(in)famous Mefo bills, the Bundesbank was the greatest advocate of capital control in the 1960–1970s, etc. The deliberate role of the central bank in export credit financing could also have been discussed. Thus, the relationship between central bank independence and free market (and thus the definition of the former) has fluctuated throughout history. Second, another key element of current German monetary mythology is that the independence of the Bundesbank was a superior model because it was the only central bank in an advanced economy that managed to avoid the high inflation of the 1970s. This may not be a myth, as many people like Otmar Issing argue. But others have tried to qualify it, pointing out the role of fiscal policy or wage coordination in keeping inflation stable in the FDR in the 1970s. It is a bit frustrating that the author, who covers the political debate on the independence of the DB in the 1970s in depth, does not try to enter the debate. These criticisms do not minimize the book's important contribution to the history of European central banking and to the history of the narrative and communication strategy of central banks.

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Going the Distance: Eurasian Trade and the Rise of the Business Corporation, 1400–1700. By Ron Harris. Princeton: Princeton University Press, 2020. Pp. xiii, 465. $39.95/£34.00, hardcover.
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The joint-stock business corporation, as an increasing scholarly literature has documented, emerged in Western Europe around and after 1600, pioneered by the Dutch and British East India Companies. The timing and geographical location of this institutional breakthrough has been an enduring subject of academic interest (e.g., Dari-Mattiacci, Giuseppe, Oscar Gelderblom, Joost Jonker, and Enrico C. Perotti. "The Emergence of the Corporate Form." *Journal of Law, Economics, and Organization* 33, no. 2 [May, 2017]: 193–236; Greif, Avner, and Guido Tabellini. "The Clan and the Corporation: Sustaining Cooperation in China and Europe." *Journal of Comparative Economics* 45, no. 1 [February, 2019]: 1–35; Guinnane, Timothy, Ron Harris, Naomi Lamoreaux, and Jean Laurent Rosenthal. "Putting the Corporation in Its Place." *Enterprise & Society* 8, no. 3 [September, 2007]: 687–729; Hansmann, Henry, Reinier Kraakman, and Richard Squire. "Law and the Rise of the Firm." *Harvard Law Review* 119, no. 5 [March, 2006]: 1333–403.). The legal technology itself—joint stock equity finance, separate legal personality, collective governance, tradable shares, investment lock-in, and asset partitioning—was not so complex that one would think earlier societies could not have conceived them. Quite the opposite, subsets of these legal technologies existed through various premodern business forms across the globe. Even asset partitioning, an amalgam term that refers to the combination of entity shielding and limited liability, had its share of qualitatively and conceptually similar predecessors in a number of premodern societies. Nonetheless, the full combination of these technologies into a single form of business organization emerged very late in human history and initially only in Europe.

In *Going the Distance*, Ron Harris provides the most thorough and rigorous study of this phenomenon to date. By combining a systemic theoretical overview of modern institutional economics with carefully researched narrative surveys of the evolution of business organizations in nearly all major medieval and early modern Eurasian economies, the book effectively crystalizes an entire field of academic research into a single volume. Even more importantly, it manages to distill this massive literature into a coherent and powerful thesis about the rise of the modern business corporation and its economic impact, one that will almost certainly be the starting point for any future debate on the subject.

Harris's thesis comes in two parts, one about the economic and institutional conditions for the rise of the corporation, and one about its subsequent economic impact. The latter involves a fairly straightforward and largely conventional institutional economics narrative in which the rise of the corporation facilitates larger scale capital accumulation across long physical and social distances, which provides a significant boost to both commerce and industrial development. This narrative is developed in a thoroughly professional and theoretically informed manner, one that will satisfy both historians and economists alike.

In contrast, the analysis of the conditions behind the rise of the corporation, which occupies most of the book, is more complex and intellectually rewarding. Here, Harris's analysis proceeds along two different prongs. First, he argues that widespread adoption of the corporate form in any given society depended on two kinds of credible commitments, one by the ruler "not to expropriate the newly pooled, tangible capital," and another by the corporation's managers and primary shareholders "not to cheat or shirk outside passive investors" (pp. 4–5). Few scholars in the field would dispute the importance of either condition, but they further beg the question of when and how these credible commitments were made: Was it the case that, across human history, the combination of both conditions first emerged between early modern and modern Europe? If so, how and why?

Recognizing that an institutional "just-so" story for such a sweeping historical claim is inadequate, Harris supplements these two conditions with an additional layer of demand-side analysis. The business corporation, he argues, arose in response to the economic needs of long-distance trading, which, in the early modern context, uniquely required large-scale, multilateral collaboration between business partners who were not otherwise part of the same socioeconomic networks. The timing and location of the institutional breakthrough is actually best explained by combining demand-side condition with supply-side ones: it was only in Western Europe, and not until the seventeenth century, that long-distance trading both became economically and politically salient enough to demand the business corporation *and*, at the same time, received a positive institutional response from governments and legal systems that were capable of facilitating the two credible commitments discussed above.

Other Eurasian economies lacked either demand side or supply side conditions, or both, and some continued to do so even in the nineteenth or twentieth centuries—which explains why those societies failed to transplant the corporate form and its various legal components from Europe, even though interregional trade had facilitated the transmission of other legal technologies and organizational forms across Eurasia since at least medieval times. In Harris's telling, both the Ottoman Empire and early modern India lacked the requisite demand-side pressures. Late imperial China, in contrast, fell short along both demand-side and supply-side dimensions: state prohibition against foreign trade hampered the emergence of demand-side conditions in the Yuan and Ming dynasties, while the imperial state's unchecked power prevented it from being able to make credible commitments throughout the second millennium. Moreover, the socioeconomic dominance of large lineages in Chinese commerce, despite providing a number of organizational benefits, also damaged, over the long term, their ability to credibly commit to treating outside investors fairly.

These are sweeping claims, and, for the most part, Harris backs them up admirably with a wide array of empirical evidence and theoretical arguments. Nonetheless, there are a couple of substantive gaps in this analysis that provide openings for future research. First, the relationship between demand side conditions and supply side conditions is left somewhat ambiguous in the book: Did the existence of the former tend to generate the latter, or were the two largely unrelated? In other words, can we fold the supply into the demand to some extent, or must we seek an independent explanation for when the supply conditions emerge? If an independent explanation is necessary, one is left wondering which of the major candidates Harris would support: a Douglass North and Barry Weingast story about constitutions and separations of power ("Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England." In this *Journal* 49, no. 4 (1989): 803–32.), a Greif and Tabellini story about social capital and institutional path dependency, a neo-Weberian story about culture, religion, or ideology (e.g., Zhang, Taisu. *The Laws and Economics of Confucianism: Kinship and Property in Pre-Industrial China and England*. Cambridge: Cambridge University Press, 2017; Kuran, Timur. *The Long Divergence: How Islamic Law Held Back the Middle East*. Princeton: Princeton University Press, 2011.), or something else entirely. One suspects that Harris would choose between the first two, or offer some combination of them, but the book does not provide a clear enough statement.

Second, the book would have benefitted from having a more precise measurement of, at least, demand side conditions: Is there a way to quantify the overall demand for the corporate form in any given economy? If not, is there at least a set of qualitative subconditions that lend themselves to easier historical verification? Harris's general empirical claims about the relative lack of demand side pressures in the Ottoman, Indian, and Chinese economies will seem plausible to most people who are familiar with this history, but it nonetheless leaves something to be desired in objective falsifiability. In particular, what, exactly, was the cutoff line at which economic demand could reliably, or at least plausibly, produce an institutional response?

Finally, Chinese historians may question Harris's claims about the Chinese state's inability to make credible commitments: the imperial state's administrative and coercive capacities steadily declined over the course of the Second Millennium, to the point where, by the eighteenth and nineteenth centuries, it would almost certainly have been impossible for it to expropriate private economic assets in any significant way. For this reason, scholars tend to believe that property rights in land were highly secure in late imperial China, at least against state infringement (see, Zhang, Taisu. "Land Law in Chinese History." In *Routledge Companion to Chinese Legal History*, edited by Thomas Buoye and Weiting Guo. London: Routledge, forthcoming.). Why would corporate assets have been any different? These objections do not necessarily refute Harris's primary claim about the lack of corporate development in China—he can, in any case, fall back on the demand side arguments, which would simply throw China into the same analytical bucket as the Ottoman Empire and India—but, if substantiated, they would at least change the nature of his argument.

Even with these gaps, Harris's book is still a major academic achievement—certainly one of the most significant contributions to the history of business organizations published over the past decade. It manages to be both highly useful and profoundly challenging to other scholars at the same time. It will likely serve as one of the field's cornerstones for many years to come. The phrase "this is a must-read book" is abused all too often in academic book reviews, but in all seriousness and sincerity, this is a must-read book for anyone with even a passing intellectual interest in the business corporation.

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