

Chinese workers. They helped Fushun to recover and eventually exceed its pre-war production levels by 1960.

The coal never ran out. But by the 2010s decades of wasteful mining practices at Fushun created geological instabilities that threatened to destroy the entire city. It is hardly a stretch to see in the giant sinkhole about to swallow Fushun a metaphor for humanity in the Anthropocene. Through Fushun, Seow succeeds in demonstrating how the broader global embrace of development based on fossil fuels was built on similar unstable grounds at enormous costs to human lives and the environment.

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## Elusive Capital: Merchant Networks, Economic Institutions and Business Practices in Late Imperial China

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François Gipouloux's *Elusive Capital* is the result of the author's decades-long research into the economic history of China's traditional commercial sector, with its unique dynamics, growth peculiarities and consequences, from *circa* 1370 to 1910, a period commonly known as the "Ming-Qing Era."

The reader will first be impressed by the author's ground-breaking effort, embodied by a total of 719 footnotes and 513 references, of which 176 (34 per cent) are in the Chinese language, including classical Chinese. As a result, Gipouloux has fully covered all the main findings published on this subject over the past 50 years in English, Chinese and Japanese. He thus provides the reader with an updated and comprehensive review of the on-going debate on indigenous commerce in Ming-Qing China.

Structurally, the eight substantial chapters (chapters two to nine) address three interwoven topics: 1) the scale and scope of merchant activities in China's interior, along its frontiers and beyond its territory (chapters two, three and five); 2) the main players and agents of China's commercial sector both in urban centres and across inter-regional networks (chapters four and six); and 3) the issues of capital formation, capital accumulation, capital investment and commercial skills ("human capital"), as well as the growth limits for China's traditional commercial sector (chapters seven, eight and nine).

About a third of the author's source materials come from China's historical records, including macro-level records for the whole empire and selected local gazetteers at the provincial/prefectural level. The remaining two-thirds come from academic research, particularly on the topic of China's offshore sea trade with Japan, South Asia and Southeast Asia. Such a combination of materials is necessary since primary sources for the Ming-Qing period are highly fragmented and those on overland trade tend to be biased. These issues explain the author's reluctance to compile datasets, and why, methodologically, this book is essentially a qualitative study.



Gipouloux's main analysis is two-fold. First, in the Ming-Qing Period, especially after 1700, China's commercial sector became increasingly incentivized (by new market freedom), sophisticated, flexible and adaptable. This can be seen from 1) individual activities (e.g. licensed salt dealers) and collective actions based on clans (*bang*, *zu* and *fang*) or guild-like associations (e.g. *hui*, *bao*, *tuan*) based on regional affiliations (e.g. Shanxi remittance operators) and 2) a China-wide "division of labour" characterized by peaceful coexistence among all professional merchants (hence the Shanxi-Huizhou-Fujian trio). The rich evidence in terms of family, regional and national records cited by the author suggests that late imperial China was a fertile ground for greater growth and development in commercialization beyond subsistence farming. If this were the case, China could have been a place for modern capitalism to take root, with or without external influence. The implication here is that given sufficient time China would eventually have grown into capitalism peacefully. The fundamental question remaining is why merchant numbers were so small given that the Ming-Qing state was a tiny "night-watchman state" – with fewer than 30,000 officials on its payroll – for an empire of up to 400 million inhabitants across up to over 10 million km<sup>2</sup>. The state controlled no more than 5 per cent of China's GDP. The author's ultimate explanation seems to be the impact of the Confucian social order, which discouraged a rampant increase in merchant numbers and a runaway type of grassroots capitalism, despite merchants' indispensable services and good deeds in society. After all, in late Imperial China, merchants were still confined at the bottom of the social hierarchy in the name of Confucianism.

The second aspect of Gipouloux's analysis focuses on the system defects that prevented the prosperous and often powerful Ming-Qing "capitalists" from becoming a real bourgeoisie as in Western Europe. Here, the author applies growth patterns in Western Europe as a benchmark to compare Ming-Qing China in a systematic manner, ranging from institutions such as commercial laws, property rights (limited liability in particular), risk assessment and risk sharing (business insurance), information transparency and business contracts to the nitty-gritties of daily chores such as book-keeping and capital-depreciation calculation. Through such a comparative lens, the aforementioned achievements of the Ming-Qing merchants now look relatively backward and inadequate. The samples of seniority rent-seeking ("skill premium dividends") and wasteful capital investment (persistently in farmland and official titles) are most telling, something that Western Europeans would consider counterproductive if not entirely irrational.

However, the reader may recognize that the same defects can also be found in many other "traditional societies" across the "Hindu world" and the "Islamic world," where indigenous commerce seems to have been incapable of departing from a deadlock until the 20th century. Here, the reader suddenly comes across the "Great Divergence Paradox" put forward by the "California School" that views China as "normal," given the sheer magnitude of its population and the country's longevity in history compared with Europe (if one also adopts Bin Wong's "reciprocal comparison" mindset). So, the door for more debate is widely open.

The intrinsic value of Gipouloux's *Elusive Capital* lies in an in-depth understanding of traditional China as a unique economic universe parallel to Western Europe. Apart from historians and economic historians, scholars from many other disciplines may also benefit from it, including economics, management, sociology, politics and international relations.

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