

The Impact of Wealth Polarization on the Evolution of Property-Rights Institutions Between the Tang and Song Dynasty

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Supported by the 2019 National Social Science Fund Project, “Research on Income Distribution, Wealth Gap, and Government Control in Tang and Song Society” (No.19CZS019).

Received 3 August 2025; accepted 29 November 2025

Published online 26 December 2025

Abstract

Wealth polarization emerged as a key driver of institutional change in property rights during the Tang–Song period. As the commodity economy expanded and social wealth gaps widened, demands for clearer delineation of rights intensified. This process was characterized primarily by the spontaneous formation of order from below rather than by explicit state bestowal of legal entitlements. In land rights, although formal law did not fully recognize private ownership, customary practice generated derivative arrangements such as *dian* (典) and perpetual tenancy (永佃制). In labor rights, the dissolution of the ranked noble (良贱制) and the rise of tenancy and wage employment gradually freed labor from property-like status and raised productive efficiency. In the realm of operating privileges, institutions such as *mai pu* system (买扑制), *jiaoyin* (交引), and paper currency policies developed as the state farmed out the operation of monopolized goods like salt and alcohol in exchange for stable fiscal revenues, thereby fostering a nascent market for transactions in rights. Yet the evolution of these regimes remained circumscribed by the state’s predominance and fell short of establishing a universal, equal, and stable system for protecting private property—underscoring the fundamental limitations of premodern property-rights institutions.

Key words: Tang–Song China; Property-rights institutions; Spontaneous formation of order; State authority

Wang, Z. Y. (2025). The Impact of Wealth Polarization on the Evolution of Property-Rights Institutions Between the Tang and Song Dynasty. *Canadian Social Science*, 21(6), 29-36. Available from: <http://www.cscanada.net/index.php/css/article/view/13955>
DOI: <http://dx.doi.org/10.3968/13955>

1. THE NATURE OF PROPERTY-RIGHTS INSTITUTIONS IN THE TANG–SONG PERIOD

A. A. Alchian observes: “A property right is a socially enforced right to select uses of an economic good. A Private property right is one assigned to a specific person and is alienable in exchange for similar rights over other goods. Its strength is measured by its probability and costs of enforcement which depend on the government, informal social actions, and prevailing ethical and moral norms.” (Durlauf and Blume, 2008, p.696) In other words, the development of property-rights institutions comprises both legally recognized components and spontaneously generated ones. When exchange remains at the level of barter, importing notions such as a “bundle of rights” into statute makes legal protection of property largely nominal. Conversely, where private property is not protected by law, the refinement of property-rights arrangements tends to occur spontaneously. In the Tang–Song period, the clarification of property rights largely followed this latter pattern. It is therefore necessary to examine the relationship between Tang–Song legal institutions and property-rights arrangements as the premise for the discussion in this paper.

Ownership implies a property right that is absolute, exclusive, and perpetual. (Zhou, 1994, p.324) As for the Tang–Song context, Tanigawa Michio points out: “Under the strict regulations of the Laws and Decrees System, the people of the Tang Dynasty conducted their

production and daily life. According to Tang statutes, peasants did not enjoy the freedom to dispose of land at will, and the government also imposed various rules on the production of grain and clothing. Such controls over peasants can be found in any era, but they are not the same thing as a legal system that grants rights to the people.” (Michio, 2002, p.6) It follows that it is difficult to say that people in the Tang–Song period possessed ownership of land. Under the equal-field system, peasants existed in a position akin to state tenants; and although the system eventually disintegrated, this did not mean that the underlying relationship was transformed. (Liu, 2008) If we relate this to Shang Yang’s policy of “abolishing well-field boundaries and opening up long-and-short plots,” then landholding in the Tang–Song era merely meant that boundaries were no longer constrained by rigid allotment rules; it did not alter the broader reality that ordinary people functioned, in effect, as tenants of the state.

By the same token, ordinary property—such as draft oxen and houses—should be understood in this way as well. Hence we find that under the household-grading system, these assets likewise had to be registered, and peasants did not enjoy complete power of disposition over them. For example, the Tang Code’s section on stables and storehouses stipulates that private owners of cattle and horses were not permitted to slaughter them at will. (Yue, 2013, p.239.) It follows that “private” property in the Tang–Song period did not carry the implication of full ownership. In other words, such things did not exist as the people’s private assets; they were merely managed and operated, on a temporary basis, on behalf of the state.

If the populace is regarded as merely temporary administrators of state property, then the state need only consider how to mobilize resources; it need not concern itself with questions of property rights, nor is it necessary to stipulate them in law. Down to the Ming–Qing period, as Terada Hiroaki puts it, “so long as the principle remains unshaken that the state can levy grain taxes from whomever tills the land, a system that registers changes of cultivators *ex post* is, for the state, basically sufficient. In practice, with respect to private ownership of land, the state merely ratified the status quo; it did not establish any more proactive arrangements aimed at confirming in advance the succession of operators.” (Terada, 1998, p.199)

Yet when people traded land, they often forgot this reality and assumed the land truly belonged to them. On that basis, when people handled their property as if land were privately owned, a variety of customs and usages arose. In the absence of statutory provisions, local officials likewise tended to dispose of cases according to customary practice; only customs with especially broad impact would be incorporated into the law, to help officials adjudicate more efficiently. As Cheng Minsheng notes: “Private property rights must not be violated by

others, but they may be violated by officialdom; this is the crux of the matter and the distinctive feature of the Chinese style of private property rights. Rather than ‘private property right,’ the term ‘right of use of property’ is closer to the truth.” (Cheng, 2015, p.154) Therefore, the so-called development of property-rights institutions in the Tang–Song period was not only incomplete but largely a bottom-up, spontaneous process; an awareness of private ownership was never fully embodied in the statutory codes.

2. CLARIFICATION OF LANDED PROPERTY RIGHTS

Although the law did not lay down explicit provisions, once people handled land as if it were privately owned, the “bundle of rights” framework still applies. In fact, most people in premodern China acted in just this way; as Zhao Gang argues, traditional Chinese society functioned as a market economy governed by supply and demand. (Zhao, 2001, p.28) Under such conditions, the frequent trading of land gave rise to a host of institutions related to property rights.

First, consider the development of *dian* rights. By *dian* is meant the right—upon payment of a *dian* price—to possess another’s immovable and to use and draw income from it; (Guo, 2009, p.1) in effect, it is the power to mortgage or pledge land as real estate. Before the mid-Tang, references to *dian* are quite scarce, owing both to the high market-entry barriers to land transactions under the equal-field system and to the absence of a clear legal consciousness of *dian*. By the mid-Tang, with the collapse of the equal-field order and the relaxation of restrictions on private land transactions, *dian* gradually entered the official purview. In Du You’s *Tongdian*, Volume 2 (“Fiscal and Economic Institutions II,” under the section on Land Regulations), the Tang Tianling of Kaiyuan 25 mentions terms such as “*dian*” and “*zhi*” (pledge) that refer to mortgage-like arrangements. (Du, 1988, p.32) In addition, *Old Tang History* (Volume 15, “Annals of Emperor Xianzong”) records an edict allowing officials and aristocrats to alienate their immovables freely; (Liu, et al., 1975, p.448) under this edict, however, the *dian* holder not only gained rights of use but also assumed state-imposed obligations attached to the land, such as taxes and *corvée*—meaning that part of the rights and duties over land shifted upon *dian*. This decree exemplifies the state’s “*post facto* ratification of existing practice” discussed above.

In the Song, the *dian* regime became further regularized and standardized. The Song Criminal Code (宋刑统), Volume 13 (“Households and Marriage”), contains a dedicated heading on disputes over “*dian*, sale, pledging, and bidding for property,” laying out in detail how to handle cases such as children secretly pledging or selling

land in the name of the household head. (Dou, 1984, p.206) This indicates how the idea of protecting private claims seeped into formal law.

Second, consider perpetual tenancy. As the velocity of wealth circulation increased, landholders sought arrangements that hedged risk and secured stable returns. Against this backdrop, tenancy relations—especially perpetual tenancy, which evolved toward greater exclusivity and transferability—emerged as an increasingly important institutional choice.

Perpetual tenancy, in Zhao Gang's view, "is an independent property right. A household holding perpetual tenancy over a plot enjoys full rights of use: it may freely decide what to plant; if it does not wish to farm the land itself, it may transfer the perpetual tenancy to others—including subletting to other tenants, bequeathing it to children, or pledging or selling it on the market. When the perpetual tenancy is sold outright, the price is determined by agreement between the parties." (Zhao, 2005, p.15) In other words, ownership of land became separated from rights of use and management; when an owner did not wish to sell the land itself, he could sell the use-and-management rights to secure a stable return.

That said, Zhao's definition remains debatable. The crux is that this "separation" in practice reflects the nominal owner thinking in place of the true owner—the state—something the state was hardly eager to encourage. Hence, although perpetual tenancy conferred extensive rights of use, it was often prohibited by officialdom. As Liu Kexiang notes, "Feudal local governments were so severe in banning 'one field with two masters' (一田二主), in abolishing tenants' *dian* rights, and in forbidding tenants to transfer or sell tenancy among themselves, precisely because perpetual tenancy posed a grave challenge to the feudal land order and to the rent-tenancy system." (Liu, 2017, p.718) The rise of perpetual tenancy and the government's efforts to suppress it together epitomize the contradiction between the state's *de facto* ownership of land and popular assumptions of private ownership.

As to the emergence of perpetual tenancy, scholars differ. Fu Yiling and Wu Tingyu take it to be a Song-dynasty phenomenon, (Fu, 1961, p.47; Wu, 1992, p.87) whereas Yang Guozhen argues that it became prevalent in the southeastern provinces in the mid-Ming. (Yang, 2009, p.92) Yang Jiping, drawing on the Turfan documents, pushes its appearance back to the mid-Tang. (Yang, 2018), p.5) The contract he cites, "Lease of Fields by Cao Zhongmin, Year Two of □□, Tang (唐□□二年曹忠敏租田契)" identifies Chun Silian as the landowner and Zhu Jinming as the original tenant; yet the end of the deed shows Zhu Jinming styling himself "land master," (Bureau of Ancient Documents, State Administration of Cultural Heritage; Xinjiang Uyghur Autonomous Region Museum; Dept. of History, Wuhan University, 1990) implying that he had acquired a right approximating *usus*—that is,

the condition of "one field, two masters." Beyond this deed, Yang Jiping further argues that, in the process by which the Ministry of Revenue's *yingtian* estates (state-cultivated tracts) were converted into "people's fields" during the late Tang and Five Dynasties, perpetual tenancy also arose. In his reading, the edict of Guangshun 3 (Later Zhou, 953) "formally recognized at law that the former tenants of the Ministry of Revenue's *yingtian* estates possessed permanent powers of disposition over manor fields, mulberry plots, and dwelling structures. Its meaning matches the language in Ming-Qing contracts granting tenants perpetual rights—'no time limit; to be cultivated forever'—showing that, although these farmers did not actually obtain private ownership of the land (and thus continued to pay rents and dues), they did secure a permanent right of use, i.e., perpetual tenancy." (Yang, 2018, p.16)

This interpretation, however, is problematic. If those manor fields were *yǒngyè tián* (perpetual estate fields), they would conflict in nature with "official fields" (*guān tián*) that are, by definition, the objects of lease. A deeper issue is that, as argued above, perpetual tenancy ran counter to the state's fundamental interests; it is therefore hard to imagine the government deliberately creating such a right. In reality, these client households had no property with which to pay taxes. As Zhang Zexian points out, "Tenant farmers and hired laborers without productive assets were, in principle, not 'two-tax' households." (Zhang, 1986, p.146) The key, then, lies in understanding the edict's clause, "If they are unwilling to register a household name, permit the summoning of a master and the dismissal or replacement of tenants, provided that the original assessed quota of rents and levies (原额租课) is not lost." (Wang, 1998, p.198) The operative term is "original quota" (原额): what could not be reduced was the aggregate fiscal take for the locality, not necessarily the continuation of rent remittances by those same *yingtian* farmers. Hence the edict's premise—"permit summoning a master and dismissing/replacing tenants"—means that, so long as fiscal revenue remained unchanged, whether these tenants registered as households was immaterial to the state. It follows that, after the abolition of the *yingtian* office, these tenants in fact became registered commoners (*bianhu qimin*), rather than merely obtaining a perpetual tenancy right.

In the Song, although phenomena akin to perpetual tenancy did appear, they never received formal state recognition and were even excluded by the codes; accordingly, references are exceedingly scarce in transmitted documents. Fortunately, a few scattered cases survive and offer precious evidence for reconstructing the institution's concrete form. One key case is a land-rights dispute from the Jiading reign of the Southern Song recorded in the *Minggong shupan qingming ji*. In that suit, the plaintiff claimed that his fields had been sold in

Shaoxing 20 (1150), later redeemed in Chunxi 8 (1181), and thereafter continuously worked by the original tenant down to Jiading 16 (1223). The magistrate immediately voiced doubt, noting that “there has never been a tenancy over fields lasting forty-two years and spanning four generations.” (Anonymous. (1987, pp.111-112)

Two points follow. First, the case reflects a customary practice of *de facto* perpetual tenancy at the grassroots, whereby some tenants enjoyed long-term, exclusive possession and use of land. Second, such decades-long, multigenerational arrangements struck the magistrate as exceptional—indeed, bordering on illegality. This both corroborates the Song-period emergence of perpetual tenancy in practice and shows that, lacking explicit legal endorsement, such long-term tenures remained institutionally marginal, prone to dispute, and difficult to secure official recognition or protection.

Thus, perpetual tenancy did in fact surface in the Tang–Song era. Though the evidence is fragmentary, it reveals a broader trend toward the clarification of property rights against the backdrop of increasingly frequent land transactions after the mid-Tang. As Liu Qiugen observes, “The Sui–Tang period saw a measure of development in contract-based tenancy, which displayed growing complexity—for example, the separation of ownership, possession/tenancy rights, and cultivation rights.” (Liu, 2007, p.108) The rise of *dian* (redeemable conveyance) and perpetual tenancy indicates that property-rights arrangements were spontaneously generated out of private transactional practice during the Tang–Song, and only gradually clarified through the state’s subsequent acknowledgment and utilization.

3. CLARIFICATION OF RIGHTS IN LABOR

At the Tang–Song transition, two closely related developments clarified rights over labor: the disappearance of the ranked noble order and the rise of tenancy-and-wage arrangements. The latter not only implicated land rights but bore directly on the definition of rights in labor.

To begin with the demise of the ranked noble: under the Tang Code, *jian* (“base-status”) people were treated as a form of property. (Yue, 2013, p.106) In a society of registered commoners (*bianhu qimin*), however, such provisions hindered the state’s mobilization of labor, giving the government an inherent incentive to abolish the status divide. Du Zhengsheng notes that, over the long run, “the ruling class differentiated from within; most members declined in status, sinking to a point scarcely distinguishable from the ruled.” (Tu, 1990, pp. 42-43) In this process large numbers of commoners slipped into conditions resembling servility, which afforded the state an opportunity to abolish the ranked noble and move toward new regimes for managing labor such as the host–guest (*zhu-ke*) and household-grading (*hu-deng*) systems.

In any case, the end of the *liang-jian* order did not by itself amount to a legal clarification of property rights in labor.

Turning to the rise of tenancy and wage labor: Miyazaki Ichisada observes, “If one uses slaves and servants, they are, of course, entirely outside the government’s control and attached to the estate owner; but slave labor is inefficient—a fact universally acknowledged. This is the inevitable result of total loss of freedom combined with complete dependence on the master for livelihood.” (Ichisada, 1993, p.5) Under such circumstances, even had the ranked noble not been abolished, commoners would have voluntarily transformed slaves and servants into tenant farmers. Old Tang History (*Jiu Tangshu*), Volume 192, “Biography of Cui Jin,” records that Cui Jin of Liangzhou divided his mansion and property among his slaves and servants, turning them into tenants. (Liu, et al., 1975, p.5134.) This shows that the conversion of slaves/servants into tenants did occur. Once they became tenants, the problem of low productivity inherent in slave labor was resolved. Landless former slaves, compelled to survive, had to rely on landlords’ land; by renting it, the two sides split the return on land—landlords receiving rent, tenants retaining the residual—thus sharing income. Moreover, once former slaves detached from their masters to become independent tenants, they ceased to count as their masters’ “property” for tax assessment; tax liability shifted to the tenants themselves as independent, registered households. More importantly, because tenants produced for themselves and their families, their effort and autonomy far exceeded those of slaves laboring for others, directly raising efficiency and output. Likewise, even without becoming tenants, free laborers could hire themselves out for wages to make a living. Taiping *guangji*, Volume 37, “Yangping zhexian,” notes Zhang Shougui of Jiulong hiring workers to pick tea; (Li, et al., 1961, p.235) Volume 84, “Xi Leshan,” describes shopkeepers at Chang’an’s Tonghua Gate hiring people to assemble carts. (Li, et al., 1961, p.541) The prevalence of tenancy and wage labor thus also suggests the incentive effects stemming from a clearer definition of rights in labor.

From this there emerged a rudimentary notion of human capital—investment in people that alters future monetary and “psychic” income by augmenting skills, knowledge, or health. (Becker, 1993, p.11) Yuan’s *Precepts for Social Life* (*Yuan shi shifan*) explicitly urges kind treatment of tenants. (Yuan, 2016, p.158) One might ask: if tenancy is a contractual relation, why should landlords go so far in succoring their tenants? At root, in a context where the law paid insufficient attention to property rights, landlords treated tenants as a key form of “human capital,” sustaining their effort and long-term attachment through emotional and material investment so as to secure their own economic returns and social stability. What

appears to transcend the economic contract was, in fact, a strategy for managing human capital.

In sum, the Tang–Song clarification of rights in labor amounted to a profound institutional shift propelled jointly by the abolition of the ranked noble and the spread of tenancy-and-wage relations. The disappearance of ranked noble liberated labor from a property-like status—in law, virtually assimilated to livestock—and laid the groundwork for laborers to become legal right-holders. The diffusion of tenancy and wage labor then used contractual forms to specify workers’ control over, and claims to the returns from, their own labor, greatly boosting productive incentives and economic efficiency. This process not only facilitated freer movement and more efficient allocation of labor but also fostered an initial conception of human capital, laying an important foundation for the later development of labor markets and the broader transformation of the economy and society.

4. MAI PU, EXCHANGE CERTIFICATES, AND PAPER MONEY — THE CLARIFICATION OF OPERATING-LICENSE PROPERTY RIGHTS

Finally, let us consider a more distinctive phenomenon: the emergence in the Tang–Song period of the mai pu system and paper-money policies. Where the state monopolized certain products such as salt and alcohol, it carved up and transferred portions of the rights of operation and of income. In contrast to the state’s relative indifference toward land and labor rights, operating-license rights implicated fiscal logistics and taxation and therefore received special protection.

Begin with mai pu. By mai pu is meant merchants’ purchase from the government of the right to operate a specified commodity—something akin to tax farming. In regions at different levels of economic development, the motives and modalities of implementation varied, reflecting how regional wealth polarization shaped institutional innovation in property rights. Take alcohol administration as an example.

According to Ma Duanlin’s *Wenxian tongkao*, Volume 17 (“Monopolies IV”), in the early Song many localities adopted a model under which the authorities monopolized the sale of yeast starter while allowing private households to brew and sell liquor upon payment of a fixed tax. (Ma, 2011, p.490) After Taiping Xingguo 2 (977), however, a comprehensive alcohol monopoly was introduced. (Liu, et al., Eds., 2014, p.6418) Over time its drawbacks became apparent: despite the monopoly, government profits were meager, and product quality declined. (Li, 2004, p.780) Because the liquor tax was so lucrative, departments within local governments also jockeyed against one another, driving up the costs of rule. (Li, 2004, p.1409) In

addition, the establishment and rollout of mai pu reflected the court’s intent to ease the burdens on yaqian (衙前). Under this system, the authorities transferred certain workshops—such as distilleries and river ferries—to these service households to purchase and operate; the income served as compensation for their service obligations, partly alleviating the heavy pressure they faced. (Ma, 2011, p.543) Against this backdrop, the mai pu system was implemented.

At its core, mai pu disaggregated the bundle of rights: the state retained ultimate ownership of resources while transferring key powers—operating authority and rights to income—to private actors capable of running the business. As Yang Yongbing puts it: “In the Song, mai pu meant that particular groups voluntarily paid the government a stipulated sum or goods and thereby bought out, for a fixed term and within a defined territory, exclusive rights in certain economic spheres (including production, operation, and management) or property rights in those spheres (including ownership, use, income, and disposition). In doing so they shared in resolving administrative and fiscal difficulties and achieved mutual gain with the government.” (Yang, 2010, p.4) By ceding operating rights in specific domains, the government secured risk-free fiscal revenues, avoiding potential losses and “soft budget” problems inherent in direct operation; at the same time, it could abolish portions of the monopoly bureaucracy, lowering institutional transaction costs. Private operators, for their part, reaped returns from the exclusivity of their franchises. Thus the mai pu regime developed in the Song.

To gauge the scale of mai pu, one must first consider the scale of the alcohol monopoly. Drawing on *Wenxian tongkao* Volume 17 and the *Song huiyao jigao* (Food and Commodities, fasc. 19), Yang Shiqun estimates that by the tenth year of Emperor Shenzong’s Xining reign (ca. 1077), there were about 1,840 alcohol offices nationwide. (Yang, 1989, p.56) Given that the Northern Song had only some 1,250 counties—and that a small number of prefectures and counties did not practice the monopoly—this suggests that the system essentially covered the entire realm. In light of the drawbacks noted above, mai pu grew under these conditions. The *Song huiyao jigao* (Food and Commodities, fasc. 20, no. 9) records that under Emperor Yingzong, alcohol offices with profits not exceeding 3,000 strings of cash were to be run under mai pu. (Xu, 1981, p.6425) Under Emperor Shenzong, mai pu shifted toward a nationwide policy and introduced auction mechanisms. (Li, 2004, p.5275)

As mai pu gradually spread nationwide, local attitudes toward it diverged. On where mai pu in the liquor-tax regime first took root, Li Huarui and Yang Shiqun differ. Li argues that officials promoted mai pu mainly under two conditions—when state-run breweries incurred losses and where liquor profits were thin—so mai pu functioned

only as a supplementary form within the monopoly. (Li, 1995, pp. 191-219) Yang, by contrast, contends that “this situation precisely reflects the vigorous vitality and central place of privately run mai pu liquor enterprises. Moreover, in truly sparsely populated, barren places, the authorities would not establish workshops, and commoners would hardly risk purchasing a mai pu franchise; the locales opened to private mai pu included many sizable urban alcohol offices.” (Yang, 1994, p.103) In my view, these positions are not actually in conflict. Profit-seeking is universal: the more economically developed a place, the more likely mai pu arrangements are to arise. Yet the government also seeks to maximize its own returns; in wealthy regions it therefore preferred direct operation, leaving less powerful private merchants to pioneer mai pu in lower-profit areas—an outcome dictated by the exclusivity of franchising. In short, the diffusion of mai pu was shaped by regional wealth disparities: economic development propelled the clarification of rights, whereas in less developed areas, forcing mai pu through could produce calamities—“households shut their doors and fled; even pots and kettles were seized; misery continued without end across generations. (‘关门逃民，攘及锅釜，子孙不息，愁苦不止’)” (Ye, 1961, p.162)

Turning to jiaoyin and chao: as Dai Yixuan notes, “In the Song, merchants used a voucher to obtain tea and salt; this credential was generally called jiaoyin, or jiaochao.” (Dai, 1981, p.85) In essence, jiaoyin was a permit to trade restricted commodities. Likewise, chao was also a credential for dealing in such goods. On their difference, Dai explains: “The salt chao issued under Fan Xiang’s chao policy was originally called a ‘coupon’ or ‘warrant’ (quan, yaoquan), exactly like the jiaoyin (also termed quan, 券 or yaoquan, 要券) issued after Yongxi for deliveries of fodder and grain. The term ‘salt chao’ arose because it represented real cash.” (Dai, 1981, p.111) Substantively, then, jiaoyin and the various forms of chao did not differ.

Their principal application—salt—illustrates the point. The Song system of salt chao grew from the state salt monopoly. Unlike alcohol, salt production was geographically concentrated and required long-distance transport; being essential to human life, it offered large profit margins. In theory the state might monopolize it entirely, leaving no room for salt chao. But front-line military needs were vast and transport costs high, so the government mobilized merchants to deliver supplies under the ruhong (入中) system: merchants shipped grain, cash, silk, and other goods to northwestern frontier commands or the capital, receiving in return tea, salt, aromatics (all monopoly goods), or cash payments.

Once equipped with salt chao, merchants could draw salt for resale and profit. Unlike mai pu, however, salt chao were not exclusive to a single holder; anyone possessing a chao could draw salt. The chao themselves were freely tradable, to the point that a market price

emerged. The Xu zizhi tongjian changbian (volume 512, 7th month of Yuanshuo 2 under Emperor Zhezong) notes that in the Xining–Yuanfeng era the southeastern salt chao fetched about five to six strings of cash per sheet. (Li, 2004, p.12183) In other words, chao themselves could be bought and sold—functionally a trade in the underlying rights to salt—and thus helped create a market for transactions in property-like entitlements.

Merchants engaged in salt transactions were involved in large-volume, long-distance trade; anyone seeking to profit merely by buying and selling salt chao needed substantial capital. Thus, whereas liquor mai pu often took root in low-margin locales, salt chao were typically first obtained by major merchants after successfully fulfilling ruzong deliveries and then resold to lower-tier traders in property-rights markets located in economically advanced areas such as the capital. The concrete institutional locus of this market was the jiaoyin shops. As Dai Yixuan notes: “Those who delivered frontier supplies in exchange for tea and salt were not necessarily the same people who later traded in those commodities. Under such circumstances, the Song capital saw the emergence of jiaoyin shops, exchanges for tea-and-salt vouchers. These shops were not state-run but operated by merchants, most of them wealthy, because dealing in tea and salt coupons involved large transactions that required considerable capital.” (Dai, 1981, p.148) This makes clear that markets for trading property-like entitlements already existed in the Song—one outcome of Tang–Song wealth polarization.

Viewed in this light, mai pu, jiaoyin, and chao were the only property-rights regimes that the state explicitly established: above all, chao had to be protected to secure military supplies. Later, however, fiscal strain led to over-issuance of salt chao; because the system’s safeguards were inadequate and easily abused, the regime eventually deteriorated. (Dai, 1981, p.296)

5. CONCLUSION

In sum, the widening wealth gap in the Tang–Song era objectively propelled the evolution and clarification of property-rights arrangements. Across land, labor, and franchise operations, emergent practices of partitioning rights and trading them helped, to some extent, lower transaction costs, invigorate markets, and improve allocative efficiency. Yet their development remained constrained by the dominance of state power and by institutional asymmetries. Clarification of rights appeared chiefly as a spontaneously formed order in popular practice rather than as thoroughgoing legal empowerment; the state typically recognized or made limited use of such arrangements only when fiscal or governance needs demanded. This trajectory reflects the developmental tensions within the socioeconomic order while also highlighting the fundamental limits of premodern property-rights institutions: they never truly escaped

the shadow of state authority and thus failed to yield a universal, equal, and stable system for protecting private property.

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