Like most human expressions, race matters are complicated by human predispositions. Any interpretative endeavor involving aspects of race needs to be located in social, cultural and historical circumstances. The human tendency is that each society locates itself at the center and views strangers as cultural others. The projection of cultural others usually reveals more about the projecting center than about the peripheral others. China was no different from most other ancient civilizations in this matter of “we” and “others.” Like the Greeks, China began its binary differentiation of inside and outside as parallel to civilized and barbaric very early in Chinese historiography. After the 1840s, appraising and reshaping China’s traditional civilized-barbaric discourse became one of the late-Qing reformers’ main concerns. In the 1870s, Wang Tao (1828–1897), a reform-minded scholar and journalist who assisted Scottish sinologist James Legge (1815–1897) in his translation of the Confucian classics, called this binary discourse tradition *hua-yi bian* [differentiation of *hua* and *yi*] in a treatise of the same title. Wang points out the fluidity of *hua-yi* boundaries in the past and the fallacy of his contemporaries for having an essentialist view of the outsiders:

Traditionally, a differentiation exists between inside—*hua* and outside—*yi*. Therefore, the Middle Kingdom is referred to as *hua*, and everything outside this center as *yi*. Still, this is nothing but an absurd allegation. . . . According to the norms of the *Chunqiu*, only those [who share the manners of barbarians] are regarded as *yi*. If they link up with China and follow the Chinese *li* [ethics and rituals], they are regarded as Chinese . . . the *Chunqiu* even refers to the civilized Wu and Chu areas as *yi*. The differentiation between *hua* and *yi* is not a question of some geographical inside or outside location; rather, it depends on the *li*. Having *li*, the *yi* become *hua*; not having *li*, the *hua* can also turn into *yi*.1

1 Wang, 1883: 364.
Wang Tao’s treatise on *hua-yi* discourse reflects one of the various types of cultural re-evaluation undertaken by Chinese literati in the nineteenth century, when China began to face severe social, economic, and political crises. Challenged by constant foreign aggressions and multiple regional rebellions, Qing Empire in the nineteenth century could no longer resist the call for reform. This chapter examines the transformation of *hua-yi* discourse and the rise of racial discourse in nineteenth century China through the lens of the Qing literati’s utopian longings and utopian statecraft. The evolution of *hua-yi* binary in the nineteenth century and its transition into modern racial discourse at the turn of the twentieth century reflect a China that was looking inward for change and seeking outward for clarification and categorization.

*Types of Hua-Yi Discourse before the Qing Dynasty*

Lydia Liu’s observation concerning *yi* in *The Clash of Empires* provides us with a foreground for the complexity of *hua-yi* discourse:

> Countless events and fantastic happenings have come to pass over the last two centuries, but none could rival the singularity of the Chinese word *yi* in its uncanny ability to arouse confusion, anxiety and war. *Yi* is one of those monstrous creatures one must reckon with, subdue, destroy, or exile before it comes back to haunt us. What is the meaning of this all powerful and dangerous word—"barbarian," "stranger," "foreigner," or "non-Chinese"?2

Indeed, throughout Chinese history, the boundaries and definitions for *yi* have been fluid and disputed. The *hua-yi* discourse reflects China’s interaction with its peripheral groups. The lines of demarcation between *hua* and *yi* were porous and often shifting. Surveying the stance of *hua-yi* discourse, we see China swing back and forth between Confucian humanism with inclusive attitudes towards non-*hua* others, and xenophobic, cultural chauvinism. The voices of *hua-yi* discourse are diverse and often reflect China’s socio-political conditions. We may divide these voices in the pre-Qing era into three categories. The first is a *laissez-faire* paradigm based on Confucian ideals—when a king rules with virtue and true mandate, “the *yi* tribes all around [*sīyi*] will [of their own accord] come to submit to the king [*lai wang*],” as laid out in the “*Dayu mo*” [Counsels of Great Yu]

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