizing the monetary system and for bringing the minting of coinage under the control of the central government. This allowed for the proliferation of markets and facilitated the exchange of goods and services. Taxes were paid both in an amount of the government's choosing and in a specie of its choosing. It was also possible to apply this new-found tax revenue to the military, which was also using new iron weapons to great effect. In essence, the shift from Bronze Age technology to Iron Age technology created the conditions which made possible the unification of China. It also led to some of the greatest bloodshed known to man at that time. As above, taxes were reduced and the economy generally flourished when the Han ascended to power in 202 BCE.