The Economic Implications of Wang Anshi's Reform

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Abstract: At the behest of the emperor of the Northern Song (A.D. 960–1279), reformist intellectual Wang Anshi introduced policies that reflect a number of the fundamental concepts of economic theory prevalent in society today. His Green Sprouts Act sought to influence market price and trade volume by granting the government the power to adjust market supply, demonstrating Wang’s clear understanding and flexible use of the market supply and demand mechanism. The Service Exemption Act utilized the government as a hub for labor specialization; its division and designation of labor was consistent with the core concepts of the principle of comparative advantage. The Hydraulic Works Law shares similarities with the modern concept of economic externalities – it maximized total surplus while limiting the impact individual decisions had on societal efficiency. This thesis will examine and interpret the economic implications of the Green Sprouts Act from a microeconomics perspective, using present-day economic modeling. Through analysis of the program’s operating mechanism – the government’s purchase of grains in high harvest seasons and supplementation of market supply through grain loans in low harvest seasons – this thesis will demonstrate how the program stabilized grain price to support the poor while enriching the state without the need for higher taxes. While the reforms were not without their flaws, they were further hindered by resistance from those in power and profiteering from China’s feudal society at that time. Wang’s reforms may have failed, yet his ideas – over nine hundred years ago – were pioneering economic concepts. As a representation of Wang Anshi’s reforms, the Green Sprouts Act demonstrates the profound impact Wang’s reforms have had on China and the world, as well as how future generations can learn from the economic wisdom of ancient Chinese thinkers.

1. Introduction

The microeconomics system of the present day can trace its origins back to the economic theories of Adam Smith. Smith’s seminal work, *The Wealth of Nations*, is widely considered the beginning of modern economic ideology[1] and the genesis of the theory behind the western economic system that prevails in the world today. As Alfred Marshall later adopted simplified abstract mathematical models in place of prolonged narratives to study the relationship between supply and demand, static economics – an essential prong of the neoclassical economics of the West – has made irreplaceable contributions to the effective settlement of modern economic problems. While Adam Smith may be the father of western economics, he was not the earliest creator or pioneer in his field. Prior to Adam Smith, there were many rudimentary but systematic schools of thought in economics as proposed by a number of ancient thinkers. In addition to China’s history of intellectuals, there is the

Oeconomicus by Xenophon in Ancient Greece, Plato's division of labor in *The Republic*, and Aristotle's theories on the exchange of goods and money.

Many of today's socioeconomic conflicts and societal issues have been seen before throughout world history, with China no exception. As such, a number of the fundamental theories of modern economics share similarities with the political and economic works of intellectuals in ancient China. These thoughts are more clearly and systematically expressed in the western economic paradigm, which was established with asymmetric linear thinking. As Chen Shiqing wrote, "the sporadic thoughts on economics in ancient China were created by a number of thinkers, and they form a more comprehensive system than Smith's *Wealth of Nations* through their inclusion of all economic elements with regards to the development of human ideology. From a developmental perspective of economics for all mankind, all western economics, including Smith's *Wealth of Nations*, are an abstract progression of ancient Chinese economic thinking."[2]

The economic, political, and legal reforms put forward by ancient Chinese political thinkers not only reveal their thoughts regarding the then-current economic conditions but also demonstrate their understanding of the expected development and social change of the future. Since economic theories are chiefly about exploring and studying the principles of representative phenomena and their operating mechanisms,[3] to delve beneath the superficial short-term outcomes of certain societal circumstances and reexamine the mechanisms behind the political and economic acts as proposed by ancient Chinese sages, not only can we study the forward-looking minds of said thinkers but also will we be able to discover a number of new perspectives and political references to be used in modern political and economic reforms.

A contemporary example would be Henry A. Wallace's application of Wang Anshi's Green Sprouts Act during the Roosevelt administration of the 1930s, when the U.S. faced sudden economic depression, similar to the economic conditions in China during the Northern Song Dynasty: it was at that time in Chinese history that Emperor Song Shenzong and his adviser Wang Anshi were challenged by the monopolies held by wealthy merchants regarding the provision of loans; as a result, households struggled to make a living and the government suffered from a lack of revenue. When the then-U.S. Secretary of Agriculture Henry A. Wallace read a doctoral thesis by Chen Huanzhang, a student at Columbia University, titled *The Economic Principles of Confucius and His School*, he took note of Wang's Green Sprouts Act and later decided to incorporate some of Wang's ideas into new national policies.

To help the country get through economic crisis, the U.S. government decided to offer agricultural loans, reduce agricultural credit monopolies, acquire surplus goods and grains, balance the surpluses of certain agricultural products, and stabilize grain prices. In 1944, an article in the *Agricultural Extension Communiqué* wrote: "In the farewell dinner organized by Minister Shen, Secretary Wallace mentioned Wang Anshi repeatedly. He used a modern point of view to compare the situation in the U.S. to conditions in Song Dynasty and expressed optimism."[4] Later, after the success of the New Deal, Wallace said: "Soon after I became Secretary of Agriculture, I asked Congress to immediately introduce legislation promoting an ancient Chinese agricultural phenomenon: the ever-normal 'granary."[5]

Besides being appreciated by Wallace, Wang's reforms were also described as "indeed the most reputable social reform in the history of China and the world" by Liang Qichao, an intellectual who lived during the late Qing dynasty.[6] Looking closely at the intrinsic concepts that formed the basis of Wang's economic reforms, it can be seen that Wang has intuited the core concepts and fundamental ideas of what we have formalized today as modern economics by his time. The Green Sprouts Act regulated that during months of insufficient grain supply, usually February and May of any given year, the government would offer loans – in the form of either grain or credit to buy grain – to those in need at a half-year interest rate of 20-30 percent, with interest to be repaid along with taxes in summer and fall. With grain purchased and stored by the government during productive seasons and lent out in poor harvest seasons, the program sought to regulate the market price of grain, reduce the usurious exploitation of borrowers, lessen the financial burden on the common people, and increase government revenue. The State Trade Act shared some similarities, whereby the government set up a market trading office in the eastern capital (named Kaifeng) and bought slow-selling products to re-sell in times of market shortage, limiting the control of large merchants in the market, stabilizing prices, and promoting commercial trade.

Such tools as price regulation and government acquisitions were not implemented rigidly. Wang aimed to solve actual economic and societal problems by utilizing new mechanisms so to adjust the relationship between supply and demand, demonstrating his clear understanding and flexible use of such principles.

Moreover, under the Service Exemption Act, the government hired professional soldiers instead of enforcing mandatory military service through the recruit of soldiers from families in turn.[7] Families who were unwilling to contribute to the military could pay a service exemption fee, the amount based on their level of wealth. Paying the exemption fee would then excuse them from their military duties. Through the government's policies of collecting revenue for a paid military via exemption fees, the concept of labor specialization was introduced. Men with good physical attributes and abilities were able to use their comparative advantage to protect their family and country, while those who were unable to meet certain physical requirements were able to focus on farming and laboring, thus boosting national production and development. Despite incurring the same time and monetary costs as before the reforms, the total social surplus increased. Wang promoted this mutually beneficial arrangement by encouraging the specialization of labor; this approach shares similarities with the core concept of comparative cost, as proposed by David Ricardo in the 19th century based on Smith's division of labor theory.

In addition, Wang's Hydraulic Works Law mandated that local households were required to contribute to the construction of water conservancy facilities, according to their level of wealth. To fulfill this obligation, households were also able to borrow loans from provincial- or county-level governments if necessary. This law attempted to guarantee irrigation and arable land, promote agricultural development and production, stimulate economic growth, and increase taxation revenue. Wang was aware that the allocation of resources without intervention would maximize personal gain for all individuals and households but might not result in the highest allocative efficiency for society as a whole. He may not have clearly termed his idea as an economic externality, but he broke the ideological boundary of calculating gains and losses purely on an individual basis, and observed from a macro perspective the external benefits households have on others when sharing societal costs. Wang leveraged the government as a driving force to maximize society's production efficiency and eliminate the negative impacts on net social benefit when individuals make decisions without fully considering the benefits others may also glean. Under this policy, the marginal benefit for individuals may have been temporarily lower than their marginal cost when building said water conservancy facilities, but the collective marginal social benefit for the last unit invested would still have been larger than the sum of private marginal cost for each farming household. This concept, known as economic externalities, was put forth by Alfred Marshall and Arthur Pigou in the early 20th century and is still referenced as a core theory for government economic intervention.

Although Wang had an excellent grasp of many core concepts from today's economic theories and applied such concepts to real world issues, such thoughts were too ahead of their time and stood in conflict with the feudal system and social conditions of the age. The failure of Wang's reforms to take hold does not, however, hinder the study of the true value behind the reforms. This thesis selects the most representative and valuable program of Wang's reforms, the Green Sprouts Act, and uses modern economic modeling for an in-depth analysis of the act's core concepts, while examining the causes of its failure

2. An analysis of the Green Sprouts Act and its economic implications

During the Northern Song Dynasty, the entire country faced serious fiscal deficit. Regarding the collection of government revenues, the Song Dynasty did not pose strict moral boundaries on its scholar-officials. The prosperous merchant economy resulted in material abundance yet many government officials abused their public power for personal gain, and thus significantly lowered state revenue.[8] From the perspective of government spending, the Northern Song Dynasty faced a bloated military, an excess of civil servants, and inflated public expenditure, which in turn resulted in an expanding deficit and considerable national defense risks. Meanwhile, under frequent natural disaster, the rigid hierarchical government and influential merchants exploited the lower socioeconomic strata of society through usuries, widening the wealth disparity and giving rise to a dissatisfied populace. This political and societal unrest was a disaster waiting to happen.

In September (under the lunar calendar) of Xining 2nd year (A.D. 1069), Wang Anshi proposed his New Policies, which were focused on finance and military reform, development and production, social conflict alleviation, fiscal revenue growth, and the promotion of political stability. Among these policies, the Green Sprouts Act was an economic act focused on the adjustment of market supply and demand. Its core economic purpose was to "enrich the state without levying higher taxes."[9] The Act sought to not only address the grain price surge during low harvest seasons, the usurious exploitation of the common people by money lenders, and the basic demand for food[10], but also to enrich the state to guarantee national defense.

The Green Sprouts Act regulated the government's acquisition and storage of grain during productive months and the provision of grain loans during the months of short grain supply, i.e. February and May, at a half-year interest rate of 20-30 percent (much lower than the half-year interest rate provided by an usurer), with interest to be repaid along with taxes in summer and fall. The government lent either grain or money, with the monetary value of grains calculated according to the market price for interest rate considerations. After the policy was enacted, the government set the upper limit of loans available for different households according to their income level. The loans were first available to people in rural areas and then to urban households if there were funds remaining. According to the policy, the interest rate could not be over 30 percent, with lenders able to extend the repayment period in case of natural disaster.[11]

The following section will only study the value of Wang's thoughts regarding the Green Sprout Act but will not address the flaws of the reform or the problems faced during implementation. The aforementioned flaws and problems will be covered in the next section.

2.1 Price Stabilization

The following section will interpret the price stabilization effect of the Green Sprout Act using a modern economic modeling approach from a microeconomic perspective. To simplify the model used in the analysis, it shall be assumed that the market for grain at the time of Wang's reforms was competitive and grain was allocated based on the principles of supply and demand. In the standard supply and demand models below, market demand $Q_d(P)$ represents the sum of each household's individual demand, which was the quantity of goods that each household was willing and able to purchase at a given price P. The market supply $Q_s(P)$ of grain represents the sum of all individual merchant's supply, which was the quantity of good that each merchant was willing to supply at a given price P. It shall also be assumed that the supply and demand of grain behaved normally – that the quantity of grain in demand was negatively correlated with price, and that more grain would be supplied at a higher price. In addition, it is assumed that households' demand curve for grain would remain fixed throughout the year due to the nature of grain as a staple product. In addition, since grain was considered a necessity, a large increase in the price of grain would result in only a small decrease in quantity demanded. Thus, in Fig. 1, the market demand curve for grain appears to be relatively inelastic with a steeper slope compared to the market supply curve. The market demand and supply curves determine the equilibrium price and quantity for grains.

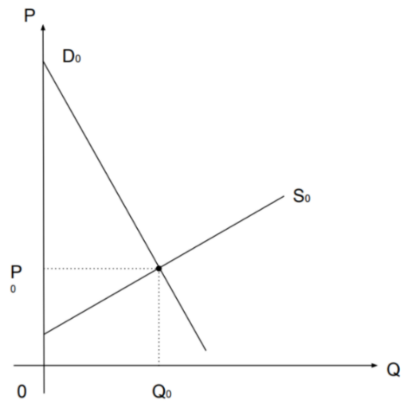

Figure 1. Supply-Demand of Grain in Summer and Fall

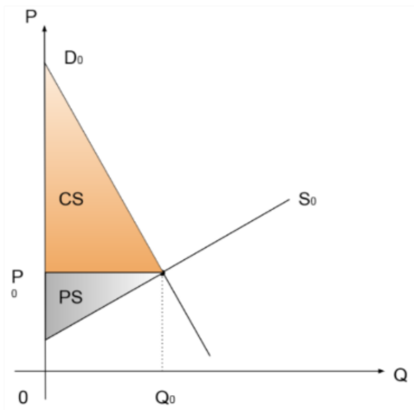

Figure 2. Distribution of Surplus in Summer and Fall

Figure 1 represents the supply-demand relationship of grain in summer and fall, when the grain supply was sufficient due to good growing conditions. In the model, the market demand and supply curves intersect at (P_0,Q_0), where P_0 represents the initial equilibrium price of the grain and Q_0 represents the initial equilibrium quantity of grain.

Figure 2 illustrates the distribution of consumer surplus (CS) when the supply of grain was sufficient, defined as the difference between the total amount that all households were willing to pay for grain and the total amount that they had to pay at the market price. With a relatively low price and a large quantity transacted, the value of consumer surplus (CS), represented by area of the yellow triangle in the graph, was high in this season.

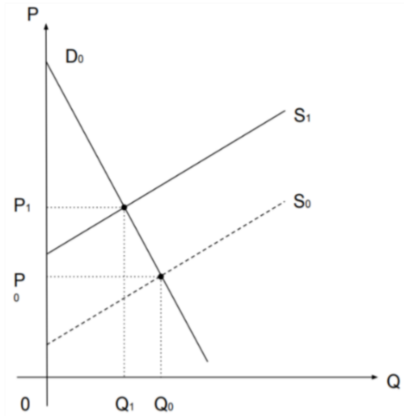

Figure 3. Supply-Demand of Grain in Spring and Winter (without government intervention)

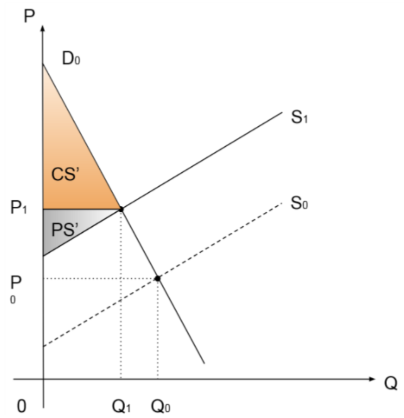

Figure 4. Distribution of Surplus in Spring and Winter (without government intervention)

In a year's less productive seasons – spring and winter – the change in growing conditions would result in a decreased grain supply and an inward shift of the supply curve, meaning less grain available for purchase and a resultant jump in grain prices. The equilibrium price of the market at this time is then expressed as (P_1, Q_1) on the graph, with $P_1>P_0$ and $Q_1<Q_0$. Households couldn't afford the cost of grain due to their low income earned during unproductive seasons. Therefore, the high equilibrium price (P_1) was in fact composed of two portions: a relatively high labelled market price P_1' (not shown on the graph) and the interest required when borrowing from usurers.

The new consumer surplus (CS') is shown by the yellow triangle in Figure 4. With less grain sold at higher prices, the difference between the total amount consumers were willing to pay for grain and the total amount that they had to pay at the market price decreases, meaning the consumer surplus was reduced by the inward shift of market supply curve. Households became worse off due to the raise in grain's market price.

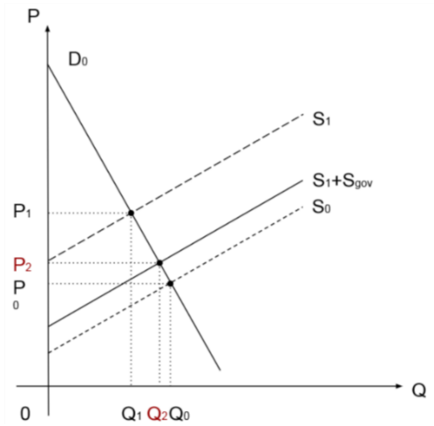

Figure 5. Supply-Demand of Grain in Spring and Winter (with government intervention)

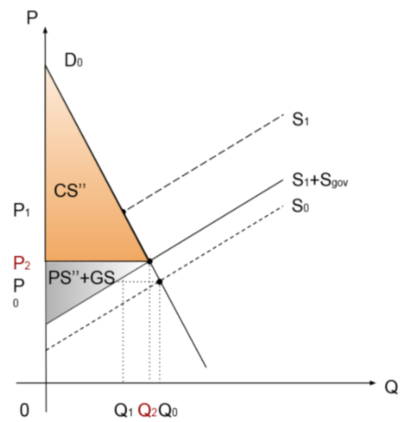

Figure 6. Distribution of Surplus in Spring and Winter (with government intervention)

With the government's stabilization policies under the Green Sprouts Act, however, the government could lend out grain and credit at a lower interest rate (compared to usurers) during unproductive growing periods or seasons. The government would not directly regulate a lower labelled price (P_1') at this stage, but through offering a lower interest rate when granting grain loans, the government provided a lower interest cost when purchasing grains. With a decrease in the price of the interest portion, the actual grain price (P_G) offered by the government was lower than the actual grain price (P_1) without government intervention. When increasing the amount of grain in the market with a lower actual price, the government effectively increased the market's seasonal grain supply, shifting the market supply curve outward and driving down the labelled market price (P_1'), which in turn reduced both the labelled price of grain and the actual price of grain.

In Figure 5, the new supply (S_1+S_{gov}) and demand (D_0) curves intersect at a new equilibrium point (P_2,Q_2), with $P_2<P_1$ and $Q_2>Q_1$. From the perspective of consumer surplus, the new consumer surplus (CS''), represented by the yellow-shaded area in Figure 6, increased compared to customer surplus without government intervention (CS' in Figure 4). The government successfully transferred the surplus from producers to customers and the government's own revenues. Households fared better under the government's stabilization policy. With a lower market price and a greater volume transacted, the government effectively met its goal of satisfying basic household demand for food and providing support for the poor.

2.2 Income Smoothing Effect

Households in the time of Northern Song spent almost all of their income during each season due to the poor saving ability. Unproductive seasons represented a time when the general population earned less income. Combined with the rise in grain prices, food could become unaffordable. For the general farming population of the Song dynasty, these seasonal surges in grain prices, coupled with periods of reduced income, created a dire situation. The problem could be seen as both a lack of effective income smoothing mechanism and a need for price stabilization.

In an ancient society, household income was distributed extremely unevenly between productive and unproductive seasons. During the unproductive period, household income was much lower than that of productive seasons. Due to the diminishing marginal utility of grain consumed, however, whenever there was insufficient money to purchase grain (the household was not satisfied with the level of grain consumed due to low income), the marginal utility of income spent on grain at that time would be higher than the marginal utility of income spent on grain during high income periods (when the household could be easily satisfied with the level of grain purchased with sufficient budgeted funds).

Under Wang's grain loan system, the household could then choose whether to borrow money during unproductive seasons at a set interest rate and consume more grain than was affordable at that time, or not to borrow and consume within current income limits. Without Wang Anshi's policy, merchants would grant extremely high-interest loans to the poorer population, among which the demand for such loans was high. The interest cost of smoothing consumption would be excessive for most households, constricting their ability to reallocate capital across different time periods. Yet once the government offered a lower lending rate and drove down the market interest rate as a whole, the cost of smoothing consumption over time fell. With greater freedom to reallocate capital across different time periods, households could better move the excess income earned during productive seasons to compensate the income shortfall in unproductive seasons. The marginal utility of income spent on grain increased, and households were able to reach a higher overall utility throughout the year. Therefore, in addition to providing a useful measure for price stabilization, the Green Sprout Act also created an effective income and consumption smoothing mechanism for households in an agrarian society with largely unstable seasonal income.

3. Enriching the State

The Green Sprouts Act had the additional benefit of increasing government revenue while benefiting households concurrently. For every unit of grain sold by the government, the cost was the market equilibrium price of grain during productive seasons with government intervention, represented by P_0' (not shown on the graphs). The government's acquisition of grain in productive seasons would drive up P_0 (Fig.1) slightly, resulting in $P_0' > P_0$. The grain was then sold at a price of P_G, with $P_1 > P_G > P_0'$, resulting in a profit for every one unit of grain of $P_G - P_0'$. The revenue taken by government, also known as the government surplus, was $GS = Q_G * (P_G - P_0')$, with Q_G the quantity sold by the government of $Q_2 \geq Q_G > 0$. At the same time, using Wang Anshi's loan program, the government not only received direct revenue when supplying and selling grains but also increased the total taxation revenue under an unchanged tax rate by increasing society's total output. Xu Song, a Qing Dynasty official, wrote in his *Song Government Manuscript Compendium: Food Products,* "[under the Green Sprouts Act], the usurious merchants could not raise the interest rate during low harvest seasons. The government was able to stockpile grain and stabilize their prices so that the farmers could continue working and capitalize during the best planting seasons, while the wealthier merchants were unable to exploit the farmers during difficult times."[12] In such an ancient agrarian society, most households farmed to make a living. Thus, the Green Sprout Act ensured that farmers could best utilize the optimal planting seasons regardless of grain or money shortage, improving the agricultural productivity and utilization rate of agricultural resources on the whole, stimulating economic growth and currency flow, and in turn increasing government tax revenue.[13]

In the time of the Song Dynasty (A.D. 960–1279), any notion of microeconomics had not yet been considered. Despite the lack of systemic microeconomic theory and the restraints that arose from the feudal system he existed within, Wang Anshi demonstrated an understanding of economics ahead of his time by adjusting market supply to achieve two concurrent goals of enriching of the state without increasing the burden on the people; more specifically, to increase government revenue so to guarantee national defense, and to satisfy market demand to support the poor.

If a government increased its national revenue through higher taxes alone, without the regulation of supply and demand, it would experience price surges, reduced trade volume, higher financial burden on its people, and a lower consumer surplus. If a government simply set a price ceiling to regulate food prices without increasing supply, the actual trade volume in the market would drop. Although the price might be lowered, actual demand would not be satisfied. The government would not experience increased revenue, and households would not benefit from diminished trade volumes. Wang Anshi's reforms not only reduced the financial burden on the common people by dismantling usury practices, but also satisfied market demand for grains, reduced conflict among different social strata, and increased government revenue. By making the government a supplier during unproductive seasons, both total taxation and government revenue increased significantly.

4. The Green Sprouts Act's failures and their causes

Although Wang Anshi's reforms have significant value in their intrinsic ideas, the policies were ahead of their time and in contradiction to the political and societal environments of the day. In addition, the defects of the policies were not amended timely during their time of implementation. Such factors led to the failure of the New Policies.

This part relates specifically to the historic background of the Green Sprout Act, lists the real causes of its failure from multiple perspectives, and analyzes the impacts of such causes.

Firstly, the mechanism of the Act was set to have people borrow summer harvests in February and fall harvests before May each year (according to the lunar calendar). The summer and fall harvest loans would then be paid back in May and October along with taxes[11]. According to regulations under the Green Sprouts Act, loan periods would overlap with repayment periods. The borrowers were thus trapped in a borrowing and repayment cycle.[14] As Ou Yangxiu notes in the *Wenxian Tongkao*, it is suspected that the overlapping periods allowed the government to maximize profits (at the expense of household welfare) when giving out loans.[15]

Moreover, when households applied for loans, in order to guarantee that the lowest income households pay back their loans, it was required that five or ten households form a guarantee group, with each group requested to present a guarantee from the first three levels of households with the highest income.[11] The demands of wealthier households, however, differed from those of the lower income households. High-income households did not need loans while low-income households desperately needed aid. The supply of loans to the poor was thus attached to the demands of the rich. As a result, the social aid function and its effect under the policy suffered.

In addition, the flaws in the implementation process of the Green Sprout Act aggravated its failure. Local officials assigned policy implementation by the state government often suppressed loan applications from low-income households due to concerns about repayment viability. This went against the core purpose of the Green Sprouts Act, which was to provide support to the poor during low harvest seasons. Yet certain local officials were concerned about the repayment ability of the low-income households, and so they would lend monies earmarked for social assistance to high-income households instead,[16] while the high-income households that did not need such loans were forced to accept. This contradiction to the reform's core concepts sabotaged any intent to provide aid to the lower socioeconomic strata of the time.

Not helping matters, the interest rate spiraled out of control during the implementation process, increasing the debt burden on the poor. From a state perspective, the Northern Song Dynasty government strengthened its fiscal measures to become a rich country while implementing Wang's policies, but this achievement came to be in great contradiction with the goal of providing aid to the poor in the reform's later period. As Sima Guang noted in his "On Preventing the Exchange of Grain with Green Sprout Money", during the program's later period, the government lent 1 *dou* (6.9 kg) of rice to a household, of which the household was required to repay 1.875 *dou* (12.94 kg) in return. The interest was close to the loan amount itself, and so the exploitation of the poor surpassed that of the usurious merchants.[17] The government's desire to enrich the state took precedent. As such, the government allowed the continuation of the high interest rate at the cost of the welfare of the common people, with local government officials raising the interest rate arbitrarily in order to achieve that state's desire.[18]

The Northern Song Dynasty and its governance had deviated greatly from the macro objectives of Wang's New Policies. The Green Sprouts Act did not provide support to the poor as designed but instead increased the burden on the people and became a tool for exploitation. The corrupted bureaucratic system of the state and the local officials who considered their individual gains over those of the people[19] inevitably led to vicious behavior such as loan profiteering, manipulation of the interest rate, and extortion.[20] During the implementation process, some officials even raised or lowered the local grain price to maliciously increase the repayment interest rate and further exploit the people.[13]

As households would choose to take out loans in the form of credit or grain, local officials would raise the grain price when giving out grain loans and lower the grain price when collecting repayments. By increasing the price difference across seasons, households were required to pay back larger amounts of grain, resulting in a higher actual interest rate. The officials' profiteering worsened the fluctuating interest rate, putting households under greater financial burden.

Ultimately, the core thinking of Wang's Green Sprouts Act ran intrinsically in conflict with the feudal society's entrenched political and societal norms, dooming it to failure. As a part of the reforms, the program was to redistribute social wealth by taking from the rich to assist the poor. The government's act of lowering market prices through increased supply would harm the usury interests of the rich merchants.

The usury capital holders and the ruling class of the Northern Song Dynasty were two interest groups closely intertwined. Many scholar-officials exercised control over private capital and profited themselves from usurious loans.[21] The Green Sprouts Act challenged the interests of the entire bureaucratic class. As the unwilling enforcers of the New Policies, the scholar-officials would hinder the program's implementation and encourage its failure. As a legislator, Wang Anshi did not consider how such forward-looking policies could be integrated into the existing system of govermance, and lacked adequate corrective measures for any resultant conflict.[22]

5. Conclusion

Wang Anshi's reform increased the fiscal revenue of the Song government and had a significant influence on the enrichment of the state and the empowerment of its military force. According to *Continuation to the Comprehensive Mirror to Aid in Government: On the Green Sprouts Program, Part II,* a Xining Era (A.D. 1068-1073) chronicle from the Song Dynasty, over a six-year period, the Song government received interest of 2,920,000 *guan* (1 guan could buy the equivalent of around 60 kg of rice).[14] In the beginnings of Wang's reforms, the program suppressed and alleviated usury practices and relieved the undue financial burden on the common people,[23] but during the latter period of the reforms, due to the flaws of the policy enforcement mechanism; the gradual imbalance of allocation between the goals of state enrichment and welfare assistance; the corrupt bureaucratic system; and the conflict between the policies and the existing feudal society, the Green Sprouts Act did not achieve Wang's initial purpose of enriching the people, and instead only exacerbated the problems faced by the country.

Although the problems set in motion by the implementation of the Green Sprouts Act cannot be overlooked, it is undeniable that the progressive idea of allowing government intervention in order to adjust market supply and demand still possesses tremendous value, especially the ability to enrich the state without levying higher taxes. Nine centuries ago, the reforms proposed by Wang were doomed to fail due to the Song Dynasty's feudal limitations. Yet with Henry A. Wallace and the U.S. finding success through the implementation of Wang's proposals, tested during the Great Depression, maybe it was simply the timing of Wang's reforms that was off.

This successful application of Wang's agricultural policy is sufficient to prove the value of Wang's reform ideology. During the Roosevelt administration, the Wallace-supported New Deal was backed by Keynesianism as well as a powerful shift in favor of government intervention among American economists during the late 19th early 20th centuries.[24] This was a stark contrast to the lack of support Wang received, as illustrated by his writings: "(We) must not be intimidated by the changing of circumstance, the rules of our ancestors, and the obstacle of opposition."[25]

Chinese historian Huang Renyu wrote of Wang's achievements: "It is quite astonishing when we talk of Wang Anshi at the end of the 20th century; nine hundred years ago, China tried to use financial regulation to bring change to the national economy, with a scope and depth rarely seen at that time in world history. Such pioneering thought was vastly different from the traditional perspective of the people at that time, who regarded everything as immutable and constant. Wang seems to be closer in thought to our modern-day readers than he might have been to his historic contemporaries."[13]

The Green Sprouts Act, a sterling representative of Wang's pioneering thought, not only demonstrates the profound impact of Wang's reform on China and the world but also proves how future generations can learn from the economic wisdom of ancient Chinese thinkers.

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