



Conclusions

The Spanish and Qing empires were connected through the agency of merchants, the trade networks they created, and the circulation of goods which fostered local demand. Trade routes, mainly the maritime economic arteries such as the Manila galleons, connected and integrated Western markets and polities, in this case the Spanish empire with the Middle Kingdom. The constant inflow of American silver into China and the outflow of highly prized Chinese goods (i.e. silk, tea, porcelain) into European and American markets were the main features for such market integration between the Bourbon (French) Spanish empire and the Qing (Manchu, non-Han) dynasty. This surpassed the realm of official institutions of both empires along with their concomitant weak state capacity.

One could argue that both the Spanish and Qing empires were connected through the “imaginary” of the Silk Road, a concept constructed in the late nineteenth century and one reinvigorated in the present day. In reality, however, the Silk Road never existed; in Chinese historical sources from the Han to Qing Dynasty there is no mention of the term “Silk Road.” The Qing and Spanish empires were obviously connected through the Manila galleons linking the Spanish American colonies to China via Manila which was the main route that stimulated the demand for American silver by southern Chinese merchants, as well as the demand for Chinese goods by Spanish traders and local elites of

the Philippines, America, and Spain. The “imaginary” of the Silk Road as a national construct aimed to be the space, likely with characteristics of imperialism and expansion, of the emerging nation-state of twentieth-century China which is being consolidated today in the twenty-first century. This paradigm has indirectly been the main stimulus of current national narratives, either in Chinese or Spanish scholarship, among other world regions.

The “High Qing” period, conventionally defined as a “prosperous age” [*shèng qīng* 盛清], was in fact not as prosperous as a careful analysis of the socio-economic and cultural transformations for this period reveals (Rowe 2001, 2009; Dunstan 2014; Jia 2012; Theobald 2015). The three alien Manchu (non-Han) emperors, Kangxi, Yongzheng, and Qianlong, were incapable of coping with Malthusian pressures after 1683 because of limited revenues and a drop in agricultural production due to deforestation and farmland size. In addition, state interventionism, multiplication of official appointments, rising bureaucracy within the Qing expansion, inefficiency in collecting tax revenues, and the inability to eradicate the rampant corruption mainly in the southern provinces are the key factors that demonstrate that the so-called “High Qing” [*shèng qīng* 盛清] prosperity was a weak illusion, like a giant with clay feet.

The aforementioned deficiencies need to be further examined in future research because some contemporary scholarship still promotes dubious evidence to sustain this narrative of economic prosperity. The challenge to that line of research is mainly presented in chapters three and four of this book regarding tax revenue and the questionable efficiency of the official trade system, which demonstrate that this period cannot be characterized by its “hallmarks,” its “dramatic economic transformation,” (Mann 1997: 20) or as a “time of great stability and prosperity” (Porter, 2016: 134; McMahon 2015: 110). Thus, the question “Does the Kangxi and Qianlong Golden Age really exist?” posed by Li Qiang, Xu Kang-Ning, and Wei Wei (Li et al. 2014; Wang 2014; Chan 2003) who questioned and challenged the flourishing “High Qing” period [*shèng qīng* 盛清] thesis, seems very relevant. They argue that there were no scientific or technological breakthroughs, the economic output was stagnant, military power was unstable, culture was at a standstill, and the despotic rule of the mandarin state was characterized by an obsolete and corrupt feudal system that thwarted economic and social development.

This set of factors, and particularly the stymying of socio-economic advances, demonstrates that the state capacity of Qing China was very

weak just as the state was set into a “power paradox” or “supremacy dilemma” characterized by rigid interventionism and an autocratic execution and use of power (Kuhn 1990) to maintain a complex network of bureaucrats to keep local order. But at the same time at the local level, mainly in Jiangsu, Jiangnan, Zhejiang, or Guangdong areas, features of modern capitalism and development were emerging. As defined in *Global History with Chinese Characteristics*, this placed the Qing state onto a path with a crossroads: either foster economic growth and the elements of capitalism and a market system that were flourishing in some of China’s regions (Li 1998, 1985) or execute stiff rules and economic interventionism through the use and abuse of power (Ma 2014; Ma and Rubin 2019).

Hegemonic states in the early modern period, and even in the present day, could confront this dilemma by choosing well-defined management rules and policies to establish a consolidated welfare state system or choose to perpetuate a small but powerful elite at the expense of the public good. The Qing state chose the second path, one defined by firm socio-economic interventionism and despotic exercise of power. Thus, any relative economic growth in the “High Qing” period [*shèng qīng* 盛清] resulted in stagnation due to the mandarin state’s execution of power which resulted in inefficient institutions that were unable to manage the public well-being and regulate trade in the southern provinces.

The historical data in the Local Gazetteers of China [*zhōngguó dìfāng zhì* 中国地方志] provides an interesting window on this outcome precisely because of its inaccuracy due to the flawed methods local officials used to account population and tax revenue at provincial, prefecture, and county levels. These officials were poorly paid to perform such duties. Therefore, the census of population [*rénkǒu pǔchá* 人口普查] used to levy taxes to household members was imprecise and rendered useless, demonstrating by its ineffectiveness the weak capacity of the Qing state. Analysing the Local Gazetteers through this different lens thus challenges the so-called “High Qing” [*shèng qīng* 盛清] age of prosperity. It also re-evaluates the great divergence debate at the micro level in provinces, prefectures, and counties affirming that the Qing economy stagnated due to institutional constraints, the multiplication of inefficient institutions, a highly extended bureaucracy, despotic exercise of power, and a lack of economic and political reforms to eradicate corruption and smuggling activities.

The “High Qing” [*shèng qīng* 盛清] prosperous thesis is, therefore, reviewed in light of the incremental scholarship of recent decades (Mann 1997; Porter 2016; McMahon 2015; Rowe 2009; Theobald 2015) through an analysis of the low state capacity of Qing China, thereby re-evaluating modern assumptions that have examined the Middle Kingdom’s modernization and economic development through a marked Eurocentric approach which has fostered the great divergence debate. In many cases in that research, using untapped primary sources as new data that might provide or redefine the great divergence debate has been largely absent. Furthermore, the methodological approach presented in this book to re-evaluate the great divergence debate from a local basis proves that index numbers, numeraire, and statistical methods used by economists and historians, mainly by the so-called “Maddison School,” present inconsistent and unreliable results.

The establishment of the Canton system of trade [*yīkǒu tōngshāng* 一口通商] by the Qianlong Emperor in 1757 aimed to regulate trade, eradicate corruption, and establish stiff mercantilist rules. The target was purportedly foreign countries dealing with China, but in real terms the system aimed to control non-official trade and institutions fostered by new local Chinese elites who were seen by the high officials of the Beijing court and the emperor himself as the main threat.

Business alliances through *commenda* contracts by traders from Fujian and Guangdong provinces, the so-called *sangleyes* in the Philippines who established networks with Spanish, Portuguese, and other European traders, was the main channel that poured American silver into China for the exchange of Chinese goods (silk, tea, and porcelain). This created informal trade networks and institutions which allowed local Chinese traders, predominately the Hong merchants of Canton and local traders of Macao, to accumulate high amounts of capital (American silver) representing a major threat to the officialdom and establishment of Beijing. The unregulated trade of the South China Sea region represented through the Canton-Macao-Manila-Acapulco economic axis illustrates the weak capacity not only of the Qing empire, but also of the Spanish empire as more than 2/3 of American silver of Spanish-controlled colonies was transferred to the East via non-official trade.

The *Real Compañía de Filipinas* [Royal Company of Philippines] established in the second half of the eighteenth century, in the same period when the Canton system was created, also proved to be inefficient as smuggling activities were rampant and silver flows continued to

move eastwards. Mercantilist rules and autocratic measures in both the Chinese and Spanish empires demonstrate just how ineffective their tax and fiscal systems were, indicating the weak capacity of both states and their economic and political decline. In addition to the feeble Qing China tax system as evidenced through the analysis of the Local Gazetteers, the royal tariffs levied in the ports of the Spanish empire, the so-called *almojarifazgo*, were disregarded by Chinese and local Spanish traders of Manila, revealing the inefficiency of the Spanish empire to fill the state coffers and control the circuits of inbound and outbound vessels in the Philippines. Flows of silver and exchange of goods in south China, either of Chinese or European origin, kept circulating in high amounts beyond official control.

Chinese and European goods challenged tradition, identity, and created new cultural forms beyond the national borders. Starting in the second half of the sixteenth century, when the Manila galleons trade routes were established, inflows of American silver into China grew exponentially. This prompted an expansion of markets not only across Eurasian polities but also in the Americas. This is viewed as the birth of early globalization, challenging conventional scholarship (O'Rourke and Williamson 2004; Broadberry et al. 2018; Li and van Zanden 2012) which believes that market integration and first globalization occurred after 1820 when prices started to converge.

The progressive market integration between Asian and European regions involved outflows of goods from China to Europe, and vice versa, and inflows of silver from Europe and America to China. The writings by missionaries such as the Augustinians, Dominicans, and Jesuits, as documented in chapter four, demonstrate the level of knowledge and views of the Middle Kingdom through Western eyes. The early perceptions of sixteenth-century Augustinians and Dominicans who settled down in the Philippines were quite distorted as they aimed to establish and differentiate social casts, as well as impose institutional and religious beliefs in light of the “pure blood” statutes (Perez-Garcia 2020) and social model determined by the Catholic European Counterreformation.

Only after the arrival of the first Jesuits to China, such as Matteo Ricci, did the views and descriptions of China become more accurate. Seventeenth- and eighteenth-century publications of encyclopaedic volumes, books, and accounts on China by Jesuit fathers such as the French Jesuit Jean-Baptiste Du Halde showed a more realistic view of China's culture, society, and economy. The Jesuit accommodation

method, the so-called “*ad usum loci, in quo vivitur accomodatus*,” by which the Jesuits adapted to the environment where they settled down, learning the vernacular language and customs, allowed them to be the main socio-cultural agents and catalysts of transferring Chinese culture and tradition to Europe.

If we compare Du Halde’s *Description de la Chine* published in 1735 with the anonymous *Boxer Codex* of the late sixteenth century, the inaccuracies of the latter seem more obvious in light of Du Halde’s more precise account. A paradigmatic example is the Spanish invention of the word *sangley* to describe Chinese (and by extension eastern and south-eastern) traders who arrived in the Philippines. Such denomination only appears in Spanish sources and documents after the publication of the *Boxer Codex*, and there is not one reference of the so-called *sangley* community in any other European or Chinese source. There is no mention of the word *sangley* either in the *Ming shilu* 明实录, *Qing shilu* 清实录, or in any other Ming and Qing dynasty source. It is just a Spanish invention of the early modern period that conventional scholarship from Taiwan (Qiu 1995; Li, 2001; Folch 2002; Fang 2017) and Spain (Ollé 2002; Cano Borrego 2016; Gil 2011; García-Abasolo 2011) over the past few decades has believed to be a sophisticated term originating from the Hokkien language of Fujian province.

The circulation of global goods and trade networks created transnational communities. By the eighteenth century the first European settlers in Macao (Portuguese, Sephardim, Jesuits, and Armenians) operated in the South China Sea through the economic axis Macao-Canton, and into the western Mediterranean through the economic axis Cadiz-Seville-Marseille. This trade changed consumer behaviour, fostered market integration and non-official trade surpassing the state capacity of the Qing and Spanish empires, and transferred knowledge. Indeed the main argument of *Global History with Chinese Characteristics* is that bilateral Sino-European trade relations and the transnational dimension of global goods transformed local economies, changed tastes and traditional habits, and created a new type of global consumerism during the early modern period as trade between European and Asian regions was progressively growing.

In eighteenth-century Europe, trade conditions became more favourable because there were fewer wars and ship construction and circumnavigation techniques had improved. Trade relations between China and Europe were thus shaping a new geostrategic global order

during this time period which only collapsed after the outbreak of the Opium Wars in the mid-nineteenth century. Analysing foreign trade networks and alliances with Chinese local elites in Macao, as the main entrepôt in southern China, is crucial to understanding how foreign trade operated in this region.

Conventional research, however, mainly carried out by economists or economic historians from either a Eurocentric or Sinocentric perspective (Maddison 2007; Broadberry et al. 2017; Li and van Zanden 2012; Allen 2009; Duchesne 2001; Landes 1998; Vries 2003; Lin 1995; Xia 2012) persists in the analysis of market integration or adding to the ongoing great divergence debate through ambiguous geographic and chronological constructs for China and Europe. There is a need for further research to examine the circulation of socio-economic agents and goods, the transfer of knowledge, and changes in consumer behaviour at the local level by mining new historical data as the main foundation towards writing a “new” global history which can review the great divergence debate. Presenting a comparative case study of Macao and Marseille offers new analysis beyond the core-peripheries perspective which mainly pays attention to advanced European powers such as Great Britain and its colonies. Such research relegates or practically marginalizes other geographic areas such as the Mediterranean, Spanish American or Pacific, and south China regions. Macao and Marseille were peripheral economic areas of south China and the western Mediterranean which were integrated into a more complex trade network connecting Eastern and Western markets within a polycentric geography with no dominant economic space.

The very fact of their periphery indicates the importance of choosing Marseille and Macao as units of comparison because they played an essential role in the decline of the Qing and Spanish empires during the eighteenth century. It is traditionally believed that comparative studies only seek similarities between geographies and two spaces or units. The comparison between Marseille and Macao, however, is integrated into a more global geography and the trade routes of both the Spanish and Qing empires, mainly seeking differences, and through my analysis of south China and western Mediterranean markets it can be observed how economic growth was correlated with changes in consumer behaviour.

Within this micro-history case study, then, the long discussions of the last twenty years over the great divergence debate, the divide between rich and poor countries, and the straightjacketed Eurocentric or Sinocentric

narratives can be surpassed. Using wide and ambiguous geographical units of comparison, without locating concrete areas or employing a micro-level analysis, the economic differences between China and Europe will not be properly grasped and the conventional frames of comparisons will continue blurring the analysis of why East Asian economies stagnated and northwestern European ones took off. Moreover, without the micro-level focus, the role of other economic regions such as the Mediterranean, American, or southern China will continue to be absent from the historical analysis. Accordingly, the dynamics of inter-group organizations, merchant coalitions, and the assimilation of new cultural forms that went beyond defined geographical, political, and socio-cultural boundaries will also remain largely absent if the scholarship retains its focus on the macro scale.

Indeed, one of the key findings in this case study is the role of merchants and their influence on consumer decisions, as they can be defined as “vicarious” agents (Perez-Garcia 2013, 2019) who transformed both the supply and demand side, creating new markets and new needs that did not exist in long distance or local markets. Merchant networks and the informal institutions and economic forms they created fostered market integration and changes in patterns of consumption. Strategies in merchant alliances were based on family relations (marriages), national origins, shared information of their trade sector, and trust. These were the main factors for the economic operations and interaction in the local markets of south China and western Mediterranean Europe.

My analysis of Qing China’s state capacity which challenges the “High Qing” [*shèng qīng* 盛清] prosperous era argument, the examination of non-official institutions and trade agents that surpassed state control, and the discussion of concepts such as “power paradox” or “supremacy dilemma” inherent to despotic and autocratic states are a set of factors behind the hypothesis that the economic decline of the Qing (Manchu) alien dynasty, prior to the First Opium War, had endogenous socio-economic and political components beyond the classic explanation of the intervention of foreign powers. The explanation that the economic decline of early modern China, continuing into the nineteenth and twentieth centuries, was the result of interference from Western hegemonic powers (i.e. Great Britain, France, USA, Germany, among others), set in place even up until today, national (Sinocentric and Sinocentred) narratives within historical research.

This perspective has encapsulated history writing in China within a stiff nationalistic view which has been reinvigorated in recent years within the new PRC's policy of "One Belt, One Road" or "New Silk Road" that aims to present nationally and internationally the uniqueness and long-lasting exclusiveness of the history, culture, and civilization of the Middle Kingdom. Within the framework of the government's international strategy, characterized by a national goal of keeping the country unified in the twenty-first century, global history studies in China are of relevant importance for the legitimacy of current social and cultural policies.

Subsequently, most global history practitioners in China's scholarship present a marked Sinocentric and national perspective using the "global" label. This has set China's academics into what I defined in *Global History with Chinese Characteristics* as the "global history paradox." The Sinocentric and Sinocentred approaches, within the framework of the "One Belt, One Road" or "New Silk Road" policy, produces nationalizing global history narratives. The outcome of such studies results in a paradox itself because rigid national narratives contradict in essence the global history perspective and its original aim to deconstruct the formation of modern nation-states which emerged through the paradigm of invented and imagined national histories.

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