

perspective of “social medicine” into a new context of international health policy. At present, globalization is widening the health gap in ways unprecedented. In this sense, the publication of this fascinating book is very timely. Both historians and contemporary experts in international health would be well served by reading it.

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The Merchants of Zigong: Industrial Entrepreneurship in Early Modern China.

By Madeleine Zelin. New York: Columbia University Press, 2005. Pp. 432.

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Scholars have long been trying to understand the workings of business institutions in imperial Chinese society, how they were connected to kinship groups and networks, and what relevance they had in China’s long-term economic development (or lack thereof, depending on the observer’s viewpoint). There has, however, been a general shortage of studies that chronicle the continuous development of these institutions with the necessary amount of detail, and fewer still that place the case in a wider historical context. Madeleine Zelin’s book is a powerful account that does much to fill this gap, making full use of the wealth of material existent on the salt industry in late Qing to Republican Zigong, and linking this material to the state of our knowledge on Chinese business and society.

At the base of the Zigong merchants’ wealth was the production of salt. An obvious strength of Zelin’s narrative is how close it stays to the technological dimension of this industry. The processes of pumping brine from the salt wells and extracting salt from the brine at the furnaces are described with a degree of detail that is adequate for the reader to both gain a sense of what the material environment might have meant to the parties involved, and to understand, in a more objective sense, the impact of technological changes on business practices.

While Zelin gives a reconstruction of businesses systems in the Qing period – how capital could be accumulated through lineage institutions, the roles of various “brokers”, the traditional forms of land contract providing a format on which business relations could hinge, and how management was organized for these of complex partnerships – she is careful to place this analysis firmly in the context of historical change. The multilayered story of change, of which technology was an integral part, also involves the development of labour relations, changes in the markets on which the industry relied, and relations with the Qing and Republican governments as well as the dominant warlords who subsequently took power.

Thus the story that is told is one in which the salt yards of Zigong, with only a small share of the market in the mid-eighteenth century, were established during the following century as the region's leading salt producers, coming to dominate the markets of Yunnan and Guizhou provinces as well as infiltrating other parts of Sichuan, before they declined from the late nineteenth century onward. On one hand, the salt magnates who founded their organization on lineage institutions were replaced by a new business elite who not only invested in new technology, but also based its power primarily on clientele-like relations among themselves and with those in power. On the other hand, this new elite was unable to adapt fully to the changing economic environment and socio-political crisis of the late nineteenth and early twentieth century that involved, among other factors, the introduction of a modern legal system.

While some of the external factors leading to the decline of the Zigong salt industry are fairly obvious – revolution, warlordism and a glut of brine, to name but three – the question more central to the theme of this work is whether, and if so how, the characteristics inherent in the institutions that structured the industry failed to adapt to the new environment of the twentieth century. Zelin's perception is that the lineage institutions and other forms of partnership underpinning the traditional structures of investment and management were “simple constructs” whose operations became more complex and diverse than had originally been envisaged, at which point they had to encounter “problems inherent in China's system of property rights” (pp. 199–200). These problems centred on the difficulty in determining the individual rights and duties of those involved in the holding and management of the institutions holding property. Such problems included: who had what rights in disposing of property held “in trust” through lineage (and other) institutions; how managing parties could be controlled by investors and a wider range of stakeholders; and how a distinction could be made between liabilities of the corporate entity and those of the investors.

Zelin's perceptiveness in linking these problems of firm management to the regime of property rights in Qing society is not only well founded, it is also what takes us to the next stage of enquiry into “the institutions that structured China's indigenous economic development” (xiv). The organization of traditional property rights is itself a complex issue about which the author has written before.¹ This background clearly helps her in seeing how the business partnerships that brought together land, capital and labour in Zigong in the Qing period had their template in “the simple land contract”, and how one might trace the process whereby the former departed from the latter in a process of evolution (p. 29).

The problems involving the traditional forms of property rights were not limited to the complexity in the internal organization of the parties holding property (and entering into contract), parties ranging from the individual, the family, the lineage and other ritual organizations, often taking a form akin to that of a shareholding corporation. Not only was the allocation of rights and duties within these entities riddled with complications of its own, the nature of the rights held by these parties as a whole were often far from obvious. In other words, when a particular party held a certain right to a piece of property, it was often difficult to delineate what exactly that right entailed in relation to the property (and in relation to other rights held by other parties over the same property), let alone allocate various portions of that right among members of that entity.

The coexistence of different claims to a piece of land took various forms in the Qing. On one hand, there were the divided ownership arrangements where surface owners and subsoil owners would each have his claim (referred to as a *ye*), none of which amounted to an outright ownership. On the other hand, the contractual forms allowed parties other than the “owners” – such as former owners, neighbours and relatives – to retain various rights to a plot of land, these rights ranging from the

1 Zelin 2004, “A Critique of Rights of Property in Prewar China,” in Madeleine Zelin, Jonathan K. Ocko and Robert Gardella, eds., *Contract and Property in Early Modern China*, Stanford University Press, 2004, pp. 17–36.

right to “buy back” the land, the right to an additional payment of the land price after he has sold it, to the right to demand a payment when the land is sold to a third party. We are familiar with both these multiple rights and the various efforts, through contractual provision or legislation, to demarcate the various claims to property, such efforts often being in tension with the “customs” of the contracting parties. It is a tension that has not been fully analysed by scholars, and the absence of clear-cut property rights is often regarded as an impediment to economic development.

This ambiguity in the demarcation of property rights themselves necessarily complicates further the allocation of rights among different members of a single entity. It is nevertheless relatively straightforward to say that given this complexity, investment and business could only be conducted in an environment primarily inhabited by parties connected to one another through multiple long-term relationships including kinship ties. Shareholding could not become completely impersonal, and thus there was a natural limit on the range of investors that could be attracted.

At the same time, however, “understanding” these institutions of property holding would necessitate seeing into their internal logic, and one could only do this by considering the historical process that involved the infiltration of lineage institutions, the territorial implications of landholding that could not be reduced to the commercial value of the land involved, and the wider social environment that allowed for these – often ambiguous – property rights to function.

One further dimension of this enquiry would have to be into the workings of what Zelin calls the “customary commercial law”. Whether or not one calls these customs a “customary law”, it is known that when they were ratified by court judgements the reason for such ratification was virtually never the fact that they were customary. Moreover, while contracts could be recognized as valid and the courts could order the parties to honour them, the courts did not have the necessary power to carry out the enforcement of their own judgements. If that were the case, what made people honour their contracts? Did the complexity of the property regime have anything to do with the social environment that balanced the various claims to property without recourse to enforcement by the courts? What kind of “market” can we assume to have existed regarding land and other resources, as a background to these practices? How were these property rights organized through the idea of descent, and how were the descent groups incorporated as business entities?

Zelin’s masterly treatise shows us how tracing the history of Chinese business institutions and trying to understand them takes us to these questions. It will continue to serve not only as an invaluable case study but also as an important step in the ongoing enquiry into the law and economy of imperial China.