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Foreword

Welcome to the latest volume of the Vanguard Think Tank Journal!

In this volume, we predominantly focus on the theory of international relations with additional output focusing on societal studies. International relations was the original foundation of our think tank, and challenging the current status quo and diversifying perspectives of mainstream international relations was the reason we were founded. Having our first workshop series as an overview of the discipline was, therefore, a straightforward decision; we decided to learn about critical IR theory to educate ourselves about the existing alternatives. Our future vision is to contribute to the discipline with new ideas and theories.

In addition to newly published research from these workshop series, we are pleased to present several papers on topics ranging from food politics to security strategies around the world. We hope that this journal not only educates about IR, but broadens its scope and possibilities.

2021 International Relations Theory Workshop

In January 2021, Vanguard Think Tank organized an International Relations Theory workshop series for members to examine the main schools of thought in the field and their respective impacts on a global phenomenon of choice. It began by studying the foundational literature and methodology of IR and then split up into groups to analyze one mainstream school of IR thought in more depth.

Each group then put together an informative video on their chosen IR branch and used it as a foundation for an applied research project on global phenomena interpreted through their unique lens. The entire workshop series and research production process was conducted with the mentorship of Professor Sebastian Schmidt at Johns Hopkins University.

We are proud to present a selection of the final output from this workshop series.

Realism and the Trans-Pacific Partnership

By Alisa Blanc, Erica Chen, and Yunchong Ling

Introduction

Realism is one of the major schools of thoughts in international relations. It views the arena of world politics as a place where states play the predominant role in pursuing power and maximizing self-interests. The school of realism has many branches. In this article, classical realism and neorealism, also known as structural realism, will be discussed. The thoughts of these theories will be analyzed along with the example of states and their interactions with the Trans-Pacific Partnership (TPP). TPP was a trading agreement initially signed by 12 countries including the United States. It never came into effect practically since it was not ratified by the US.

I. Classical realism

The first part of the article focuses on explaining why the US joined and led the Trans-Pacific Partnership (TPP) during the Obama administration, and why it withdrew during the Trump administration from the prism of classical realism. Similar to all the other branches of realism, classical realism views the world as an international anarchic system where the predominant actors are states acting for their respective self-interests.

One major difference between classical realism and other branches of realism that will be discussed later in the article is that classical realism emphasizes human nature as the determinant factor in explaining state behaviors in international politics. Hans Morgenthau proposed the famous six principles of classical realism in his 1948 book "Politics Among Nations". He argues that politics derive from objective laws that have their roots in the inherent human nature. This is what promotes states to think and act respectively in terms of their self-interest, which is defined as power. (Morgenthau 1973, 4)

It is also in states' innate nature to compete, driven by self-interest and seeking power. The participation in and then withdrawal from the TPP by the United States was no exception, and was a reflection of the apparent inherent competing nature of humans that seeks to maximize self-interest. The key for explaining why the US first joined and then withdrew from TPP is informed by

the third principle proposed by Morgenthau: while the key concept of interest defined as power is an objective category which is universally valid, the definition of interest is not fixed (Morgenthau 1973, 10). Different understanding and interpretation of state interest by the Obama administration and the Trump administration is what leads to the contradicting policies.

TPP, pushed by the Obama administration, created a single market for the US and 11 other countries along the Pacific Rim, which allowed goods to flow freely and cheaply between member states (Popken 2017). This trading framework led by the US boosted US strategic interests, and helped form a dominance in trading in the Asia-Pacific region.

For the Trump administration, on the other hand, TPP could accelerate the decline of the US manufacturing industry (McBride 2020). Capital can flow freely, but labor forces cannot. TPP had the risk of outsourcing jobs, especially those with lower wages, to developing countries with lower labor cost and looser labor policies (Pham 2017). It can potentially lead to an increasing structural unemployment rate in the US.

The classical realist perspective can allow analysis of different policies towards TPP from an internal viewpoint; the inherent nature of states to seek for interest, defined as power. However, it ignores external factors on an international scale. Does the structure of the international system affect US policies towards TPP? Are containing China's economic development and impeding its attempt to construct its own trading framework in the region factors that motivated the US to join and lead the TPP previously? These are all questions that are not considered from the classical realist perspective.

II. Neorealism

When looking at the Trans-Pacific Partnership through the lens of neo-realism, we can observe a clear shift from the fundamental assumptions used to form the classical perspective. In this branch of realist theory, the driving force of state conflict is no longer defined as human nature, but rather the structure of the international system (Waltz 1979). Incentives provided on the global stage become the key elements influencing state policy. We can use the arms race as an example: an increase in the nuclear arsenal in State A raises the uncertainty of State B about State A's intentions. Consequently, State B increases its own arsenal for defensive purposes. Observing this, State A also worries about State B's intentions and raises its arsenal again. According to neo-realists, this vicious cycle – otherwise known as the security dilemma – is the root problem in international affairs. Distrust between states disrupts cooperative efforts as each state attempts to protect their national interests.

Taking into account this distrust, how can we understand the creation of international organizations such as the TPP? Indeed, in an anarchic world system where states are rational actors who act in self-interest, cooperative efforts

should be meager. However, states do collaborate in order to balance power on the international stage. They seek to counter the influence, or growing influence of, a hegemonic player (Tamura 2015). For example, in the framework of neorealism, the recent signature of the Regional Comprehensive Economic Partnership (RCEP) can be framed as a response to the negotiation of the TPP. The potential influence of the latter, considered in the context of the bipolar US-China international system, undoubtedly incited China and other regional states to create their own partnership as a response. Indeed, if states assume a zero-sum game model in world politics, where the relative gain of State A is seen as the relative loss of State B, State B will act in accordance to retrieve that loss. Although the TPP eventually was not ratified due to the US withdrawal, the principle remains that coalitions aim to increase power at a group level with the assumption that it will protect member states from a hegemonic power player.

If collaboration brings greater influence, then how can we understand the US's decision to withdraw its signature from the TPP and other treaties in 2017? Can the neorealist framework explain that? The answer is most likely not. According to the neorealist theory, the US should have sought to concretize its alliances - both political and economic - in order to counter the rise of China's power. Its decision to withdraw instead for the reasons aforementioned in the first section are not in line with the neorealist predictions.

Built on assumptions of a simple world and exempt of domestic policy considerations, neorealism serves to understand the reasons behind the creation of the international organizations, but not the reasons behind why one may leave such an organization. Although the balance of power and security dilemma both accurately reflect current world politics, neorealism lacks a long term understanding of trends of complex interactions between states that go beyond the ideal stage that it has assumed.

III. Outlook

The future of TPP seems quite bleak even if Biden has come to power. Right now, the trade agreement is not a priority for the US due to domestic crises. Biden must use his political capital to deal with domestic crises first, which means TPP may not be brought back to the table before the end of the Covid-19 pandemic. The realist theory suggests that states seek development after they ensure their survival. The US is facing internal crises that could potentially threaten its survival; thus, it must direct its resources to the solution of domestic issues first.

TPP is not completely aligned with US interests because it may hurt manufacturing jobs within the US. Globalization is losing favor among the American people. The rise of inequalities and job loss were seen as by-products of globalization. Trump came to power by exploiting people's discontent towards globalization. Although Trump lost the 2020 election, his supporters are still numerous, and these issues remain unresolved. Biden will not risk losing political

support by bringing TPP back to the table. As a politician, Biden also cares about his political future, and supporting TPP will cost too much political capital and harm his interest (power).

In the near future, it is highly unlikely that the US will rejoin TPP, but TPP, or similar trade agreements, will be brought back to discussion after alleviating domestic crises in the US. The main reason is that China is challenging US hegemony in this unipolar system. China promotes “multilateralism” and is seeking to establish a bipolar system in international politics. The Regional Comprehensive Economic Partnership (RCEP) trade agreement will increase China’s influence in the Asia-Pacific region, replacing the US as the superpower in this region. Rejoining TPP will allow the US to contain and pressure China, which is aligned with Biden’s foreign policy goals.

Although these first two sections conclude with the limitations of both classical and neorealist theories, their contribution to the understanding of international affairs cannot be forgotten. Future developments in the world arena may continue to prove and disprove said theories - it is now the role of theorists to adapt and evolve their theories in accordance with changes observed.

Peer Review

This article expertly compares and contrasts two branches of realism - classical realism and neorealism - through their analytical potential of the Trans-Pacific Partnership (TPP). The authors first discuss how the principles of classical realism can help explain the contradicting policy approaches from different US administrations towards the TPP, highlighting the role of human nature in promoting states to think and act in terms of their self-interest. Potential limitations of this lens are contrasted with the neorealism approach, where incentives from the international system play a significant role in influencing state policy. The authors manage to skillfully break down the complex realism theories into concise, easy-to-understand analytical frameworks, and conclude the piece with a hypothesis surrounding the future of TPP, in relation to US action, as well as highlighting the important contribution of realism theories in understanding international affairs. Overall, this piece is engaging, well-written and cleverly-structured.

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2022 International Relations Theory Workshop

Over the past few years, there has been growing attention to the unequal power relations and Western dominance in the study of International Relations (IR) and Politics and how they have become embedded in our institutions, theories and methods. We hope to provide space to engage in critical discussions about power in academic inquiry, from institutional structures to classroom dynamics to theory and method, and help in developing a more critical eye to the challenges and possibilities of different approaches to and visions of IR and Political Studies.

As such, Vanguard Think Tank in January 2022 organized a workshop that explored different approaches to decolonizing IR and Political Studies and the problems, contexts and histories that have given rise to different critiques and approaches to the disciplines. We invited Joffrey Andrew Doma from the Oxford Department of International Development to give us an in-depth overview of critical IR in the African context, more specifically, the application of Ubuntu, to see how international relations theory can be provincialized.

We are proud to present several selections on topics that serve to broaden and add nuance to the International Relations field.

A Call for Inclusive International Relations

By Shaun James

The call to decolonise the field of International Relations is not a new or trending issue in International Relations (IR). The movement arose during the sixties and seventies in the wake of the Vietnam War and the growing awareness of colonisation. The basic idea was that IR only concerned itself with Euro-American issues for the longest time. The field was saturated with Western theories, many of which had no basis for practice with the rest of the world (Sune 2016). Whilst it is true that European views have been at the forefront for many decades, it does not seem that the field of IR has likely been compromised by solely Western ideology. It is necessary to showcase an example which includes non-western schools of thought in IR education.

In order to do this, a deliberative effort from the upper echelons of the fields of IR and politics is needed to acknowledge the absence of non-western thought, which includes more representation. However, these changes must be gradual and not imposed or forced. Such attempts of rapid transitions of alternate schools of study do not champion the liberal way of doing things. It will only breed resentment and opposition. It must be noted that everyone stands to gain if the field of IR and politics were more inclusive and equitable.

Furthermore, it is also insulting to suggest that for the lack of adequate representation from the rest of the world, the West must give way in some pitiful manner to accommodate them. The term 'decolonising IR and politics' also delegitimizes and negates the work of non-western philosophers and academicians, Many such as Sun Tzu, Ibn Khaldun, Chanakya and many more whose works on politics and IR have been studied to this day (Dutta and Dabhade 2014).

The shared goal must be to broaden the scope of IR theory and ensure maximal participation by all concerned. We cannot achieve this by blatantly attacking western thought, which has dominated the field for decades. The West's contribution to the proliferation of liberty, freedom of speech, and the sanctity of the individual cannot be understated. Thus, instead, we must look beyond ourselves and history. It is only when we look beyond the past that we can look forward to embracing a more inclusive future for recognising the study of IR.

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Response to Western Theory

By Nguyen Minh Hanh

International Relations are established on the premise of Western hegemony, in which scientific, generalized theories are the backbone of the field. This overemphasis on science and abstraction not only ignores the historical context of violence and oppression but also fails to encompass the unique traditions, spirituality, and hierarchy of the “Other”, i.e: Asia, Africa, Latin America, and the Islamic world. It is fascinating to see underrepresented cultures like the ancient tributary system of the Sinosphere or warlordism in Africa challenge common notions of Waltzian hierarchy. Rather than having equal sovereigns, the Chinese tributary system is divided into the superior state, vassal states, and periphery states, bound together by the recognition of Chinese superiority as well as mutual obligations from both the superior and the vassal.

Similarly, warlordism in Africa does not conform to the concept of sovereigns as the parties involved are mainly fragmented and unofficial; still, their histories should not be downplayed to mere "insurgencies" (Acharya 2011, 631). It is crucial to be aware that the weight given to Western perspectives stems from hundreds of years of colonization where the "other" civilizations succumbed to Western standards and values. To decolonize International Relations is to take into account this history, that is to say, to historicize International Relations. To be history-inclusive, International Relations needs to include what is often the politically ignored such as race, genocide, and non-national beings.

Furthermore, it needs to answer the question of whether the field can ever be truly universal as it ventures into the diversity, multiethnicity and complexity in regional experiences. If universal theories cannot be formed, would the provincialization/decolonization of International Relations diminish the consistency of the field, i.e: will it no longer be predictive? If so, is the quest worth it when its appeal as a helpful guidance to policy-making could be lost? For me, the inclusivity vs. practicality conflict can only be reconciled when there is genuine political demand to understand Asia, Africa, Latin America, and the Islamic world. Only then do further academic interests follow and International Relations potentially change.

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Building the Chinese School of International Relations Theory

By Ruowei Wang

The discipline of international relations was established in Chinese universities in the 80s. During the early stage, most efforts were made to introduce western International Relations Theory (IRT) to China through the translation of Realist and Liberal classics into Chinese. Since the beginning of the 21st century, Chinese scholars have started to develop the “Chinese School” of IRT.

IRT attempts to explain a “problematic” that derives from a specific perspective determined by time and space. The problematic in this context refers to the identification of inconsistencies between facts and theories or a real-life phenomenon that cannot be explained by existing theories. Qin Yaqing, one of the leading Chinese IRT scholars, further developed the idea of IRT by highlighting the formation of “core problematic”, which drives the development of different schools of IR theories that are attached to specific cultures in specific periods of time. Qin argues that the identification of problematic is highly relevant to the representational system of societal culture. For example, as Qin points out, the core problematic for the United States is the maintenance of American hegemony, while that of the United Kingdom is the formation and development of the international community. Yet, the necessity to identify the “Chinese School” or categorizing IRT by the origin of the theory is disputed among Chinese scholars.

Yan Xuetong, chair of the International Relations department at Tsinghua University, endorses a universalist approach to IRT rather than aiming at establishing a “Chinese School” of IRT because schools of theory differ from each other in the content and arguments rather than their national origins. Amitav Acharya also raises several concerns over the “Chinese school” of IRT: does Chinese IRT seek to replace, complement, or localize western IRT? To what extent is Chinese IRT universal? How are theories connected to contemporary Chinese foreign policy?. Despite the debates over “Chinese school IRT”, Chinese scholars still interact with and contribute to IRT in many ways. Yan Xuetong along with his team examines ancient Chinese political thoughts and incorporates values and politics in the Qin Dynasty into contemporary IR theories. The concept of moral realism argues that “moral concerns are used by a state ‘in making strategic decisions on how to achieve interest maximization”. Qin Yaqing

also proposes the relational theory of IR and places Chinese traditional worldviews such as Datong (Universal Great Harmony) and Tianxia(all under heaven) at the theoretic hardcore of Chinese IRT.

Given the geographical scope of China and the diversity of world views in different regions within the country, we may also expect further localisation of Chinese IRT, just as how IRT can be adapted in different regions of the world. The controversies over the definition of Chinese IRT have not yet been resolved, but the Chinese perspective will definitely contribute to the discussion on IRT in academia.

Behind the “Great Divergence”: drug food consumption and economic development in early modern China and Europe

By Yuchen Ge

Introduction

Consumption is a phenomenon that accompanies a large number of economic activities, and varies greatly according to time and region. Because of consumer goods' profound influence on human society, historians around the world have provided many interpretations on the origin of modern consumerism, the impact of the drug-food trade on economic development, as well as the role of different civilizations in global consumption. David Landes, the author of *The Wealth and Poverty of Nations*, asserts that unlike in Europe, economic growth remained stagnant in China for over one thousand years, leading to the emergence of a “Great Divergence” between the two sides. This occurrence eventually gave rise to Europe's ascendancy over China in economic consumption and development at the dawn of the Industrial Revolution. For Kenneth Pomeranz, this centuries-long “Great Divergence” is a misnomer as it exaggerates the European consumption of drug foods and overlooks the significance of consumerism in China before the mid-19th century. His research demonstrates that China had a long history of cultivating drug foods and consumed them in larger quantities compared to coeval Europe. Nevertheless, the country did not harvest much wealth from trading such goods and thus ultimately lagged behind in consumption, resulting in the decline of its position in global trade. Meanwhile, scholars like Stephen Broadberry and Bishnupriya Gupta oppose Pomeranz, maintaining that early modern China constantly fell behind Europe in development since its lack of silver wage impeded consumption. In addition, Jan de Vries points to the importance of taste change in the advent of consumerism in the 17th-century Dutch Republic. Despite these disagreements, it is beyond doubt that China consumed several types of drug foods, especially sugar, tea, and tobacco more than Europe did during the early modern period.

Controversy over the “Great Divergence”

The idea of the “Great Divergence” between China and Europe has long been the subject of bitter controversy throughout the historical academia as scholars have mostly differed on its exact definition, length of time, and impact on the two communities. In *The Wealth and Poverty of Nations*, David Landes contends that in the past one thousand years, economic growth was a uniquely European phenomenon as China had not seen such progress since the year 1000 (McCabe, 2014, p. 209). His argument bolsters the millennial “Great Divergence” theory and attributes the rise of modern consumption to Europe’s accumulation of wealth in contrast to China’s persistent economic stagnation that failed to produce a consumer society. This assertion, however, was met with strong opposition from Kenneth Pomeranz for its inaccurate description of the historical patterns of consumption growth in China and Europe.

In Pomeranz’s research, although a variety of consumer goods such as foods, textiles, and exotic objects arrived in Europe after 1400, they were not utilized by the Europeans on a large scale until as early as the late 18th century (McCabe, 2014, p. 208). Based on this assumption, Pomeranz illustrates the invalidity of a European consumer revolution before 1850 because during this period, only England consumed a considerably higher amount of drug foods while the rest of Europe remained inactive in consumption increase (McCabe, 2014, p. 208). It was not until the “great price decline of the nineteenth century” that the consumption of drug foods among the continental Europeans and the poor British started to soar (McCabe, 2014, p. 210). In other words, Europe as a whole did not diverge much from its historical level of low consumption throughout the early modern era. On the contrary, ancient China, according to Pomeranz, bred a more advanced, diversified consumerist culture that diffused to more social groups and classes than what premodern Europe did. The Chinese economy, a vibrant and ever-changing system, outdistanced Western Europe in various aspects, particularly agriculture from which many mass consumer goods originated (Pomeranz, 2000, pp. 45–48). For instance, sugar, a major domestically produced product, had a consumer group that covered the general Chinese populace in the sixteenth and seventeenth centuries (McCabe, 2014, p. 209). Therefore, the “Great Divergence,” as viewed by Pomeranz, was not a process that lasted for over a millennium since Europe did not acquire an upper hand in consumption over China until recent centuries.

China’s Participation in Global Consumption

Aside from his criticism of the “Great Divergence” theory, Pomeranz also reveals China’s prominent role in global consumption by examining the country’s production and usage of drug foods. Different from the European powers that owned extensive plantations in their newly seized overseas colonies, China as a

continental empire raised numerous drug foods at home and started consuming them at an earlier age. Among them, sugar was already used for ritual and medicinal purposes among the Chinese elite in the Tang dynasty and became routinized among the wealthy in the Song dynasty (McCabe, 2014, p. 209). Pomeranz points out that during the following centuries, sugar evolved into a popular object that symbolized fortune and health for ordinary people in China. Around 1680, sugarplums became an essential element of weddings in Guangdong province as their amount was believed to affect the bride's experience of giving birth in the future (McCabe, 2014, p. 209). Most of the sugar used on these occasions was cultivated in the provinces of southern China, such as Guangdong, Fujian (including Taiwan), and Sichuan (McCabe, 2014, p. 209). Guangdong, in particular, had an exceptionally high proportion of sugar in its agricultural production as sugarcane may have occupied more local fields than any other non-grain crop by the mid-18th century (McCabe, 2014, p. 209). Nevertheless, although the average Chinese consumption of drug foods did not diminish over time, it was clear that its rate of increase gradually slowed down (McCabe, 2014, p. 209).

Pomeranz associates this deceleration in per capita consumption growth with the Confucianist government's lack of support for the expansion of consumerist activities. Since the ever-enlarging population in China's poor regions required sufficient food to survive, drug foods as consumer goods that "competed for land used for food production" were subordinated to staple foods in the country's agricultural policies (McCabe, 2014, p. 210). Besides, the fact that neither the Chinese state nor small traders who controlled the drug-food commerce reaped notable earnings from trading such products hindered the expansion of consumption (McCabe, 2014, p. 210). This absence of state promotion eventually led to the appearance of the divergence in mass consumption between China and Europe in the 19th century.

Arguments in Favor of the "Great Divergence"

At the same time, Pomeranz's arguments have been challenged by various historians who dissent from his view about early modern China's high level of development and advanced consumerism relative to Europe. On one hand, Stephen Broadberry and Bishnupriya Gupta claim that between the 16th and the 19th centuries, the affluent areas of Asia, including economic powerhouses in China, were only as developed as the more impoverished, stagnant regions in peripheral Europe (McCabe, 2014, p. 210). The two scholars focus on the silver wage stock in northwestern Europe and Asia and highlight the vital function of such a resource in the evaluation of regional development levels. They argue that northwestern Europe's high silver wages before 1800 had more than just monetary importance as such a phenomenon was equivalent to "a sign of high

productivity in trade and high consumption” (McCabe, 2014, p. 210). Moreover, they discover that northwestern Europe’s urbanization rate increased with the rise of silver wages, while even the most prosperous areas of Asia trailed behind in urbanization on account of their perennial low levels of silver wages (McCabe, 2014, p. 211).

In that case, the divergence in economic development and consumption between China and Europe emerged significantly earlier than what Pomeranz suggests. On the other hand, Jan de Vries considers taste change a decisive factor in bringing about modern consumption in addition to the price reduction (McCabe, 2014, p. 211). He interprets the expansion of consumption options caused by the price decline of manufactured products as the main reason for the advance of life quality among northwestern European households (McCabe, 2014, p. 211). By this reasoning, de Vries sees urban households of the 17th-century Dutch Republic instead of premodern China, as stated by Pomeranz, as the cradle of consumerism given their “new efficiency that was key to modern consumer behavior” (McCabe, 2014, p. 4).

Drug Food Consumption in Early Modern China and Europe

Even though scholars disagree on the span of the “Great Divergence” and the source of consumerism, it is undisputed that the Chinese consumption of several drug foods was higher than its European counterpart in the early modern period. Among them, sugar, tea, and tobacco are arguably the most representative ones for their high prevalence and status in traditional Chinese society. In the late 17th century, when only Europeans as noble as the Pope could consume sugar biscuits on New Year’s Day, Chinese had already treated abundant candied fruits as such a requisite for weddings that families would satisfy the demand at any cost (McCabe, 2014, p. 209). This popularity becomes more noticeable when it is translated into statistics. In 1750, with a national population between 170 million to 225 million, China had an annual sugar consumption of 3.8 to 5 pounds per capita (McCabe, 2014, p. 209). Such figures heavily outnumber the European annual averages of 2.2 pounds per capita in 1750 and 2.6 pounds per capita in 1800 (McCabe, 2014, p. 209).

Likewise, China consumed tea in a substantially larger amount than early modern Europe. In 1840, while the European annual consumption of tea stayed around 4 ounces per capita, China, a country populated by roughly 380 million people, consumed a little less than 11 ounces of tea per capita each year (McCabe, 2014, p. 208). In the case of tobacco, early modern Europe continued to fall behind China in consumption because of their people’s aversion to this product. When tobacco, a native of the Americas, was first introduced to the Old World, various pamphlets that likened smoking to degeneracy appeared in Europe (McCabe, 2014, p. 73). Even though the Dutch later took the lead in smoking

pipes, tobacco use was still “disdained by the elite in most of Europe” (McCabe, 2014, p. 74). In the meantime, by the late 17th century, tobacco consumption had been integrated into the Chinese people’s daily customs under the Qing dynasty (McCabe, 2014, p. 77). Among both men and women, tobacco was so popular that the conspicuous use of this drug food equated “the hallmark of the fashionable rich” (McCabe, 2014, p. 77). All these facts reflect the higher consumption of sugar, tea, and tobacco in early modern China in comparison with coeval Europe.

Conclusion

In *The Wealth and Poverty of Nations*, David Landes contends that the “Great Divergence” between Europe and China came from the latter’s millennial economic stagnation. This argument is strongly opposed by Kenneth Pomeranz who contests an upsurge of consumption in early modern Europe and maintains that China participated actively in global consumption under its ancient consumerist culture. Pomeranz’s assertions, however, face challenges from numerous historians, including Stephen Broadberry and Bishnupriya Gupta who dissent with his claim about the duration of the “Great Divergence” and Jan de Vries who disagrees with his opinion on the origin of consumerism. Despite these disputes, it is acknowledged that China consumed a variety of drug foods, such as sugar, tea, and tobacco more than Europe did during the early modern era.

Peer Review

This well-written article challenges mainstream understanding of socio-economic differences between early modern Chinese and European societies. The author examines the controversies behind using the “Great Divergence” -- a loosely defined term that generally points towards the socioeconomic gap that differentiated Western industrialized societies with the rest of the world and gave origins to modern consumerism. Ge challenges in particular Kenneth Pomeranz’s definition and timeline of the Great Divergence between Modern Europe and China, citing statistical evidence that the “divergence” in mass consumption of food drugs did not occur until later in the 19th Century. Ge then concludes that despite disagreements in the particular definitions and durations of the “Great Divergence” among China scholars, historical evidence overwhelmingly supports the theory that consumption of food drugs in Early Modern China substantially outweighed that in Early Modern Europe. The case study demonstrated in this article contributes to the discussion of consumerism and its historical forms, origins, and geographical evolution over time from a comparative perspective.

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Analysis of China's complete ban on cryptocurrencies and its political incentives

By Xiajun Ge

Introduction:

Cryptocurrencies are digital assets that emerged in the 21st century with the development of information technology. A core concept closely related to cryptocurrencies is Web3, an idea proposed by Gavin Wood, co-founder of Ether, in 2014, referring to a network system built from blockchain or digital asset-related technologies (Kharpal, 2022). Decentralised finance is the core idea of Web3. It means everyone can own the network (digital assets) represented by cryptocurrencies rather than just being passively involved by reading and producing content (Brooks, 2021). It also means that blockchain-based smart contracts will eliminate any intermediaries, including governments and banks (PwC, 2022). Thirteen years have passed since Bitcoin became the world's first decentralised cryptocurrency in 2009. To this day, cryptocurrencies, represented by Bitcoin, still seem to be a novelty, subject to skepticism and fierce controversy from critics worldwide. Some see Bitcoin as a revolutionary financial innovation with the potential to replace today's monetary system with technological means (Mozée, 2021). Others see cryptocurrencies as competitive investment products with extremely high returns (Kuo et al, 2018). Conversely, a significant number see Bitcoin as a dangerous bubble, similar to the subprime mortgages of 2008, that could lead the entire world into the next devastating crisis (Krugman, 2022). This article lands on China's complete ban on cryptocurrencies in 2019, focusing on China's attitude towards cryptocurrencies and how economic policy reflects the political motivations of the government of the People's Republic of China.

Background:

1. Digitalisation of the Chinese economy as the new trend

With the development of technology, China has almost completely moved into a cashless electronic payment society and continues to evolve into a digital society. Two of China's leading digital payment systems, Alipay and WeChat Pay,

support near-hassle-free shopping and various everyday applications, including bill payment, transportation, and more (Rothstein & Lehman, 2021).

China's internet economy has been snowballing for over two decades, with social media, e-commerce, and short-form video all generating huge gains on the back of the internet. It has also given rise to big brands such as Taobao and Tiktok (Ma, 2021). However, these Web2 stage sectors have grown to saturation.

Mobile internet traffic has peaked, and short-form video is firmly on the top of the traffic ladder, but growth is slowing. Online shopping user penetration is gradually peaking, and the overall e-commerce industry is cooling down (EBS, 2022). This shows that both cryptocurrencies and tokens, as well as Web3, are economic phenomena of the new era, a new growth point.

As evidence, electronic assets are a vital part of the younger generation's consumption. According to McKinsey (2022), in 2021, \$110 billion was spent on digital goods, including virtual fashion. Based on this trend, McKinsey predicts that the metaspaces economic value could reach at least US\$8 trillion by 2030 (Nahar, 2022).

II. Early popularity and growing concerns

In the early 2010s, cryptocurrency began to be widely traded in China. Not only that, but Baidu, the largest search engine platform in China, started accepting Bitcoin as a form of online payment (Campbell-Verduyn, 2018). With ample cheap electricity and hardware equipment, China had become a significant mining ground for cryptocurrency companies (Jones, 2020). Digital currencies were becoming increasingly popular thanks to the increased interest in anonymity and growth in value. Cryptocurrency mining became a significant new industry in China, maintaining a booming growth until 2017.

According to the traditional innovation-growth view, cryptocurrencies, as financial innovation, are expected to reduce agency costs, facilitate risk sharing, improve markets, and ultimately improve allocative efficiency and economic growth (Kshetri, 2022). As stated in the introduction, the view on weighing the strengths and weaknesses of cryptocurrencies is mixed. For instance, Christine Lagarde, European Central Bank President, recently expressed her attitude on cryptocurrencies in an interview as "being based on nothing" and claimed she was worried about investors unaware of the high risks of losing everything in the gamble (Browne, 2022). The value of cryptocurrencies can be swayed by various factors, including technical indicators of cryptocurrencies, media attention, and macroeconomic conditions, in addition to the uncertainty of economic policies (Cheng and Yen, 2020). Clearly, for the Chinese government, the benefits of digital currencies fail to outweigh the potential damage.

III. Total ban:

In September 2021, the People's Bank of China officially announced a complete ban on cryptocurrency trading and disqualified cryptocurrencies from being legal tender and circulating in the market on the grounds of risk aversion. (BBC, 2021). According to the official statement issued by the People's Bank of China (Murrer, 2021), cryptocurrencies, as an internet financial mess, are back to seriously disrupting the financial order without authority oversight. Virtual currency differs fundamentally from other financial products in that it does not rely on a specific monetary institution to issue it but is based on a specific algorithm and generated through extensive calculations. This means it has no real value to back it up and no sovereign or commercial credit, and the price can easily be manipulated to spike and plummet. More importantly, cryptocurrencies can bypass conventional restrictions and not only advocate capital flight but also facilitate financial crimes such as money laundering and illegal fundraising by criminals. The complete ban is legitimised by the People's Bank of China (2021) as being a necessary strategy to protect people's property, fight crime and maintain financial and social stability. The total ban has dealt a massive blow to the Bitcoin market. The price of Bitcoin fell by more than 6.5% in 24 hours (Browne, 2021). So far this year, the global share of bitcoin trading volume within China has rapidly declined from over 90% to 10% (Feng, 2022).

Political incentives behind the total ban:

1. Combating financial crimes

The main reason for the Chinese government's push for a total ban is allegedly to combat financial crime (Shin, 2022). This is in line with the general public stereotype of cryptocurrencies - that they have a reputation problem. Due to their decentralised nature, cryptocurrencies are often anonymous and untraceable. Transactions are not regulated or controlled by an authoritative body. Many politicians have defined their characteristics as shadow banking (Sorkin et al, 2021), meaning operating financial activities outside the traditional financial system. Cryptocurrencies can be used for illegal and criminal transactions by criminals from the dark web or those involved in terrorist activities or human trafficking. According to data firm Chainalysis, the use of cryptocurrencies for money laundering was expected to reach \$8.6 billion in 2021, a 30% increase from 2020 (BBC, 2022). That same year, Chinese police arrested more than 1,100 money launderers for converting the proceeds of telecom fraud into virtual currency through cryptocurrency exchanges (CNBC, 2021). Academics have also raised concerns about using cryptocurrencies for tax havens. Because cryptocurrencies are anonymous and not dependent on any financial institution, companies and individuals are immune to traditional

international anti-tax evasion regimes (Marian, 2013). From a broader perspective however, the problem does not appear severe enough to warrant a total ban. In 2020, the share of crime for all cryptocurrency activity was 0.34% (Chainalysis, 2022). Combating financial crime is, therefore, not the only reason for banning cryptocurrencies.

II. Enhancing capital control

Apart from financial crime, other concerns not mentioned in the official statement of the total ban are perhaps more reflective of the political aims behind the policy. One of the essential incentives worth mentioning is capital controls. China's companies, banks, and individuals must comply with a 'closed' capital account policy (Lee, 2021). This means that funds cannot move freely in and out of China unless strict foreign exchange rules are adhered to. Nevertheless, capital flight has long been a chronic problem in China. Regular capital outflows include foreign currency purchases and overseas investments, such as overseas real estate (Olsen, 2019). Capital flight is more often the result of concerns about China's fiscal deficit and lack of confidence in the yuan or the decision of more capital owners to move their assets overseas to obtain higher returns based on the interest, exchange rate, and yield differences that exist at home and abroad (Tang, 2022). The cost of capital flight is enormous, leading to a decline in total investment, total consumption, GDP, and massive unemployment. However, these significant negative effects may be masked by the continued growth of the foreign direct investment. On the other hand, if capital flight increases, China will not have enough capital to support continued economic growth, and the loss of jobs will lead to higher unemployment.

Before the cryptocurrency ban, China's main capital control tool was an annual foreign exchange purchase limit of US\$50,000 imposed on individuals (GAC, 2021). Under this rule, cryptocurrencies became an alternative channel for capital to flee China. In 2019, over \$50 billion of digital currency was transferred from Chinese addresses to foreign addresses to circumvent foreign exchange controls (Kharpal, 2020). Implementing a cryptocurrency ban could effectively control capital and encourage the circulation of people's wealth within the country. A total ban as a state policy responds to China's domestic political climate and economic system, which introduced a socialist market economy in 1992 (Cui, 2012). This means that while the market is allowed to play a decisive role in allocating resources, it must do so under the macro-regulation of the socialist state. State intervention is, therefore, an indelible feature of China's economic policy.

III. Saving energy

Another commonly adopted defendant reason for the total ban is related to

the energy costs of mining cryptocurrencies. Cryptocurrencies can consume more electricity and emit more carbon than many countries. This makes the crypto industry one of the culprits driving global warming and climate extremes. The energy required to mine one bitcoin is roughly 1,449 kWh, which is enough to power an average household in a developed country for 13 years (Ang, 2022). Officials from the Chinese government have constantly stressed the promise of always being determined and proactive in addressing climate change and implementing the Paris Agreement (Xie, 2019). As a country with a large population and a significant energy consumer, China's active compliance with international agreements is likely to positively impact its political image as a leading power and emerging force.

IV. Ambition - Make way for CBDC by ending cryptocurrency

To be clear, the ban on cryptocurrencies is essentially China's resistance to the idea of its centralisation based on its political system. This does not mean that China rejects financial innovation. On the contrary, China sees the vast potential of blockchain and is attempting to hedge the risks associated with conventional cryptocurrencies while enjoying the benefits of financial innovation by popularising a central bank digital currency (Tiwari, 2021). At this level, the cryptocurrency ban is intended to pave the way for an exit from sovereign digital currencies.

As mentioned earlier, one of the fatal drawbacks of cryptocurrencies is that they are in legal and regulatory grey areas, which leads to instability in the financial system. However, the benefits that electronic currencies can bring are enormous. Computational systems can significantly reduce transaction costs, improve accuracy, avoid problems such as asymmetric information in the traditional financial system, and enhance the quality of financial services, thereby further reducing transaction frictions and improving the efficiency of resource allocation (Livni, 2021). Combined with assessing the risks and benefits, introducing central banks' digital currency appears to be a viable solution.

Central bank digital currencies (CBDCs) are digital tokens, similar to cryptocurrencies. The difference is that as a sovereign token, it is issued by the central bank, linked to the value of the country's legal tender, and has the positioning of a legal tender, which can be publicly accessed by users (Ward and Rochemont, 2019). The most significant difference between CBDCs and cryptocurrencies, also known as electronic tokens, is that although both are blockchain-based, CBDCs are not independently decentralised. The Chinese central bank will be responsible for creating the electronic RMB, which will be distributed to banks and companies. The banks and companies provide a trading platform and digital currency for people to trade through their online software.

On 5 January this year, the Bank of Communications in China implemented China's first digital RMB smart payroll project.

Bank of Communications Suzhou Branch and Humanpool, a national HR service group, jointly implemented China's first digital RMB smart payroll project (CBNE, 2022). It is understood that the project realises the direct interface between digital RMB and the enterprise digital cloud platform, including several functions such as employees opening digital RMB wallets online, digital RMB self-service payroll, cash withdrawals, and checking social security and personal tax.

US economists have also been supporting the advancement of America's own CBDC, echoing China's concerns about cryptocurrencies, arguing that if stablecoins succeed in replacing central bank funds in the public purse, the Federal Reserve will be in a very passive position in terms of money supply and monetary policy implementation (Sigalos, 2021). As a centralised electronic currency, the digital RMB can most efficiently and accurately help the Chinese government exercise control. As the sole holder of information on digital transactions, the central bank can collect and analyse almost all data on the population's consumption. This does provide more reliable and effective comprehensive data for monetary and economic policy-making. However, this data also indirectly gives the government more avenues to monitor the domestic population, such as tracking citizens' spending habits and testing spending power (WPR, 2021).

In addition to its domestic facilitation and monitoring role, the government's 13th Five-Year Plan also hopes to shake or even end the hegemonic position of the US dollar in the international monetary system through the internationalisation of the digital RMB (Taylor, 2021). The US dollar has long been a global currency internationally, with deposit and lending rates and most monetary policy determined by US banks and central banks. China and other countries are very passive in international financial and currency markets. Adjustments by the US to its interest rates would lead to fluctuations in the dollar's value, further altering the exchange rate between different currencies. Therefore, the digital yuan's purpose is apparent: to circumvent US monetary policy, curb the shortage of dollars, and obtain lower borrowing costs (Davidson, 2022).

Chinese officials are keen to create a payment system that would be easier for their trading partners to use and more difficult for the US to stop. They may also want such a system to give the yuan more significant influence overseas without compromising China's capital control at home. China could use its geopolitical influence to internationalise the RMB through the digital RMB. As the approximately 60 countries involved in the Belt and Road Initiative represent two-thirds of the world's population (Caudevilla, 2022), if China's central bank can reach a consensus with other central banks to implement cross-border trade transactions mediated by the e-CNY, the renminbi's status and attractiveness in the international monetary system would increase significantly.

Who suffers?

It is difficult to gauge the different responses of the general public within China to a total ban. On Weibo, one of China's largest social media platforms, official media outlets such as CCTV Finance, People's Daily, and CCTV News have all posted reports on the total ban. Each post has been read by millions, but due to the filtering of comments, we can only see a few hundred statements of support.

Nevertheless, it is certain that the group most affected by the blanket ban is the miners. Take miners in Sichuan, for example, which is home to the largest concentration of bitcoin miners in China and the world, with roughly 8 million loads used for cryptocurrency mining. Sichuan accounted for nearly one-third of global computing power for mining (Shen and Galbraith, 2021). Mining in areas such as Xinjiang or Yunnan was banned for wasting energy because these provinces burn coal to generate electricity (Pan, 2021). The Sichuan miners, who used clean hydropower, did not expect to be cracked down on, so the release of the full-scale ban caught them off guard. After selling their mining rigs as a bunch of non-metals on the cheap, some had to quit the crypto industry and return to the labour market amidst a challenging employment situation. Other miners had chosen to leave their homes and migrate overseas, where cryptocurrency regulations are looser. For instance, some migrated to Kazakhstan, where electricity is cheap, or the United States, where there are legal protections for private property (Ruwitch and Feng, 2022).

Conclusion

While the reasons given by Chinese officials for the blanket ban are succinct and singular, the reasons behind this regulatory approach are directly reflective of the government's political motivations, namely that as a centralised state led by the Chinese Communist Party, fighting financial crime is a primary responsibility. More importantly, the government has no intention to allow decentralised financial innovations including cryptocurrencies to threaten its current monetary policy. In such a political environment, financial control over cryptocurrencies is inevitable and in the best interest of the central government. At a national level, it serves as an effective form of financial control to prevent cryptocurrency-mediated financial crime and thus protect assets. It can also be more effective in controlling capital outflows and preventing cryptocurrencies from being used as a channel for capital flight to circumvent controls. This can help maintain domestic financial market stability. On an international level, banning cryptocurrencies underlines China's commitment to international environmental causes and reducing carbon emissions. This will undoubtedly help in maintaining China's image of a peacefully rising power.

However, the ban on cryptocurrencies does not mean that China has lost interest in digital transformation and technological innovation in the financial sector, which is, after all, the general trend. The government's real ambition is to create a more perfect alternative, the e-RMB. CBDCs are expected to bring new dynamism to the economy and give the government the power to track capital flows and national consumption because the Chinese central bank has absolute control over all e-RMB transactions. Moreover, it weakened the current dominant position of the USD in the international monetary system, playing a role in the future financial game between the US and China. The cryptocurrency ban provides room for CBDCs to grow.

Peer Review

This remarkably-researched and well-structured paper excellently utilizes Chinese- and English-language sources and efficiently employs primary data and policy documents as well as secondary scholarship and status reports to analyze PRC's recent ban on cryptocurrency. Ge Xiajun's evaluation of the ban contributes to the scholarship by going beyond the surface level, or "official", motivation -- to combat financial crimes -- evoked by the Chinese government. She delves deeper than that and splendidly outlines the series of pragmatic and interdisciplinary issues that the central government most likely kept in mind when imposing the ban.

Beyond the "fighting financial crime" rhetoric used as lip service, Ge argues that the crypto ban is, from the Chinese government's perspective, an important step in enhancing capital control by preventing capital flight. Furthermore, as many governments are worried about, decentralized cryptocurrency directly challenges governments' ability to effectively implement their monetary policies, taking essential tools for stabilizing economies out of governments' hands. Ge raises another possible motivation, behind PRC's crypto ban -- energy concerns, an area less examined by mainstream scholarship. The crypto ban of 2021 also coincided with the 2021 power crunch, where widespread electricity shortages affected at least 20 provinces. Crypto industry, as one of the most energy-intensive industries, was among the first to be cut amid the energy crisis. While energy concerns were certainly not the only reason, they certainly contributed to or speeded up the total crypto ban in 2021.

Overall, the article is an informative and holistic examination of the main possibilities behind the tightening crypto control in China. The author uses proficient argumentation and provides firm evidence to support her theories in the issues Chinese policymakers took into account when moving ahead with the ban. It contributes to the study of cryptocurrency, finance, as well as policymaking in China overall.

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Rural-urban migration in China since 1978

By Yuchen Ge

Introduction

In the past four decades, the People's Republic of China has seen a historically unprecedented rural-urban migration that brought in numerous well-educated, permanent migrants from rural areas of their home provinces, which boosted both its urban growth and urbanization. This nationwide population movement is, to a large extent, attributable to the country's rapid economic development since Deng Xiaoping implemented the reform and opening-up policy in 1978. However, by gradually widening the rural-urban income gap and raising the cost of cityward relocation for rural residents, rural-urban migration increases economic inequality across regions, resulting in the slowdown of urban growth over time and rural people's growing reluctance to leave their native soil. Given the importance of rural-urban migration to China's urban labor market and beyond, these downsides require prompt rectification of the domestic migration policy, specifically the hukou system, a household registration institution, by the government to ensure the sustainable development of the Chinese economy.

Pros of Rural-Urban Migration

In the post-reform era, rural-urban migration, a phenomenon that arose under the rapid development of China's economy, played an instrumental role in the country's urbanization, contributing to most of its urban growth. It is widely considered an epoch-making episode in Chinese history, as such a large-scale population flow was barely imaginable during the Maoist period. From 1978 to 1999, around 174 million Chinese nationals migrated from the countryside to cities, accounting for 75% of the total growth of the urban population in this period (Zhang & Song, 2003, p. 390). Their decision to relocate, mostly driven by economic motives, has not only made them more well-off than rural stayers of the same period but also drastically changed China's population distribution across rural and urban areas. According to the National Bureau of Statistics (NBS) of China, the two decades after 1978 saw the proportion of the urban population in China rise from 18% to 31%, an increase of 222 million urban residents that is only slightly outnumbered by 280 million of the U.S. population at the turn of the century (Zhang & Song, 2003, pp. 386–387).

Behind the remarkable impacts of this internal migration is China's constantly growing economy which enriched a considerable portion of the country's population. Since one of the guiding principles of Deng's economic policy was to "let some people get rich first," large cities, especially those in the coastal region like Shanghai and Shenzhen, were able to take the lead in the marketization reform and become economic powerhouses (Osno, 2009, paras. 1).

Attracted by their prosperity, hundreds of millions of Chinese peasants trapped in generational poverty have been naturally disposed to relocate to these cities in search of better living conditions and work opportunities. Considering that most rural residents in China could barely leave their birthplaces during the Maoist period, allowing them to move to economically more developed cities was generally beneficial for improving their economic well-being and boosting the national economy during the early stage of the reform. Under such circumstances, it stands to reason that the massive rural-urban migration since 1978 is "a consequence of China's rapid economic growth, not vice versa" (Zhang & Song, 2003, p. 399).

Another advantage of rural-urban migration is that it creates a lasting positive externality in the urban labor market by absorbing a high-quality workforce willing to settle in perpetuity in nearby cities. The patterns of migration for rural people who intend to move to cities often differ greatly depending on their places of origin, age, and social experience. Quantitative research conducted by Hu et al. (2011) points out the higher possibility for migrants with higher levels of education and more migration experience to establish themselves permanently in cities, as well as the inverse U-shaped relationship between age and the likelihood of permanent migration (p. 70). Besides, permanent migrants "tend to stay within the home provinces" and can become "more adapted to urban lives" on account of their higher employment stability and earnings in comparison with those who migrate circularly (Hu et al., 2011, p. 70). Well-educated and experienced rural people who live in proximity to economically prosperous cities are most likely to engage in intraprovincial migration, acclimatize themselves to the urban environment with ease, and become permanent urban residents in the prime of their life. These attributes of permanent migration assist with the sustained growth of China's urban economy and the added attraction of more rural migrants. The benefits of rural-urban migration, nevertheless, are sometimes felt differently among rural migrants and the native residents of recipient cities, as the latter tend to gain less from this internal migration than the former.

Cons of Rural-Urban Migration

Since its inception in the early years of the reform, rural-urban migration has never been free of controversy. Aside from the benefits to urban development, it has also

generated an abundance of social issues, most notably the increased economic inequality among people from different areas. Such a problem is reflected by the widening rural-urban income gap in the first two decades after 1978 that served as a “powerful driving force of both inter- and intraprovince migration” which, if excessive, may cause a series of issues including unemployment and poverty in recipient cities (Zhang & Song, 2003, p. 398). In line with this reasoning, studies such as Zhang & Song (2003) feared that the growing income disparity between rural and urban areas, which seemed to be reinforced by China’s admission to the World Trade Organization in 2001, would force more country-dwellers into the cities and worsen the aforementioned problems (p. 399). Be that as it may, contrary to their anticipation, the trend went in the opposite direction in the following decade. Data from the annual surveys of the NBS demonstrate that although the quantity of rural migrant labor rose from 104 million to 168 million over the 2002-2015 period, the growth rate met an abrupt downturn from roughly 0.06% in 2010 to less than 0.01% in 2015 (Su et al., 2018, p. 142). Interprovincial workers, mostly employed in the urban service industry, are discouraged from engaging in migration when the rural-urban income gap is shortened over time, leading to the deceleration of urban population growth since 2010. The price of urban services is therefore raised by the decreased inflow of workforce from interprovincial migration, resulting in “a higher living cost in cities” that increases the burdens on rural people currently or potentially involved in cityward migration (Su et al., 2018, p. 143).

The most noteworthy issue of economic inequality that occurs in rural-urban migration is associated with the hukou system, a national institution established in the 1950s to control the population flows across regions through household registration. In the post-reform period, this system continues to exist as a measure employed by urban authorities to differentiate the migrants from the native people to avoid overpopulation. Under this mechanism, only rural migrants who are either “rich or well educated” or “immediate family members of existing urban citizens” can be granted urban hukou and have the same entitlement to “permanent urban residency rights and associated social benefits” as the native residents of recipient cities (Hu et al., 2011, pp. 64–65). Such a policy is more restrictive than urban citizens may suppose as it not only has systemic constraints on rural migrants’ access to quality employment, accommodations, and public services but also prevents them from sponsoring their families for relocation (Knight et al., 2011, p. 599). Facing the high cost of cityward migration, rural people who do not meet the requirements of obtaining urban hukou are less willing to move to cities than the older generation and prefer to stay in their birthplaces to make their living. Although plenty of rural stayers have managed to overcome institutional difficulties and prosper economically through “diversified livelihood strategies in terms of multiple job holding” in the past decade, the issue of decelerated growth in rural migrant labor and urbanization remains unsolved in most Chinese cities (Ye, 2017, p. 8).

Policy Recommendations tackling Rural-Urban Migration

Since rural-urban migration substantially benefits the Chinese economy by facilitating the growth of China's urban population, enhancing the economic well-being of many rural residents, and providing the urban sector with a high-standard workforce, an overhaul of the government's domestic migration policy is necessary to ensure a sufficient supply of rural migrants to the urban labor market. From the psychological perspective, the physical distance between one's native soil to the urban destination is a key factor in determining whether individuals would feel disposed to engage in cityward migration since permanent migrants are more likely to adapt better to new environments that they are relatively more familiar with, such as small urban centers near their rural hometowns (Hu et al., 2011, p. 66). Based on this reasoning, Su et al. (2018) suggests that interprovincial relocation, a process that requires participants to attune themselves to unfamiliar cultures, dialects, and customs, is characterized by "a strong deterrent effect on migration" similar to the "border effect" observed in international migration (p. 144). In that case, urban authorities in China should reduce their investment in the facilitation of interprovincial migration and instead attempt to create a better environment for intraprovincial migration by lowering the cost for rural workers to relocate to cities in their home provinces.

To attract more rural migrants, it is also important to remove institutional barriers to migration through policy reforms. For instance, local governments can consider accelerating the accreditation of urban settlements, expanding the coverage of the social security system, and increasing their outlay on essential public services like "affordable housing, health care and education" (Su et al., 2018, p. 155). All these measures should serve to facilitate the "weakening of the hukou system," a task that can hardly be realized on a national scale without the coordination of all levels of administration (Knight et al., 2011, p. 599). Moreover, the encouragement of cityward migration can add positive short-run stimulus to the urban economy through a higher human capital stock and more economic activities (Su et al., 2018, p. 155). In the long run, this strategy would be conducive to the sustainable development of China's economy by decreasing economic inequality among citizens of different origins and extending the equalization policy to all residents within the jurisdiction of urban governments.

Conclusion

The unprecedented rural-urban migration in China as a result of economic development since 1978 has greatly facilitated the country's process of urbanization and created dramatic changes to its urban labor market by bringing in plenty of high-quality permanent migrants from the countryside.

Meanwhile, the higher economic inequality that this population flow produces under the hukou system has increased the cost of relocation and prevents many rural people from settling in cities, leading to slower urban growth in the last decade. For sustainable economic development, the Chinese government should consider thoroughly revamping its internal migration policy centered on the hukou system to ensure the sufficiency of rural migrants in the urban labor market, thereby achieving a “long term balance between the rural and the urban” in the end (Ye, 2017, p. 9).

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This well-structured paper provides an apt overview of the historical trends and developments of rural-urban migration in China since 1978. It acknowledges both the positive and negative consequences of rapid development and urbanization, from the perpetuation of economic growth to the growing inequalities within cities, as well as between urban and rural areas. The paper then provides several salient policy recommendations on addressing issues of inequality, by encouraging permanent rather than transitory urban migration and improving institutional support and social welfare systems to contribute to a more sustainable development and urbanization of Chinese society. The paper correctly points out that a hukou system reform is integral to mitigating social and economic inequalities between rural migrants and original urban-dwellers, as well as between the Chinese countryside and cities. The author cites from a variety of sources and combines interdisciplinary Chinese and English scholarship well in this article.

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Legacy of war-making: an evaluation of state formation under bellicism

By Yuchen Ge

Introduction

Since the dawn of the contemporary era, numerous conceptual frameworks have been put forward to explain the creation of modern states in a sociopolitical context. Among them, bellicism – an inductive theory that underscores the importance of warfare and the preparations for activities pertinent to such a condition to state building – stands out for its comprehensive illustration of the systemic transformation within the state’s administrative and decision-making apparatus. With considerable influence from German historian Otto Hintze, the theory was further elaborated by the writings of Charles Tilly, an American political scientist who worked prolifically on approaches to state formation in early modern Europe. As a military narrative that associates the government’s monopoly of violence with organized crime in the form of protection rackets, bellicism receives empirical support from several states that manage to consolidate their internal power and modernize their governance mechanisms after external wars. At the same time, it is also weakened by various historical and present-day cases in which war making fails to produce solid development in the building of modern state institutions, lowering the plausibility of Tilly’s positive assessment of the theory to the general audience.

What Is Bellicism?

1. The State Is Not the Product of Deliberate Arrangements

The idea of bellicism has attracted widespread attention within the political science academia primarily because of its portrayal of modern states as a byproduct of power holders’ pursuit of war acts. In “War Making and State Making as Organized Crime,” Tilly endorses this characterization by asserting the “interdependence of war making and state making,” that is, the inherent interconnectedness of the two processes in Europe (Tilly, 1985, p. 170). For power holders, war making amounts to the destruction of rivals outside their sphere of dominance and state making aims at wiping out opponents inside the territories already controlled by them (Tilly, 1985, p. 181). The two “makings” complement and promote each other to the extent that wars not only sustain the enlargement of the state’s influence but also grow in scale on account of the

substantial impetus they render to “centralizing state power and building institutional capacity,” both factors that speed up the operation of the war machine (Spruyt, 2017, p. 73). Because war advances their ability to govern at home, power holders tend to concentrate their efforts on fighting against their rivals abroad. It is their eagerness to “make more effective wars” that necessitates the extraction of fiscal resources from the populations under their control as well as the accumulation of capital among their moneylenders (Tilly, 1985, p. 172). As war making, resource extraction, and capital accumulation “interacted to shape European state making” during the early modern period, modern nation-states came into being as an unintended product (Tilly, 1985, p. 172). Given their absence on war-seeking power holders’ target list and eventual arrival as a byproduct of war, these states do not hinge on any political leader’s subjective will and thus can hardly be regarded as outcomes of deliberate arrangements.

II. War and Capital Abundance Go Hand in Hand in State Making

In describing the bellicist theory, Tilly highlights the close association between war acts and capital abundance throughout state making. To enhance their potency at war, power holders are intent on obtaining more access to political and fiscal capital, leading to the mutual reinforcement between “mercantile capitalism and state making” (Tilly, 1985, p. 170). The specific means of this venture vary according to the length of time that state agents are involved in its implementation. In the short term, like all prospective state makers who place “disarming the great” at the very top of their list of priorities, power holders often deprive others of their important resources while maximize their own (Tilly, 1985, p. 173). For instance, English monarchs of the Tudor period managed to concentrate their political power and intensify their grip on the entire country by carrying out the “demilitarization of the great lords” piece by piece (Tilly, 1985, p. 174). Likewise, France under Richelieu embarked on the disarmament of rival warlords and by the late 1620s established the “royal monopoly of force as doctrine,” effectively sanctifying the king’s exclusive command of all domestic sources of coercion (Tilly, 1985, p. 174). In the long run, however, power holders prefer more moderate methods for capital accumulation as they begin to guard their access to credit and set up stable taxation systems. After taking out loans to finance costly wars, they proceed to “strengthen tax institutions to pay off their debts” to increase the state’s chance of survival in an anarchic world in which war is the normal state (Saylor & Wheeler, 2017, p. 366). In the writing of Ryan Saylor and Nicholas Wheeler, the revenue imperative, namely bellicism’s causal mechanism, demonstrates the weightiness of building fiscal institutions and diversifying the sources of revenue for political entities that “persisted in Europe’s martial crucible” (Saylor & Wheeler, 2017, p. 366). By illustrating the institutions’ usefulness for creating larger access to the financial capital vital to war making, such an analysis echoes Tilly’s evaluation of the significant agent role that great capitalists play in the “risky but lucrative business of collecting royal taxes” (Tilly, 1985, p. 179).

III. State Making's Analogy to Protection Racket

To make his explanation of bellicism more convincing, Tilly analogizes state making in early modern Europe to the nature of protection rackets, that is, fees that menacing gangster groups seek from businesses in the name of providing “protection” for them. Drawing insights from previous political observers such as Niccolò Machiavelli and Thomas Hobbes, he suggests that compared to other institutions, governments stick out for their disposition to “organize and, wherever possible, monopolize violence” (Tilly, 1985, p. 171). Under its leaders’ egocentric, coercive entrepreneurship, European state making not only bears a strong resemblance to protection rackets but also outdoes the latter in terms of the degree of organized crime. Once an authority commands sizeable coercive forces, its foreign counterparts will take action to recognize its resolves, resulting in the emergence of its “advantage of legitimacy” (Tilly, 1985, pp. 169–171). Tilly’s argument about this similarity also falls within the scope of the military narrative. With the emphasis on the assurance of domestic social order and the exemption from extrinsic threats through forceful measures, the military narrative considers the state making process the “organization, and consequently institutionalization, of internal and external use of violence” (Blanco, 2013, p. 177). Advocates of this narrative agree with Tilly on the higher weight of the external one to state making and assert the essentialness of “establishing, maintaining and reinforcing a military capacity,” as exemplified by war making activities, to the formation of modern states (Blanco, 2013, p. 177).

IV. Important Determinants of Success in Bellicist State Making

In Tilly’s theoretical framework, even though power holders do not directly focus on bringing modern nation-states to life, state making under bellicism is never a spontaneous evolution. Instead, it is strictly contingent on a series of key political, economic, and strategic factors, ranging from the amounts of resources available for extraction and the provision of political entrepreneurs to the safety of power holders’ positions and the upshot of war (Blanco, 2013, p. 179). By “constructing an effective military machine” that generates perennial, multipurpose groundwork and establishments, the preparations for war help with the assemblage of all these determinants (Blanco, 2013, p. 179). This process of prewar armament gives a powerful boost to the “territorial consolidation, centralization, differentiation” of managerial means and the power holders’ exclusive possession of coercive forces, causing the materialization of modern states in Europe (Blanco, 2013, p. 179). Under such circumstances, warfare should not be trivialized as merely the provenance of civilian suffering and economic downturn since in the long run, it streamlines the authorities’ administrative procedure and therefore symbolizes the “birth pangs of the high-capacity state” (Spruyt, 2017, p. 79). Considering the mutual furtherance of war and state over their courses of emergence, Tilly brings forward his famous synopsis of bellicism: “[w]ar made the state and the state made the war” (Blanco, 2013, p. 179).

Is Bellicism Persuasive?

I. Military Changes and Expansionary Wars under Absolutism

My attitude to Tilly's bellicism is somewhat ambivalent because the theory exhibits both strengths and weaknesses when being dissected in an empirical context. On the positive side, bellicism casts light on the factors that ensure early modern states are sufficiently strengthened and developed. Under absolutism, military changes and territorial expansion precipitate the state's transition from the traditional stage to modernity. The industrialization of war, for example, entails a large-scale nationwide campaign that greatly improves the state's military capabilities and fully mobilizes the people whose resources are extracted to the largest extent possible by a centralized command for the revamping of the state's governance mechanism. Pivotal developments bred by this transformation, including renovations in armament technology, administrative authorities inside the armed forces, as well as the growth of Europe's naval power, have a profound impact on the absolutist states' breakaway from the traditional form and evolution into modern nation-states (Giddens, 1987, pp. 105–106). Besides, the state's "pyramidal" character reinforced under absolutism facilitates its internal pacification, a movement through which political leaders assume a full monopoly of coercive forces by dictating that all powers within its territory, whether bureaucratic or military, should be subject to the central authority's dominance during wartime (Giddens, 1987, p. 85). With their inner structures consolidated, early modern states are demarcated more by their boundaries, making power holders more avid for a stronger grip on the states' sparsely settled frontier regions where the "political authority of the centre [sic] is diffuse or thinly spread" (Giddens, 1987, p. 50). When these states' drive to fully control their frontiers incentivize expansionary activities that may place the *status quo* in danger, the dark clouds of confrontation and conflict gradually envelop them.

II. Professionalized Bureaucracy as the Cradle of Productive Military Buildup

In addition, the bellicist argument is bolstered by the crucial role of professionalized bureaucracy in the enhancement of the state's military and comprehensive strength. Such a governance system that allocates tasks to educated public functionaries according to their professional competencies can serve as the cradle of productive military buildup, an incremental transformation by which both state power and influence are reinforced. Throughout the process of modern state making, bureaucracy increases in size and professionalism by resembling a firewall that "segregates official activity from the sphere of private life" (Weber, 1968, p. 957). The dehumanization of this institution, namely the removal of "all the purely personal, irritational, and emotional elements which escape calculation" from its configuration, allows professionally trained state officials to make decisions and execute missions "according to purely objective considerations" (Weber, 1968, p. 975). Through these improvements, the state can benefit from higher administrative efficiency and consequently have easier preparations for war. The rise of

Prussia in the 18th and 19th centuries provides a quintessence of professionalized bureaucracy's substantial value to the making of war and state. Under powerful political leaders like Frederick the Great and Otto von Bismarck, Prussia's highly meritocratic administration facilitated the country's arms buildup and assertion of military hegemony over neighboring states. This headway in turn smoothed the way for the unification of Germany under the Hohenzollern crown, a historic enterprise that culminated in the foundation of the German Empire in 1871. From Prussia's case, it stands to reason that since "the external complements the internal," as contended by Tilly's bellicist paradigm, homogenous nation-states are more likely to emerge when military victories over foreign rivals are supported by bureaucratic institutionalization at home (Tilly, 1985, p. 185).

III. Wartime Financial Pressures Do Not Always Modernize Governance Institutions

On the other hand, bellicism makes an excessively sweeping statement about the ubiquity of the correlation between war making activities and state formation as wartime financial pressures do not always bring about the subsequent establishment of modernized governance institutions. Contrary to Tilly's assertion, even in early modern Europe state building models varied from country to country because of the different sociopolitical climates. In England, government creditors, who were chiefly pro-institution net creditors such as merchants and urban financiers, "moved toward a fiscal state" once they assumed power under party politics (Saylor & Wheeler, 2017, p. 373). Meanwhile, French government creditors, mostly pro-inflation net debtors like landed nobles, objected to the state's attempt to boost its oversight over tax institutions by rigging the appointment of the crown's intendants, resulting in the persistence of the "privatized administrative system' of taxation" in France (Saylor & Wheeler, 2017, p. 380). Despite its constant wars with external rivals as represented by England, France was unable to revamp its outdated fiscal regime because of the opposition by its ruling elites over the century before the French Revolution. Outside Europe, Argentina in the 19th century provides a more typical example of a warring state that failed to modernize its tax institutions under the forceful obstruction from within its ruling coalition. After the War of the Triple Alliance against Paraguay, even though Argentine policymakers responded to the appeals for fiscal reforms by levying new excise taxes and imposing duties on import goods, their decision to leave "landed wealth untouched" led to the paralysis of all fiscal measures against politically dominant cattle and sheep ranchers known as *estancieros* (Saylor & Wheeler, 2017, p. 401). In that case, it was not the scarcity of "stimuli for fiscal development," that is, wars with foreign rivals, assumption of debt burdens, or scarce taxation of key economic sectors according to the bellicist paradigm but the shortage of political power that generated the miscarriage of Argentina's fiscal institutionalization (Saylor & Wheeler, 2017, p. 401). Apart from war making, the composition of the state's ruling coalition and its members' interests, both aspects that bellicism does not adequately address, can also play a decisive role in the implementation of "fiscal diversification and institution building" (Saylor & Wheeler, 2017, p. 402).

IV. Contemporary Case of the Failure of Bellicist State Making

The holes in the bellicist theory is further revealed in the contemporary era when several countries foundered on their state building projects after partaking in internal and external strife. Over the past three decades, Russia, a culturally martial nation that frequently engages in armed conflicts both at home and abroad, has failed to effectively modernize its economic production apparatus or achieve capital abundance from war making. Following the disintegration of the Soviet Union in 1991, despite numerous wars with separatist forces on the frontier regions and potentially threatening neighbors, including the latest all-out attack on Ukraine, the country has not garnered much incentive for industrial upgrading. Worse, in recent years it has become deeply enmeshed in the resource trap, a gloomy condition characterized by the stagnation of virtually all sectors except the extraction of natural resources. With most of its high-tech products relatively uncompetitive in the global market, Russia is now heavily dependent on “imports from sanctions imposing countries,” a situation that has only weighed down the country’s economic production under the heightened international trade restrictions during the ongoing Russo-Ukrainian War (Gnidchenko, 2016, p. 66). The instance of post-Soviet Russia once again points out the inadequacy of bellicism in explaining why some warlike countries have found themselves incapable of establishing modern governance systems that promote industrial competitiveness and socioeconomic development.

Conclusion

As a state building model that spotlights the affinity between war making activities and the creation of modern nation-states, bellicism has received considerable attention within political science scholarship, especially after the further theorization by Charles Tilly. By drawing an analogy between European state making and protection rackets, Tilly advocates the complementarity of the government monopoly of coercive forces at home and the successful waging of war against foreign rivals. His conceptual framework demonstrates some essential conditions that early modern political leaders bore in mind for the sake of fully strengthening the states, such as military innovation and the establishment of professionalized bureaucracy. Nevertheless, it has also been impaired by various historical and contemporary cases in which war-making states fail to accumulate sufficient financial capital or modernize their governance mechanisms. Overall, despite my acknowledgment of its historic and strategic importance, I am not completely persuaded by Tilly’s bellicist paradigm of state making. Be that as it may, the bellicist argument that the preparation of war sets up the foundations for successful state making through measures including resource extraction and capital accumulation is indeed convincing to me for its logical consistency.

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In this article, Yuchen Ge evaluates Charles Tilly's theory of bellicism and its role in building the modern nation-state. Ge acknowledges the "historic and strategic" importance of war-making in setting up foundations for the modern state through "resource extraction and capital accumulation". However, Ge challenges Tilly's bellicist arguments by drawing upon case studies from Early Modern England, France, and Argentina. Ge then points towards the case study of the present-day Russia, which is a very salient counterargument which could have perhaps been given more elaboration. Overall, this article is well-structured and well-written and persuasive to the reader in questioning the the strict correlation between bellicism and successful state-making.

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