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Shareholding Practices in Commercial Reforestation and the Social Network of Share Transactions in Early Modern China

The development of commercialized tree plantation in south China provided a sustainable source of timber supply that fueled early modern dynamics of urbanization and commercialization. Such systems of private, rural household-based tree plantations presented a contrasting case to the state-dominated forest management that developed concurrently in other early modern societies of the Eurasia. In resolving the enormous challenge posed by the three-decade term of tree maturation to household finance, an individual's claim over future profits from timber sales based on land and labor input became freely tradable shares, essentially generating a rudimentary futures market. These practices created a market for the circulation of credit and money for a revenue yet to be realized in years and proved successful in promoting commercialized reforestation in a rural household-based economy. By applying the methods of categorical and statistical analysis to examine more than a thousand previously unexplored timberland contracts, this study reveals the mechanism of this shareholding-based forest property rights framework. Furthermore, it conducts a social network analysis of the contractual transactions among the three thousand individuals in the sample. The result shows a well-connected network structure that clustered around natural villages and kinship groups. Some active investors were able to diversify their holdings across village and kinship bounds, and such traditional status markers as "landlords" and "tenants" bore little significance as any villager could hold any number of timberland shares through transactions. It supports my argument that this was indeed a very active "securities" market, as the pattern observed is not just from a large number of unrelated sporadic transactions, but the result of active, intentional investment strategies adopted by the participants.
