Abstract

Bai Juyi (772-846) is a renowned figure in the aspect of Chinese literature. However, unknown to many, besides being a man of great literary talents, Bai Juyi was also a man actively involved in politics. In fact, he was a censor at Tang Xianzong court and thus, it was his duty and obligation to supervise and criticize the imperial court when it implemented policies that were harmful to the people. Bai Juyi also emphasized on the use of literary works to achieve his political goals, which includes his financial thinking.

After the An Lushan Rebellion, the once magnificent Tang empire was on the verge of collapse. The Rebellion has greatly damaged the empire’s economy, thus causing the financial crisis from Tang Suzong’s reign. In an attempt to resolve the empire’s financial crisis, the imperial court implemented a series of financial reforms, from the monopolization of salt trade to the introduction of the “two tax system”. However, these financial reforms had created problems that had deepened the sufferings of the people.

Having witnessed the miseries of the people, Bai Juyi criticizes the financial practices through his literary works. In this way, his literary works
are not only works that are prized purely for its aesthetic value, but also served as a political instrument out to fulfill certain political aims.

The objective of this AE (Academic Exercise) is therefore to critically analyze Bai Juyi’s thoughts as reflected in his literary works. Emphasis, however, will be placed on the understanding and interpretation of Bai Juyi’s literary writings. Evaluations of Bai Juyi’s financial thoughts will be made using various sources of historical records and other secondary materials.

This AE will explore three aspects of Bai Juyi’s financial thoughts: his thoughts on government’s expenditure, income and its role in the economy. Bai Juyi’s early life and political career and the historical setting will also be discussed. From the study, it is revealed that Bai Juyi’s financial thoughts besides being greatly influenced by the traditional Confucianism-Taoism philosophy, it also reflects the transition from primary economy to commodity economy at that time.