

The creation of a national market: Commodity market integration in China, 1736-1911

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Abstract

In the last couple of years there is an increased interest in the working of grain markets not only because it tells us something about the complexity of the economy, but also because well working markets are a necessary condition for economic and institutional development (e.g. Bateman 2011; Casson et al. 2011). In this paper we use the well-known granary series for the “Greater Yangtze” region (i.e. Anhui, Zhejiang, Jiangsu, and Fujian) to estimate market performance and find increasing market performance up to the mid-19th century and a deterioration afterwards. The increase in market performance is caused by institutional changes occurring around the 1750s, 1780s and 1810s while the decline that started in the 1850s was a gradual process that got an extra boost around the 1890s.