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The Cambridge Economic History of China is the Cambridge History series’ first attempt to provide an authoritative survey of China’s economic history. It is the product of collaborative scholarship from China, Japan, and the West. This set is divided into two volumes: the period before 1800 and the period since 1800. Each volume is further subdivided into two chronological parts, with chapters organized topically. These topics include ecology, agriculture, urban economy, state intervention, market economy, political ideas, and foreign trade.

Part 1 in Volume 1 sweeps the period from 1000 BCE to 1000 CE. The first chapter examines archaeological evidence to narrate the economic behavior of first-millennium-BCE China, with particular focus on urban living, craft productions, and commerce. Chapter 2 explores the interactions among climate, agriculture, and the environment from the Shang to Han dynasties, arguing that expansion of cultivation often occurred during periods of climatic warming, coinciding with trends toward political consolidation (p. 90). Chapter 3, written by Richard Von Glahn, the coeditor, examines how states interacted with the economy. It portrays the formation of a militarist-physiocratic fiscal regime in the Qin and most of the Han dynasties. This model featured direct taxation of smallholder family farms, state collection in kind and high labor service, and universal military service, as well as strict government regulation of commerce and industry. Chapter 4 studies the medium of commerce: currencies, markets, and merchants. Chapter 5 expounds on radically contending economic theories of contemporaries. Chapter 6 expands its view of the Silk Road trade, demonstrating that in addition to Chinese dynasties, diverse ethnic groups along the oasis and various religions fundamentally changed China’s material culture.

The above chapters conclude that the Eastern Zhou was the defining era for China’s agricultural production as well as imperial fiscal and monetary systems, many of which persisted up to 1800. Volume 1 is particularly interested in how imperial states intervened in the economy and considers
such intervention the core criteria of the periodization. In the first millennium, the dominant model was, as Von Glahn asserts, the militarist-physiocratic fiscal regime, which continued until the An Lushan Rebellion of mid-Tang. After the rebellion, a series of widespread changes commenced, as encompassed by the ideas of the “Tang-Song transition.” From the Song dynasty to 1800, new state-economy relations emerged, as expounded in part 2.

Part 2 of Volume 1 spans from the Song dynasty to 1800. Chapters 7 and 8 survey the most basic factors (hardware) contributing to the economy: ecological input and population. The former studies Chinese climate, soil, and water, focusing on their distinct regional variations. The latter traces population changes in China at the macroscopic level and scrutinizes causes for the demographic increase. Both chapters bring forth invaluable data and sophisticated analysis of their subjects.

The next four chapters focus on the mechanism (software) of economic development. Chapter 9 analyzes seminal changes in fiscal policies during the Tang-Song transition, namely the shift from taxing people to taxing wealth, the rise of private land ownership, and the extraction of more revenue from commerce and consumption. Chapter 10 discusses different ideas about political economy from different schools of thoughts and several prominent state men like Wang Anshi. Chapter 11 examines the effects of commercial law on economic activity in imperial China, while chapter 12 is on property rights and factor markets. In both cases, laws were not intentionally designed to promote a market economy but in the end, served to facilitate economic growth.

Chapter 14 investigates major cities at various levels and their relationship to states. Chapter 15 looks into the complexity of real-life monetary systems. Chapter 16 discusses the long-term expansion of domestic markets, the evolution of commercial organizations, and how merchants solved problems in operating in these markets. Chapter 17 switches to foreign trade at the time when maritime trade overshadowed the Silk Road. It marks the late sixteenth century as a decisive turning point. Before it, foreign trade tended to deplete China’s money; after it, the massive inflow of silver from foreign trade became a positive force for China’s economy.

Chapters 13 and 18 together provide a synthetic view of Chinese living standards. The latter proves that Chinese living standards had significantly improved over the second millennium by the standards of a subsistence economy. By 1800, China had evaded the Malthusian trap. Chapter 13, nevertheless, uses an overview of ecological, technological, and political factors to claim that despite impressive growth, the environmental margin of safety grew narrower, the state became less effective, and markets deteriorated. Together, by 1800, these factors made for “an increasingly perilous situation” (p. 520).

Multiple chapters subtly tackle why China had diverged from Europe by 1800. In addition to conventional views about ecological degradation, cultural restraints, and population pressures, this volume stresses imperial China’s fiscal policies. For example, Christian Lamouroux and Von Glahn argue that Chinese imperial states reaped too little revenue from growing private wealth, which consequently hindered the growth of public goods (p. 379).

Volume 1 is carefully schemed and well written. One major concern is its periodization. It adopts the Tang-Song transition first theorized by Naito Konan, but most authors do not accept Konan’s “modern age” paradigm. The editor could have articulated the differences between his interpretation of the Tang-Song transition and Naito’s. Furthermore, such a divide downplays the massive changes that occurred in China around 1500, which need to be adequately addressed.

Part 1 in Volume 2 covers the period between 1800 and 1950. In chapter 1, Ma Debin, the other
coeditor, presents his conceptual framework for approaching China's economy. Building upon the idea of “western impact and Chinese response,” he emphasizes the role of Chinese agency in “utilizing, adapting and eventually redesigning new rules and institutions to propel economic change” (p. 32). Ma especially highlights the power of borrowed institutions and ideology.

Chapter 2 provides an excellent overview of the transitions that occurred in the early nineteenth century, which witnessed ecological deterioration, demographic crisis, and a declining economy. This chapter portrays the manifestation of the “perilous situation” in the early 1800s, as described in Volume 1. Chapter 3 appraises the development of agriculture from 1800 to 1950 and detects remarkable resilience in the development of both technologies and institutions. It refutes the theory of general decline in overall agricultural performance.

The next three chapters center on China’s modern industries. Chapter 4 introduces the three paths of China’s industrialization. Chapters 5 and 6 are concise studies of how the states sponsored and intervened in enterprises during the late Qing and early Republic, respectively. These three chapters all underscore the key role of private firms up until 1937, after which wartime developments drove the state to overtake private enterprise. These chapters contain substantial overlap; thus, it is possible to combine them into one chapter.

The next four chapters are about mediums and agencies in the economy. Chapter 7 summarizes how China’s traditional fragmented bimetallic money market transitioned into a centralized fiat money system. Chapter 8 studies changes in tax structure, which featured in a shift from agricultural-based taxation to commercial taxation and a constant balance of central regimes and provinces. Chapter 9 follows the remarkable growth of both traditional and modern financial institutions. Chapter 10 investigates how key institutions were mobilized to shape China’s early modern businesses.

Chapter 11 analyzes the role of treaty ports and self-initiated ports in the growth of modern institutions based on local data from firms and banks. The next chapter draws heavily from the numbers of China Maritime Customs to assess the extent of foreign trade and investment in China at the macroscopic level. Both chapters are essentially about treaty ports and should have been merged. Chapter 13 addresses the transportation and communication infrastructures, which were closely affiliated with government agendas under different regimes. Chapter 14 uses empirical statistics to present the shift from traditional Confucian teachings to a modern economic model. However, it fails to account for the military academies that were instrumental in creating new elites during the early Republic era.

Part 1 is composed of fourteen chapters, lays out a wide range of topics about China’s economy, and bestows a sea of information. Although different in title, quite a few chapters focus on similar subjects and could have been integrated. Moreover, compared to other sections, many qualities of the chapters are distinctly uneven. This section begins with two masterpieces but ends with a weak chapter.

The last part of the set is about China from 1950 on. It starts with an ambitious chapter that aims to probe the fundamental character of China’s communist institutions, which it calls “regionally decentralized totalitarianism” (p. 532). The chapter traces the origins of this system to both Chinese imperial institutions and Soviet totalitarianism. This chapter touches on some inspirational points, but the thesis is controversial. For example, some authors in Volume 1 will not agree with its assessment of China’s imperial institutions, and many specialists on the Soviet Union will challenge its characterization of Soviet totalitarianism.
Chapter 16 surveys nicely China’s economic system from the 1950s to the 1970s with an emphasis on the impact that major political campaigns had on economic operations. Chapter 17 evaluates living standards in Mao’s China, particularly the trends in food consumption. Chapter 18 focuses on the darkest episode in Chinese history, the Great Leap Famine. It reviews the literature on excess death estimations and the causes and long-term effects of the famine. Chapter 19 addresses patterns in China’s foreign trade and the shift from dependence on the Soviet Union in the 1950s to increasing trade with noncommunist countries from 1963 on.

Chapter 20 narrates systemic and structural changes made to the market-based economy from 1978 to 2008, paying special attention to internal debates among Chinese leaders and the coherence of decision-making. The last chapter discusses the three phases of Chinese reform, arguing that innovation and growth arise from decentralized initiatives rather than state guidance. Both chapters share a similar analysis of the momentum of the reform and hold pessimistic views regarding China’s future economic growth.

The chapters in the last section, although fewer in number, are all of high quality. Yet the absence of research on ecology is noticeable. Most chapters in Volume 2 conform to the “western (Soviet) impact and Chinese response” approach, but one fact that has been overlooked is that there was not just one western or Soviet model, but multiple, from which Chinese elites could choose and interpret. Therefore, it is crucial to provide examinations of how the political economy and dominant ideology developed in both the Republic era and Mao’s China, which, lamentably, are missing in Volume 2.

The most obvious drawback in this set is redundancy in a handful of chapters. A more concise version would make the series even better. Given that these chapters were written by nearly fifty scholars, the consistency in opinions, with a few exceptions, is striking. However, this could also become an issue. The field of Chinese economic history has been marked by many contending paradigms. To create coherent volumes, the number of alternative views that may have been filtered out is concerning.

Reading the two volumes is a marvelous learning experience. The set is an outstanding piece that draws from the most up-to-date scholarship at the frontiers of knowledge in many dimensions of economic history. It certainly fulfills its promise to serve as a standard reference and a rich resource for teaching.
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