

## A study on the interaction between local governments and tea in 19<sup>th</sup> century China from the perspective of capital theory: Centered on the Hubei and Hunan region

### *Kajian interaksi pemerintah daerah dan teh di China abad 19 dari perspektif teori modal: Berpusat di wilayah Hubei dan Hunan*

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#### Abstract

This study adopts a case study method to investigate the interaction between tea and the local government. From the 18th century to the early 20th century, black tea was an important export commodity of China's Hubei and Hunan region (两湖地区). The black tea trade between the UK and the Hubei and Hunan region (两湖地区) had driven the rise of black tea cultural capital in the region. The cultural capital of black tea brought economic capital, and the local government increased fiscal revenue by levying *likin* on tea. The economic capital of black tea transformed into political capital, and the local government could compete with the central government and directly negotiate with foreign governments. To dump products onto China, the British government had to maintain the unity of the Chinese market, choose to ally with the central government and weaken the autonomy of the local government of the Hubei and Hunan region (两湖地区). The local governments turned to seeking support from Russia and developed the brick tea trade. This result led to the gradual inability of the national power represented by the central government to control local governments.

**Keywords:** capital theory; China Tea; Hubei and Hunan region; China's foreign relations in the 19<sup>th</sup> century

#### Abstrak

Penelitian ini menggunakan metode studi kasus untuk menyelidiki interaksi antara teh dan pemerintah daerah. Dari abad ke-18 hingga awal abad ke-20, teh hitam merupakan komoditas ekspor penting di Wilayah Hubei dan Hunan (两湖地区) Tiongkok. Perdagangan teh hitam antara Inggris dan Wilayah Hubei dan Hunan (两湖地区) telah mendorong kebangkitan modal budaya teh hitam di wilayah tersebut. Modal budaya teh hitam mendatangkan modal ekonomi, dan pemerintah daerah meningkatkan pendapatan fiskal dengan memungut *likin* atas teh. Modal ekonomi teh hitam menjelma menjadi modal politik, sehingga pemerintah daerah mampu bersaing dengan pemerintah pusat dan bernegosiasi langsung dengan pemerintah asing. Untuk membuang produk ke Tiongkok, pemerintah Inggris harus menjaga kesatuan pasar Tiongkok, memilih bersekutu dengan pemerintah pusat dan melemahkan otonomi pemerintah daerah Hubei dan wilayah Hunan (两湖地区). Pemerintah daerah kemudian mencari dukungan dari Rusia dan mengembangkan perdagangan teh batu bata. Akibat ini secara bertahap menyebabkan ketidakmampuan kekuasaan nasional yang diwakili oleh pemerintah pusat untuk mengendalikan pemerintah daerah.

**Kata kunci:** teori lapangan; Teh China; Hubei dan wilayah Hunan; hubungan luar negeri China di abad ke-19

## Introduction

Tea is an indispensable addictive product in the modern world. In the early 18th century, the Hubei and Hunan region (两湖地区) became the main provinces for China to export black tea to the UK. Before this, the Hubei and Hunan region (两湖地区) only produced green tea. For China, one of the important impacts brought about by the tea trade was tea taxes. Tea taxes were mainly divided into two categories: export tariffs collected by the customs for the central government, and *likin* collected by local governments. Because the tea taxes were the result of a game between the Chinese central

government, local governments, and even Western states, we can observe the relationship between them. For example, in 1902, when the Sino-British Treaty of Commerce was revised, the Chinese central government lowered the tea tax rate at the request of the UK government, but it was strongly resisted by local governments (Chung 1973, Rose 2010, Lee 2014, Shi 2020, Jeong 2023). What was the relationship between the economic capital of tea and local governments, which made local governments disobey central government orders? There has been no research on this topic in the academic community so far. This article places the issue of the relationship between tea and local government in the context of the global tea trade, and analyzes the process of the game between the Chinese central government, local governments, and Western states around the three types of capital in tea to analyze the interaction relationship between tea and local governments.

The reasons why this study raises this case are: Firstly, tea is a traditional commodity in China, but only the development of Western trade with China made the export volume of Chinese tea significantly increase, reflecting changes in Sino foreign relations; Secondly, the Hubei and Hunan region (两湖地区) was one of the main regions for China's foreign tea trade. The transition from black tea export to brick tea export could reveal the changes in local governments' internal and foreign relations. The governors, especially Zhang Zhidong (张之洞), who had been in charge of the area for nearly 20 years, had a significant influence on modern Chinese politics.

The research on tea culture in academia mainly focuses on the introduction of tea, literary works with tea, and the impact on social etiquette of tea (Yang 2022). Research on the economic issues of tea is extremely limited. In Du Qihong's view, research on tea taxes is basically in a blank state (Du 2006). Existing research mostly focused on the historical evolution of China's tea tax (Qian 1994, Ling 1985). The political issues of tea mostly focused on the impact of local governments in the tea trade. Sheng Haisheng, Zhou Xiaoguang, and Tu Wenwen respectively discussed the roles played by Zeng Guofan (曾国藩), Zhang Zhidong (张之洞), and others in the tea trade (Sheng & Zhou 2022). In summary, current research has not analyzed the economic benefits of tea and the relationship with tea culture and local government power. Did the cultural of tea bring about economic capital and trigger a change in the power of local governments?

How to understand the driving force formed by the transformation of the three types of capital in tea, which brings about changes in the economy, domestic affairs, and diplomacy of local government? This article will use Bourdieu's field theory as the analytical framework to engage in a dialogue with the three types of tea capital. Bourdieu believed that capital depends on the field in which it operates and comes at the cost of expensive transformations, which are prerequisites for its effectiveness in the relevant field (Bourdieu 1997). Bourdieu provided a good explanation of the three forms of capital, the relationships they can transform into each other, and the interactive connections with the field. However, he did not provide sufficient explanations on how these three forms of capital can be transformed, and how this transformation relates to the field in which they are located. Furthermore, what this theory can't explain is that, in late imperial China, "social capital" did not refer to the inheritance of certain noble titles, but rather manifested as agents of national or local governments. The "social capital" of these agents is more of a political capital defined by this article.

To address the above issues, this study needs to first explain the reasoning logic of this article. Firstly, this study will divide the relationship between the Hubei and Hunan region (两湖地区) and tea into three fields: economic, domestic, and diplomatic. The purpose of this classification is to highlight the transformation of the three types of tea capital in different fields. Secondly, these three fields are interrelated with each other. In the economic field, with the development of the tea trade, the local government had levied *likin* on tea to increase local income. In the field of domestic affairs, the economic capital of tea was transformed into political capital, allowing local governments to no longer fully obey the central government. In the field of diplomacy, local governments can confront foreign governments. The continuous rise of local government autonomy made the UK government uneasy. To dump products into China, the British government chose to ally with the central government to maintain a unified market in China. The UK government's shift to supporting the Indian black tea industry led to a decline in the black tea trade in the Hubei and Hunan region (两湖地区). The local government sought support from the Russian government to develop brick tea trade. With the continuous transformation of brick

tea's cultural, economic, and political capital, the power of local government reached its peak. The Xinhai Revolution (辛亥革命) broke out first in the Hubei and Hunan region (两湖地区). The germ of a unified market in China was shattered.

## Research Method

This study adopts a case study method to investigate the interaction between tea and the local government. This research chose to use a case study method in which the interaction between tea and other regions in China where the tea trade was thriving was reflected to varying degrees, but the Hubei and Hunan region (两湖地区) was the most representative. This research can summarize general patterns from individuals. At the same time, this article also uses process tracking methods. This process can be roughly divided into several steps: (1) Analyze the reasons for the emergence of black tea culture in the Hubei and Hunan region (两湖地区); (2) Analyze the reasons for the establishment of likin on tea in the Hubei and Hunan region (两湖地区); (3) Analyze the economic, domestic, and diplomatic changes brought by likin on tea to the local governments; (4) Study the reasons for the changes in tea culture in the Hubei and Hunan region (两湖地区) (shifting toward brick tea); (5) Analyze the impact of brick tea culture on the Hubei and Hunan region (两湖地区). This article focuses on the first-hand archives of Chinese customs and the UK foreign office documents, supplemented by second-hand research, to objectively present the interaction process between tea and local governments.

**Table 1.**  
Interactive relationship between tea and local governments

	<b>The capital influence of "tea" is higher</b>	<b>The capital influence of "tea" is lower</b>
	Tea is primarily based on political capital.	Tea is primarily based on economic capital.
Local governments with great power	Local governments experienced high economic growth detaching from the central government in domestic affairs, and competing with foreign countries. (Russia's intervention in the Chinese market is high)	Local governments had a strong economy, with domestic affairs superior to the central government, and foreign transactions in diplomacy. (UK intervention in the Chinese market is moderate)
	Tea is primarily based on economic capital.	Tea is primarily based on cultural capital.
Local governments with small power	Local governments experienced economic growth, compete with the central government in domestic affairs, and negotiate with foreign countries in diplomacy, but ultimately compromise. (UK intervention in the Chinese market is small)	Local governments had limited economic power, controlled by the central government in internal affairs, without any right in foreign affairs. (UK intervention in the Chinese market is limited)

Source: Created by the author

Concept of definition: (1) Concept and classification of capital: Capital is accumulated labor (in the form of materialization "concretization" or "incarnation"). When this labor is occupied by actors or small groups of actors on a private, exclusive basis, it enables them to occupy social resources in the form of concretized or living labor. Capital is divided into cultural capital, institutionalized in the form of educational qualifications; Economic capital, institutionalized in the form of property rights, can be immediately and directly converted into money; Social capital, composed of social obligations (connections), is institutionalized in the form of some noble title (Bourdieu 1997). (2) Concept of Field: Like anything else, as an object (and biological individual), a human individual must reside in a certain field and occupy a certain position. The field can be defined in an absolute sense as a physical spatial point where a subject or object is located, occurs, and exists, which is a positioning, or in terms of relationships, a position (Bourdieu 2017).

This research uses three types of tea capital as variables to explore the causal mechanisms of their transformation in different periods and fields, as well as the interaction between this transformation and the local government (Table 1).

**H1:** The entire causal mechanism is formed by the transformation of three types of capital in tea. In the late imperial period of China, due to foreign intervention, the establishment of export tariffs on tea was promoted. The establishment of export tariffs on tea had brought about the rise of Chinese black tea culture.

**H2:** With the development of the black tea trade with the UK, China's internal affairs became unstable. Local governments set up likin for tea to compete with the export tariffs collected by customs. The increase in the economic capital of tea represented by likin enabled local governments to enhance their power.

**H3:** With the increase of local government power, the central government of China attempted to enhance its control over local governments. However, due to the transformation of tea's economic capital into political capital, the power of local governments continued to grow.

**H4:** To sell goods to the Chinese market, the UK had chosen to ally with the central government of China to maintain the integrity of the Chinese market. The UK government's support for the Indian black tea trade led to a decline in black tea export trade in the Hubei and Hunan region (两湖地区), weakening the local government's autonomy.

**H5:** To maintain and expand its main force, the local government allied with the Russian government. The brick tea culture favored by the Russian market emerged in the Hubei and Hunan region (两湖地区), transforming into brick tea economic capital and driving up local government power in Hubei and Hunan region (两湖地区). In the end, the Xinhai Revolution (辛亥革命) broke out first in the Hubei and Hunan region (两湖地区). The sprouts of a unified national market were shattered.

## Result and Discussion

Tea is an indispensable addictive consumer product in the modern world. What was the relationship between the culture, economic capital of tea, and the power of local governments? This paper places the relationship between tea and the local governments of the Hubei and Hunan region (两湖地区) in the context of the global tea trade, analyzes the process of the economic, cultural and political capital of tea between the central and local governments of China and Western countries, and compares similar commodities in other parts of China to analyze the interaction between tea and local governments.

### **The rise of black tea culture brought about the economic capital in the Hubei and Hunan region (两湖地区) with the weak local governments (1842-1857)**

Since the 18th century, the East India Company had attached great importance to tea with high profits. In the following decades, the interest of the East India Company shifted to black tea. In long-distance sea transportation, this type of tea was easier to preserve (Merritt 2022). The difference between black tea and green tea lies not in the tree, but in the manufacturing process (Zou 2012). Black tea and green tea were products specially processed by Chinese tea farmers to cater to the tastes of West (Wright 2019). In 1833, the trade privileges of the East India Company with China were abolished (Chen 2013). In 1842, the situation of one port trade at the Guangzhou (广东) in China was also broken. Guangzhou (广州), Xiamen (厦门), Shanghai (上海), Ningbo (宁波), and Fuzhou (福州) were opened as trading ports. Foreign businesses were flocking to the Chinese market. Fujian's (福建) black tea could no longer meet trade demands (Yang 2022). At this time, it was more convenient for tea to be exported through ports such as Fuzhou (福建) and Shanghai (上海). The tea market in Guangzhou (广州) was facing a declining trend. Tea merchants left Guangzhou to break into various trading ports and tea-producing areas, revitalizing their reputation by setting up tea shops (Tao 2023).

At this time, the Yangtze River Basin (长江流域) had become a significant economic zone in China, and its relationship with the capital was closely linked to the Grand Canal (京杭大运河) economic area. The four major commercial centers were located in the north of Beijing (北京), south of Foshan (佛山), east

of Suzhou (苏州), and west of Hankou (汉口) (Liu 1957). Hankou (汉口) had already become a famous commercial center. At this time, the development of the black tea trade in Hankou (汉口) demonstrates the intention of Britain to compete for the Yangtze River Basin (长江流域). Guangdong (广东) merchants established tea plantations locally and sold black tea to foreigners in Hankou (汉口) (Wu 1990).

**Table 2.**  
The Viceroy of Hubei and Hunan (湖广总督) (1840-1855)

Yutai (裕泰)	1840-1850
Cheng Jiancai (程霁采)	1851.12-1852.10
Xu Guangjin (徐广缙)	1852.10-1853.2
Zhang Liangji (张亮基)	1853.2-1853.9
Wu Wenrong (吴文镕)	1853.9-1854.2
Taichung (台涌)	1854.3-1854.7
Yang Pei (杨霈)	1854.10-1855.6

Source: Qian (1980)

The rise of black tea culture changed the tea market in the Hubei and Hunan region (两湖地区). Brick tea was border selling purchased by Shanxi (山西) merchants (Du 2006). The international tea road developed by Shanxi (山西) merchants led to the north (Du et al. 2017). The rise of cultural capital in black tea brought about the emergence of economic capital. The local governments had not benefited much from this. The signing of the Treaty of Nanjing (南京条约) in 1842 established a system of imposing tariffs on exported goods (Wang 1957).

The main source of income from the black tea trade was export tariffs. The customs handed over the collected tariffs to the Ministry of Revenue (户部) (Tang 1992). In terms of internal affairs, the local government had limited power. From the tenure of the Viceroy of Hubei and Hunan (湖广总督), it can be seen in Table 2 that, except for the Manchu Yutai (满人裕泰), most of them served less than one year. Their appointments were subject to the central government. In diplomacy, the local governments did not have the power to negotiate with foreign governments. In 1861, the Chinese government established the Office for Foreign Affairs (总理衙门). Before this, the Chinese government had not established a dedicated foreign affairs agency. Most foreign trade affairs were handled by the Guangdong (广东) customs. It could be seen that the cultural capital of black tea had not been owned by local governments, nor had it been transformed into the political capital of local governments.

### **The rise of economic capital in black tea brought about the political capital and the rise of local government power in the Hubei and Hunan region (两湖地区) (1858-1869)**

In 1858, Hankou (汉口) was opened as a trading port (Liu 2019). Hankou (汉口) was located at the intersection of the Han River (汉江) and the Xiang River (湘江) (Tao 2023). Some of the tea exported from Hubei (湖北), Hunan (湖南), Jiangxi (江西), and Anhui (安徽) were concentrated in the Hankou (汉口) export (Liu & Song 2016). Tea gathered in Hankou (汉口) could be transported to Shanghai by foreign merchant ships and then transported north to Russia through Tianjin (天津), or south to Western Europe (Yan 2017a).

At this time, the tea in Hankou (汉口) was mainly black tea and a small amount of brick tea (Kokichi 2014). British merchants established many firms, such as Yihe (怡和), Xiehe (协和), Tianyu (天裕), Tianxiang (天祥), Taiping (太平), Baoyuan (宝源), Lutai (履泰), and Anliying (安利英) in Hankou (汉口), selling tea and other agricultural products (Feng et al. 2004). The tea market in the Hubei and Hunan region (两湖地区) expanded to the British markets.

The development of black tea cultural capital led to the rise of black tea economic capital. Economically, the local government increased their fiscal revenue by levying likin of tea. The likin of tea was the embodiment of the economic capital. In 1853, to suppress the Taiping Rebellion (太平天国运动), likin emerged in Yangzhou (扬州) (Wang 2020). Tea became the primary target for levying likin. In 1855, a special bureau was established in Yangloudong (羊楼洞) of Hubei (湖北) to collect tea likin (Chen 2015). In 1856, Hunan (湖南) also began to levy likin on tea (Luo 2010).

The rise of economic capital in black tea brought about the political capital. In terms of internal affairs, the local government could compete with the central government. In 1862, the central government issued an edict to request the committee members should be appointed as local managers. Hubei Governor (湖北巡抚) Yan Shusen (杨树森) refused (Luo 2010). However, the local government was not yet strong enough to resist the central government. In 1869, an edict was issued to each province to dismiss the likin bureaus. The Hubei (湖北) government replied to retain 86 bureaus and cut 54 branch bureaus (Luo 2010). The local government ultimately made a compromise (Luo 2010).

In diplomacy, the local governments could negotiate with foreign governments. In 1861, the Governor of Hanyang (汉阳) informed several foreign commercial firms that their trading methods violated the new regulations. This regulation required that all tea exported from Hankou (汉口) must be sold through a commercial firm called Xiexing Gong (协兴公) (Rowe, 2005). The UK Consul was not satisfied with this and launched fierce negotiations (Rowe 2005). However, the opposition from the British did not affect the local government's decision. In 1866, the Hunan (湖南) Likin Salt and Tea Bureau was formed (Luo 2010).

### **The rise of political capital in black tea and the enhancement of local government power in the Hubei and Hunan region (两湖地区) (1870-1894)**

The increase of likin in the Hubei and Hunan region (两湖地区) affected the export volume of black tea to the UK. The export of Chinese tea in 1870 had shown a downward trend (Liu 2023). In 1887, the sluggish trade of black tea in Hankou (汉口) triggered an investigation by customs. The investigation report showed that Shanli (山厘), Xingli (行厘), and Luodili (落地厘) had increased the cost of black tea impacting on the export trade (Huang & Zhang 2019). In 1894, the customs were even more pessimistic in predicting that the number of teas arriving in Hankou (汉口) would decrease due to the heavy likin. For tea growers, it was better to switch to brick tea, as there was still profit (Mao et al. 2001).

The export volume of Hankou (汉口) black tea plummeted in 1896 after adding 20% of likin. The quantity of tea imported from India and Ceylon by the UK had significantly increased. The disappearance of the largest buyer – the British business – had led to a sharp drop in the export volume of Hankou (汉口) black tea (Yang 2022) (Table 3).

**Table 3.**

Location Year	Indian and Ceylon teas			Chinese tea		
	Output	Fixed-base index	Growth rate	Output	Fixed-base index	Growth rate
1871	15351600	100.00	-	212780400	100.00	-
1876	29001700	188.92	88.92	214524800	100.82	0.82
1881	49873000	324.87	71.97	251996533	118.43	17.47
1886	87167000	567.80	74.78	247440400	116.29	-1.81
1891	174785000	1138.55	100.52	189489733	89.05	-23.42
1896	215405000	1403.14	23.24	151413467	71.16	-20.09

Source: Lin (2018)

The decline in the economic capital of black tea led to a decline in the cultural capital. In 1888, the number of tea shops in the Hubei and Hunan region (两湖地区) decreased from over 300 to 181 (Ren 2001). In 1898, Luo Zhenyu (罗振玉), the founder of modern Chinese agriculture, expressed his concern about the prosperous tea trade between India and Ceylon, the stagnant sales of Chinese tea, and the increasing depletion of profit sources (Ye 2001). In 1896, Chen Chi (陈焜), a reformist, submitted a special report pointing out that the sales of Chinese tea had been halved. If no remedial measures were taken, there would be no tea merchants in the future (Chen 1997).

### **The rise of brick tea cultural capital brought about the emergence of economic capital, and the local government power in the Hubei and Hunan region (两湖地区) surged (1894-1900)**

The local government of the Hubei and Hunan region (两湖地区) did not consider reducing the likin of tea but instead sought new buyers. In 1894, Zhang Zhidong (张之洞), the Viceroy of Hubei and Hunan (湖广总督), was transported by officials to Russia for tea sales (Yuan et al. 1998). In 1896, Zhang

Zhidong (张之洞) reported that black tea sold to Russia had gained substantial profits and would further expand its scale (Yuan et al. 1998). However, the local government turned to seeking support from the Russian government to expand the brick tea trade.

The rise of brick tea cultural capital brought about the brick tea economic capital. Economically, the local government had made substantial profits through the brick tea trade. After 1894, Russian merchants increased the import volume of brick tea, becoming the largest customer of brick tea in Hankou (汉口) (Yang 2022) (Figure 1).

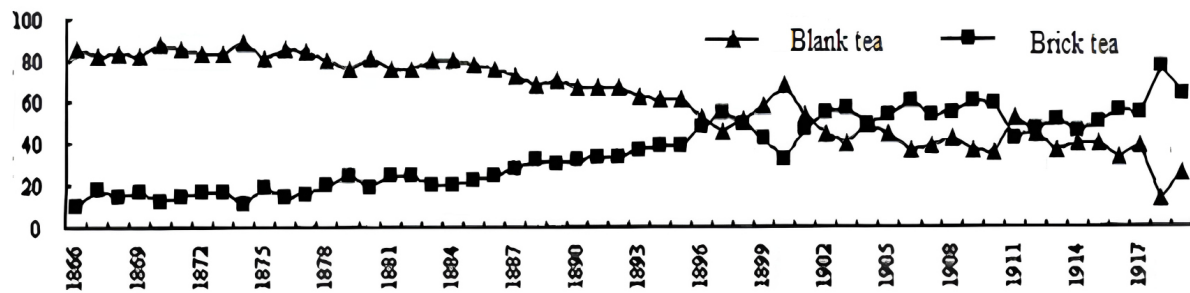


Figure 1.  
The proportion of black tea and brick tea exported from Hankou ( )  
Source: Di & Ni (2011)

The development of economic capital in brick tea led to the rise of cultural capital. The huge profits attracted many tea merchants to turn to brick tea trade. After the decline of black tea culture, brick tea culture gradually flourished. Over the next half-century, there were dozens of Russian tea trading companies in Hankou (汉口). Among them, Shunfeng (顺丰), Xintai (新泰), Fuchang (阜昌), and Yuantai (源泰) were the four wealthiest companies (Yan 2017b). Many Chinese merchants also switched from producing black tea to brick tea. In 1896, Huang Yunhao (黄云浩) established Xingshang (兴商) Brick Tea factory in Hankou (汉口), which profited greatly (Feng et al. 2004).

Brick tea further transformed economic capital into political capital. The likin of brick tea had gradually increased the finances of local governments and correspondingly enhanced their strength. In terms of internal affairs, the local government took precedence over the central government. In 1900, after the outbreak of the Boxer Rebellion (义和团运动), the local government ignored the edict of the central government to protect the empire. In terms of diplomacy, the local government directly transacted with foreign governments and reached the Southeast Mutual Protection Agreement (东南互保协议). The Viceroy of Liangjiang (两江总督) Liu Kunyi (刘坤一) called the Chinese Ambassador to the UK, Luo Fenglu (罗丰禄), to inform the UK Foreign Office that as long as the UK did not send troops to land in the Yangtze River Basin (长江流域) or Zhejiang (浙江) Province, they would assume responsibility for the safety of the lives and property of foreigners in their respective jurisdictions (Hu 1980).

#### **The development of economic capital in Brick tea brought about the rise of political capital, and the local government power in the Hubei and Hunan region (两湖地区) reached its peak (1901-1910)**

In the Southeast Mutual Protection (东南互保), the persistent trend of local governments strengthened the central government's idea of abolishing likin to converge local financial power. During the Boxer Peace Talks (庚辛和谈), countries such as Russia and France suggested increasing China's import tariffs to ensure its ability to repay the Boxer indemnity (Wang 1987). The UK agreed, provided that the Chinese terminated the likin and transferred other commercial interests (Hu 1980). In 1902, The UK government appointed Sir James Lyle Mackay as the treaty envoy to China (Wang 2009). The Chinese government appointed Sheng Xuanhuai (盛宣怀) as minister of commerce and treaty, and Governor General Zhang Zhidong (张之洞) participated in the consultation. Mackay proposed to reduce the tariffs on Chinese export goods represented by tea. Sheng Xuanhuai (盛宣怀) submitted a request to reduce tea taxes to demonstrate China's sincerity. On May 12th, the customs announced a reduction in tea tax to 5%. Zhang Zhidong (张之洞) called the Chinese Foreign Office (外务部), pointing out that the tea market had already begun. The method for reducing tea taxes had not been determined. It was better to postpone the implementation until next year (Wang & Wang 2015). This delaying strategy was refuted

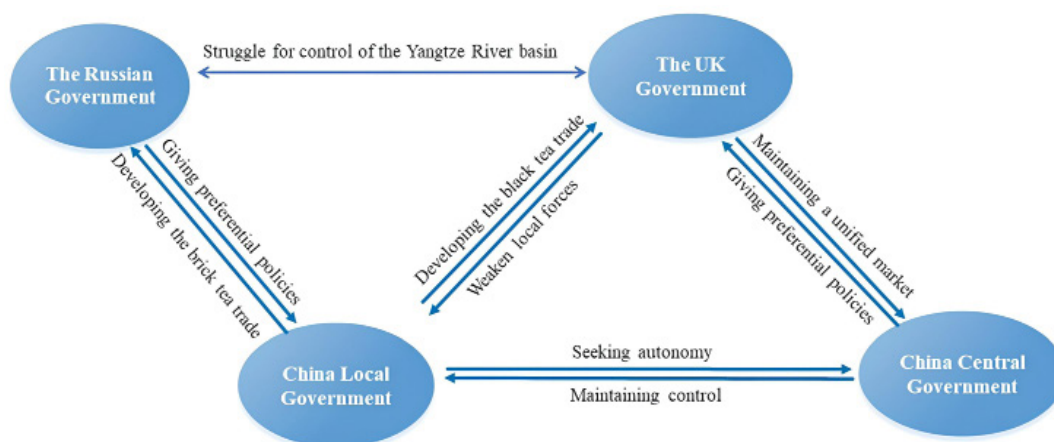
by Sheng Xuanhuai (盛宣怀) (Wang & Chen 1993). Zhang Zhidong (张之洞) claimed that the reduction of the tea tax had been implemented, but requested the Chinese Foreign Office (外务部) to raise funds to offset it. Otherwise, the allocation of foreign debts would be delayed (Wang & Wang 2015).

The political capital generated by the transformation of economic capital from brick tea led to a sustained surge in the strength of local government. In terms of internal affairs, the local governments dared to confront the central government's policy. In diplomacy, the local government dared to refuse the UK government's request to reduce tea taxes. On May 30th, Sheng Xuanhuai (盛宣怀) called the Ministry of Foreign Affairs to announce that the customs had implemented a policy of reducing tea taxes, and the export volume of tea had increased (Wang & Chen 1993). However, the situation did not develop as smoothly as he had anticipated. The regular customs under the jurisdiction of the local government had not reduced tea taxes like customs (Wang & Chen 1993). In the end, the tea tax reduction policy was not effectively implemented.

To compete for the market in the Yangtze River Basin (长江流域), Russia allied with the local government, continuously introducing preferential policies to promote the development of the brick tea trade and encourage local governments to be self-reliant. In 1906, China and Russia signed the Regulations on the Export of Tea through Ita (俄商借道伊塔运茶出口章程), which provided a smooth channel for the export of brick tea from the Hubei and Hunan region (两湖地区) to Russia (Wang 1957). In 1908, Russia established a volunteer fleet and opened up a direct route to Hankou (汉口). During this period, tea boats bound for Russia were already everywhere on the Yangtze River (长江). Russia became the largest buyer of Hankou (汉口) tea (Yan 2017b).

The stable growth of economic capital in the brick tea brought about a continuous accumulation of political capital, and the local government was becoming increasingly powerful, intensifying its centrifugal force on the central government. The Xinhai Revolution (辛亥革命) broke out first in the Hubei and Hunan region (两湖地区). The embryonic stage of a unified market in modern China was shattered.

From the 18<sup>th</sup> to the 20<sup>th</sup> century, black tea became the main commodity for trade between the Hubei and Hunan region (两湖地区) and the UK. The development of the black tea trade led to the rise of black tea culture in the region. The local government launched a tea likin, transforming the cultural capital of black tea into economic capital and further developing it into political capital. The local government could compete with the central government and directly negotiate with foreign governments. The UK government needed a unified Chinese market to sell goods. Therefore, the autonomy gained by the local government through the black tea trade attracted the attention of the UK government. The UK government reduced the demand for black tea in the Hubei and Hunan region (两湖地区) by supporting the development of India's black tea industry.



**Figure 2.**  
Interactive demonstration between tea and the local government of the Hubei and Hunan region (两湖地区)  
Source: Created by the author



The local government turned to seeking support from the Russian government to resist the British government's attempt to control the Yangtze River Basin (长江流域). The local government developed the brick tea trade with Russia, promoting the rise of brick tea culture. The Russian government, to compete with Britain for dominance in Chinese affairs, provided support to the local government in opening trade routes. The development of economic capital in brick tea transformed into political capital, leading to a continuous increase in the strength of local government (Figure 2).

In other regions of modern China, there were similar commodities to tea, such as silver in Shanxi (山西), salt in Sichuan (四川), and minerals in Yunnan (云南). However, most of these commodities didn't possess the cultural capital. Some commodities themselves were economic capital (such as silver). Their capital attributes were relatively fixed, making it difficult to convert them into other capital. Although they were all representative local products, their interaction with the local government was limited due to the inability to simultaneously possess the three capitals of tea and the difficulty of mutual transformation. It was the continuous transformation of tea's cultural, economic, and political capital, as well as the continuous interaction with the local government, that led to the division of the unified market in modern China.

## **Conclusion**

There was an interaction between black tea culture, economic and political capital, and local governments. Because of the transformation of the three capital types of black tea, local governments could compete with the central government and negotiate with foreign governments. However, transforming the three capital types of black tea raised concerns for the UK government. To maintain China's unified commodity export market, the UK chose to ally with the central government to develop the Indian black tea trade, replacing its dependence on black tea from the Hubei and Hunan regions (the Two Lakes region). Local governments engaged in a game with the central government by utilizing a certain capital attribute of tea. This result led to the gradual inability of the national power represented by the central government to control local governments.

By analyzing the influence of tea in China in the 19th century, it can be found that tea is not just an economic crop. It symbolizes a platform for local governments to compete with the central government. At the same time, the transformation of tea capital attributes also reflects the relationship between the central government and local governments. Moreover, as tea gradually became a capital for increasing power, the degree of tea and its related interests dominated the direction of national development. Without positive interaction between the state and society, the competition for tea profits saw the beginning of national division.

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**Yao & Li: "A study on the interaction between local governments and tea in 19<sup>th</sup> century China"**

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