

The State Civilian Granary System and the Rice Market in 18th–19th Century China

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Abstract

The granary system in 18th-19th century China can be seen as a special political-economic arrangement which embodies the government's attention to and recognition on the grain market. Among all these functions of the granary system, its influence on grain prices is the main focus of this paper. This paper tries to answer the question whether the state had the capacity to "stabilize" grain prices, which is supposed to be the main target of the state civilian granary system. We find that the government-organized granary system did work in some part of the country, especially in the area where the system can take advantage of the inland waterways and can be easily monitored by the central government. The effect of the granary system is regional imbalanced. However, the effect is economically insignificant. It is possible that local granaries lacked a sufficient ability to sell out or buy in such amount of grain storage that can largely affect market prices. In other words, the system could be useful but to get it started we need a huge amount of "energy". This weakens the efficiency of the system. Finally, some puzzles are remained, such as the relationship between markets and the granary system.