

“company-states”—in different periods of time and in different regions. In this way the book is truly global and represents a brilliant summary of a specific historical phenomenon in the long run and in various regional environments. Moreover, the authors weave their narrative into the context of globalization, colonization, and state formation and emphasize the co-development of European states and their colonial ambitions with the rise and fall of European trading companies that became “states” in non-European territories. For business historians, this book may be a useful reminder of the essential role that the early modern trading companies played in the development of capitalism and in connecting faraway markets. Although the authors focus more on the political side, and on the interplay between European governments and trading companies/company-states, a discussion of the commercial part of their ventures is also present. This makes the book an essential volume for those wishing to learn more about the political realm of the ventures of European trading companies in a global and long-term context. It is the global and comparative context in particular that ought to be applauded, as such a book was previously missing from the scholarship.

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Chinese Hinterland Capitalism and Shanxi Piaohao: Banking, State, and Family, 1720–1910. *By Luman Wang.* London: Routledge, 2021. 208 pp. Hardcover, \$160.00. ISBN: 9-780-36745-809-6.

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Reviewed by Matthew Lowenstein

The Shanxi *piaohao*, privately operated remittance banking networks that transferred capital between different cities and market towns throughout the Qing empire, have long played a critical role in the history of Chinese business. First appearing in the early nineteenth century, these institutions would come to operate over 160 branches in eighteen cities and served as financial intermediaries for domestic commerce, foreign traders, and the Chinese state alike. The *piaohao* are often seen as the apotheosis of indigenous Chinese financial sophistication and a fascinating alternative to the Western forms of banking that today prevail throughout the world. But until now, serious scholarship on the *piaohao* has been limited to Chinese-language publications,

most notably by Huang Jianhui, whom author Luman Wang graciously cites as her intellectual model. Previously, English-language readers had to content themselves with brief asides in general financial histories. Now, thanks to Wang's prodigious research, we at last have an English-language history of the piaohao.

The monograph is divided into five chapters. Chapter 1 traces the origins of the piaohao to the Sino–Inner Asian overland trade. The piaohao “acted as a crucial financial intermediary between the hinterland and the coasts so that neither foreign merchants nor Chinese importers needed to travel across mountains and rivers to close trade deals” (p. 33). Chapter 2 delves into the mechanics of remittance banking, including the piaohao's sources of income, methods of communication, and competition. Wang identifies interfirm lending as the key to operating empire-wide banking networks with limited hard silver. Specifically, “by injecting working capital or assimilating surplus capital from fellow piaohao, inter-firm lending expanded the scale of piaohao's remittance business. It also . . . minimized the default risk” (p. 59). In other words, lending relationships with peer institutions gave piaohao access to liquidity in cases where their own cash fell short. Qing historians will find this chapter especially useful, as it explains the inner workings of the quite complex remittance networks that knit together the disparate regions of the empire and impacted the social, political, and economic lives of officials, scholars, and merchants alike.

The following chapter explores the piaohao's gradual capture of large amounts of government business. The Qing were always uneasy about relying on private parties for tax revenues, but amid China's nineteenth-century tumult, government had little alternative. The upshot was a surge in remittance demand, and “after handling government remittances, the size and scale of piaohao's business underwent unprecedented growth” (p. 93). In chapter 4, Wang charts the decline of the piaohao amid fierce competition from state-sponsored banks. In Wang's telling, the piaohao might have held their own on an even playing field, but the Qing stacked the deck in favor of its own institutions. After the fall of the Qing, the state declined to repay many of its debts to the piaohao, and they duly folded. The final chapter zooms in on the social life of piaohao. It limns a series of merchant families, along with their post-piaohao industrial entrepreneurship and philanthropic endeavors. The chapter is fascinating and at times quite evocative. For example, Wang recounts that when the Chang family opened a girls' school in their native Yuci, “the first batch of students felt uncomfortable about having daily face-to-face contact with male teachers,” and thus “[Chang] Zanchun's mother . . . decided to sit in on the classes as a senior female family member” (p. 158). In such vignettes we witness the lasting legacy of the piaohao in the industrial and social development of Shanxi.

This highly ambitious book puts forward two distinct arguments. The first argument is empirical. Wang argues that piaohao were competitive against modern firms and that their ultimate demise had more to do with state prerogatives and changes in Chinese political economy than with any innate, technical disadvantage relative to Western banks. She also makes a persuasive case that the piaohao should not be seen as a “failure” despite their demise in the early twentieth century. They provided the capital for innumerable modern industries, coal mines, and social enterprises. The impact of China’s indigenous businesses to its later economic modernization is often overlooked, and Wang’s contribution here is important. The book’s second argument is theoretical. Wang argues that the behavior of merchants cannot be understood only as purely profit-maximizing entities but rather must be understood as vehicles for larger merchant families that had social and cultural, as well as economic, ambitions.

In making these arguments, the monograph contributes not only to our understanding of China but to the larger literature on the history of international business. One minor quibble is that the book sometimes mischaracterizes the extant scholarship. In engaging the historiography of global capitalism, it at times reaches for hasty generalizations. For example, we are told that “the political economy of Chinese hinterland capitalism can serve as a critique of economic and business histories of the West, which . . . reduce the study of capitalist development in non-Western countries to a static dichotomy of a monolithic state versus an abstract market immune to state intervention” (p. 2). This is an uncharitable reading of a literature in which, from Marx to Braudel to Beckert, the fusion of state power and capitalist enterprise is a recurring theme. But this is a small matter; the focus of the book is not Europe but China. And here, the book’s contribution is substantial. It will be essential reading for any scholar writing on the history of Chinese and, indeed, global finance.

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A Global History of Co-operative Business. *By Greg Patmore and Nikola Balnave.* London and New York: Routledge, 2018. x + 248 pp. References, index. Paperback, \$46.95. ISBN: 978-1-13819-149-5.

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Reviewed by Abby Spinak

Cooperatives are member-owned institutions, no more, no less. According to the International Cooperative Alliance they should also be