

A Confucian State and Its Commerce: The Commerce of Early Chosŏn Revisited

*Pyeongsik Park**

Introduction

Chosŏn Dynasty has always been a Confucian state as well as an agricultural society. It is only natural that its leaders placed utmost importance on agriculture while restricting commerce, and implemented economic policies in line with these ideas from the founding of the dynasty in 1392. Given that this Confucian state was primarily agrarian, scholars have long understood that the Chosŏn government believed commerce and handicraft manufacturing to be a target of strict restraint and prohibition, specifically referring to them as the “branch occupations(末業),” a concept in which ‘branch 末’ is in direct contrast with the primary ‘root 本’, namely agriculture. This anti-commerce policy-making inclination was also thought to be at its height out from the beginning of the state until halfway through the dynasty.

The consequences were damaging. In the context of Korean pre-modern history, the fifteenth and sixteenth centuries are generally considered a period of stagnation concerning commerce of all sorts, either domestic or international. The alleged commercial condition of this period gives an impression that is highly incongruous with the economic

* Professor, Dept. of History Education, Seoul National University

achievements of the preceding Koryŏ Dynasty or the following second-half of the Chosŏn Dynasty, and despite insufficient research supporting this view on commercial history, this assumption continues to prevail throughout numerous introductory textbooks on Korean history or handbooks on Korean historical research.¹

However, whether the fifteenth and sixteenth centuries were indeed a time of commercial stagnation, so much as that it had created a self-sufficient natural economy, is yet to be thoroughly examined.² Moreover, historians around the world widely accept the view that in Asia, including East Asia, or in a more global historical perspective, the sixteenth century marks the emergence of ‘the age of commerce’ or ‘the age of trade.’³ The

- 1 Some of these examples can be found in recently published handbooks on Korean history research such as *Saeroun han'guksa kilchapi* [A New Guide to Korean History] 1 (Seoul: Chisik sanŏpsa, 2008) and *Han'guk yŏksa immun* [An introduction to Korean History] 2 (Seoul: P'ulbit, 1995). Other examples include a highly renowned introductory textbook *Tasi ch'annŭn uri yŏksa* [A Re-viewing of Korean History] (Seoul: Kyŏngsewŏn, 2015).
- 2 While Yi T'aejin sought to compare and analyze the three East Asian countries, Korea, China, and Japan in order to propose a re-evaluation of the sixteenth century Chosŏn commercial history, no remarkable change in perceptions on commercial history of this period has been made in academic circles of Korean history. Yi T'aejin, “Sibyuk segi tongasia kyŏngje pyŏndong kwa chŏngch'i sahoe chŏk tonghyang,” in *Chosŏn yugyo sahoesa non* (Seoul: Chisik sanŏpsa, 1989).
- 3 Kisimoto Mio and Miyajima Hiroshi, *Chosŏn kwa chungguk kŏnse obaengnyŏn ūl kada*, translated by Kim Hyŏnyŏng and Mun Sunsil (Seoul: Yŏksa pip'yŏngsa, 2003); Chu Kyŏngch'ŏl, *Taehangae sidae* [The Age of Maritime Expansion] (Seoul: Sŏultaehakkyo ch'ulp'anbu, 2008); Immanuel M. Wallerstein, *The Modern World-system* [Kŏndae segye ch'eje, vol.1, chabon chuŭi chŏk nongŏp kwa sibyuk segi yurŏp segye kyŏngje ūi kiwŏn], translated by Na Chongil et. al (Seoul: Kkach'I, 2013); Tanaka Takeo, *Chusei taigai kankei shi* [A History of Japanese Foreign Relations in the Middle Ages] (Tokyo: Tokyo daigaku shuppankai, 1975); Kobata Atsushi, *Kingin boeki shi no kenkyu* [A Historical Study of Japanese Trade in Gold and Silver] (Tokyo: Hōsei Daigaku Shuppanyoku, 1976); Tashiro Kazui, *Kinsei nicho tsukō bōeki shi no kenkyu* [Studies on the Modern History of Relation and Trade between Japan and Korea] (Tokyo: Sobunsha, 1981); Tei Ryosei, *Min*

issue eventually is whether Chosŏn was undeniably alienated from or intentionally distanced itself from joining this global trend, and as an exemplary Confucian state, kept this pro-agricultural feature of denying the mere existence of commerce and suppressed any kind of developments for as long as two centuries.⁴

This research engages the criticism and concerns of the current understandings prevalent in academic studies of the early Chosŏn commercial history conducted in Korea and overseas. Relying on my recent studies, I intend to present a reconstructed history of commerce in fifteenth and sixteenth century Chosŏn by tackling a wide range of related issues such as commercial perceptions and policies, aspects of institutions for internal and external trade, and measures of exchange and monetary issues. This paper is an attempt to re-interpret the features of Chosŏn Dynasty as a Confucian state and an agricultural society in terms of commercial and economic history by shedding new light on the substance and changes in commerce of this phase of transition from the Koryŏ Dynasty to the late Chosŏn Dynasty.

Early Fifteenth Century: Agricultural Orientation Leading to the Reconstructing of Commerce

In the very last phase of the Koryŏ Dynasty, privileged elites such as

nichi kankei shi no kenkyu [A Historical Study of Ming-Japan Relations] (Tokyo: Yuzankaku, 1985); Anthony Reid, *Southeast Asia in the Age of Commerce 1450-1680* (Volume Two: Expansion and Crisis) (New Haven: Yale University Press, 1993); Kishimoto Mio, *Higashi ajia no kinsei* (Tokyo: Yamakawa Shuppansha, 1998).

- 4 This perception of commerce in Chosŏn, especially commerce and merchants of the early Chosŏn period, is broadly held in Korea and overseas likewise, which is well illustrated in the following paper: Kishimoto Mio, "Higashi ajia tōnan ajia dentō shakai no keisei [Development of East Asian and Southeast Asian Traditional Society]," *Iwanami kōza Sekai Rekishi* 13 (Tokyo: Iwanami shoten, 1998).

members of the royal family, powerful aristocrats, and Buddhist monasteries expanded their private economic stronghold through investing in and monopolizing in land and international commerce. Internal trade was largely forced upon people in forms such as exploitation of the state-licensed market, or *sijŏn*(市廛), and actions of *pandong*(反同), which refers to giving out unwanted goods and forcing people to pay high prices. This then led to a range of forms of resistance, one example being rampant market-closure protests. International trade was also driven by the aristocratic ruling class, and prosperity was gained in exchange for an outflow of gold and silver and at the expense of the depletion of state finances due to the prevalence of luxury trends. In the process, the situation for small merchants and farmers deteriorated because of the forced procurement of major export items like ginseng. All of the above, at that time, emerged as serious social issues.⁵

Those who took the leading role in the founding of Chosŏn as a Confucian state based on an agricultural economy, therefore, began to initiate an extensive range of reforms dealing with these commercial issues and strived to establish a renewed commercial system in the fifteenth century, especially after moving the capital to Hanyang, the former name of the present-day Seoul. In the process, two main ideas regarding commerce were put forward as the founding principles of the nation's commercial policy and structure, that is, the 'promoting of the root and restraining of the branch' in which the 'root' was agriculture and the 'branch' was commerce, and 'benefits should be placed on the former.'⁶

5 Park Pyeongsik (Pak P'yŏngsik), "Koryŏ malgi ūi sangŏp munje wa kup'ye nonŭi [Commercial issues and discussions on their resolution in the late Koryŏ period]," *Yŏksa kyoyuk* 68 (December 1998) [included in *Chosŏn chŏn'gi sangŏp sa yŏn'gu* (Studies on the Commercial History of Early Chosŏn Dynasty) (Seoul: Chisik sanŏpsa, 1999), from now on referred to as *Book A*].

6 The following account on commercial perceptions in the early phase of the Chosŏn Dynasty can be found in Park Pyeongsik, "Chosŏn ch'ogi ūi sangŏp insik kwa ōngmalch'aek [Commercial perception and policies of 'restraining of the branch' in the early Chosŏn period]," *Tongbangakchi* 104 (June 1999) [included in *Book A*]

The first principle of ‘promoting the root and restraining the branch’ (*mubon ōngmal* 務本抑末) is an economic premise based on traditional Confucian ideas of commerce and industry along with occupation and social status, which finds the primary source of producing wealth in agriculture and sets it as the ‘root occupation(本業)’ whereas the remaining commercial and industrial sectors are considered the ‘branch occupation(末業).’ Those with occupations were respectively grouped, with the *sa* (士; the literati) and *nong* (農; the peasant farmers) regarded as the upper (上) and noble(貴), followed by *kong* (工; the artisans and craftsmen) and *sang* (商; the merchants and traders) regarded as the lower 下 and humble 賤. This principle indicates that commerce along with industry, despite having the lower status in the systematic root-branch/high-low/noble-humble schematic, were nevertheless a domain of economic importance having its own original social role and function under the principle of the four occupations of the people (*samin'gwan* 四民觀). Therefore, far from the current understandings held by many historians, *mubon ōngmal* did not necessarily refer to the policy of government restraint and prohibition of commerce, but was rather an expression of state control and regulation of commerce to prevent agricultural industry from collapsing and the agricultural population from dwindling.

Moreover, the perception of ‘restraining the branch’ during this period not only rationalized *sa* and *nong* as higher with various privileges in the overall economy while depriving those of *kong* and *sang* as the lower, but was also associated with the theory of ‘benefits placed on the higher’ (*igwŏn chaesang* 利權在上), presupposing that the state and the monarch were at the top of the hierarchy that included scholar-officials, land owners, and large-scale farmers. The concept of *igwŏn chaesang* was undoubtedly a penetrating principle of all economic policies carried out by the state. However, since the final and supreme authority over the organization and operation of commerce had been vested in the state and mon-

and Sukawa Hidenori, “Chōsen zenki ni okeru keizai kōsō,” *Tōyōshi kenkyū* 58, no.4 (2000).

arch, it naturally became the basis for a centralized and capital-oriented commercial order to be established and operated on a nation-wide scale, including the state-licensed *sijŏn*. Various attempts by the state and monarch to actively participate, control, and intervene in commercial activities in early Chosŏn were based on this very presumption.

In conjunction with the government's commercial perception and policy initiatives, *sijŏn* was first set up as a commercial institution authorized by the government in the capital, much like that of the preceding Koryŏ Dynasty. Among the city wards built during the three stages of capital construction from 1412 (year 12 of King T'aejong) to the end of 1414 (year 14 of King T'aejong), approximately 1,000 *kan* were allocated and arranged in accordance with the kind or category of commodity handled and started to operate as *sijŏn* on the left and right sides of the current location of Chongno 1-ga to 3-ga along with sections of Namdaemun-ro 1-ga. In exchange for the securing of government-issued license, *sijŏn* merchants performed a wide range of merchant duties (*siyŏk* 市役), which included paying commerce taxes (*sangse* 商稅), procuring supplies of government demand (*ch'aekp'an* 責辦), and offering miscellaneous labor (*chabyŏk* 雜役) for various royal services. These *sijŏn* merchants were the largest and most privileged merchants vigorously involved in commercial activities home and abroad with the guarantee of exclusive business rights.⁷

Measures against commerce outside of the capital were carried out in the form of issuing licenses for in-land trading activities (*haengjang* 行狀) and collecting in-land commerce taxes. Licensed in-land merchants (*haengsang* 行商), including peddlers, were engaged in local commerce to the extent that they paid commercial taxes that served as a sort of poll tax and license-carrying. Vessel merchants (*sŏnsang* 船商) using the sea

7 Park Pyeongsik, "Chosŏn ch'ogi sijŏn ūi sŏngnip kwa 'kŭmnan' munje [Establishment of state-licensed market and the 'Kŭmnan' issue in the early Chosŏn period]," *Han'guksayŏn'gu* 93 (June 1996) [included in *Book A*]; Sŏ Sŏnggho, "Sibo segi sŏul tosŏngŭi sangŏp," in *Sŏulsangŏpsa* (Seoul: T'achaksa, 2000).

lanes and in-land water ways to transport commodities in middle- or large-bulks, were also a target of monitoring and taxation under the prevailing restraint of commerce policy.⁸ Merchants basing their activities in Kaesŏng, in particular, operated part of their *sijŏn* inherited from the preceding Koryŏ Dynasty and were remarkably vibrant in domestic and foreign trade to the extent that they were comparable to the capital merchants. Their success was achieved despite the state-led relocation policy that had been implemented against large-scale merchants ever since the capital was moved from Kaesŏng to Seoul.⁹

As for the monetary policy of the early fifteenth century Chosŏn state, it was built on the theory of ‘monetary-rights placed on the higher (*hwagwŏn chaesang* 貨權在上) which can be seen as a sort of subdivision of *igwŏn chaesang*. The state and monarch claimed authority to circulate currency, or monetary-rights, in order to take full control over the nationwide economy which was to be based on a new currency. One venture can be found during the reign of King T’aejong. The T’aejong administration strived to distribute paper money (*chŏhwa* 楮貨) so that it could substitute the five-warp-thread hemp cloth which had been the pre-existing standard currency used in the exchange economy of the private sector since the last years of the Koryŏ Dynasty. A total of two attempts were made, both resulting in failure. The following Sejong administration

8 Park Pyeongsik, “Chosŏn ch’ogi ūi haengsang kwa chibang kyoyŏk [*Haengsang* and provincial trade in the early Chosŏn period],” *Tongbangakchi* vols. 77-79 (June 1993) [included in *Book A*].

9 Park Pyeongsik, “Chosŏn chŏn’gi ūi kaesŏng sangŏp kwa kaesŏng sangin [Commerce in Kaesŏng and Kaesŏng Merchants in the early Chosŏn period],” *Han’guksa yŏn’gu* 102 (September 1998) [included in *Book A*]; Park Pyeongsik, “Chosŏn chŏn’gi kaesŏng sangin ūi sangŏp hwaltong [Commercial activities of Kaesŏng merchants in the early Chosŏn period],” *Chosŏn sidaesa hakpo* 30 (September 2004) [included in *Chosŏn chŏn’gi kyohwan kyŏngje wa sangin yŏn’gu* (Studies on the Commerce and Merchants in the Early Chosŏn Dynasty) (Seoul: Chisik sanŏpsa, 2009), from now on referred to as *Book B*]; Yang Chŏngp’il, “Chosŏn chŏn’gi kaesŏng sangin ūi kiwŏn kwa palchŏn,” *Hangnim* 33 (June 2012).

issued paper money again, this time as a high-valued currency accompanied by a low-valued coinage (*Chosŏn t'ongbo* 朝鮮通寶). This endeavor to integrate the entire private exchange economy into state-issued currency also eventually came to an end bearing no results.¹⁰

Meanwhile, the widespread cultivation of cotton during the later reign of Sejong resulted in cotton cloth, along with the predominant five-warp-thread hemp cloth, to replace the ordinary cloth in the private sector and gain new grounds as the standard currency. In other words, the governments of T'aejong and Sejong in early Chosŏn were handling the monetary crisis that had originated from the end of Koryŏ Dynasty by issuing official paper currency and coinage, adhering to the standpoint of the theory of *hwagwŏn chaesang* indicating the state's authority over currency. However, the attempt to take full control over the nation-wide internal economy eventually fell apart. This was a situation in which the state's monetary policy failed to embrace the expanding and developing private cloth-currency economy (*p'ohwa kyŏngje* 布貨經濟) while merchants who participated in the exchange economy of the private sector were wary of such state regulations, defending their commercial rights and preventing state-minted currency to be issued since the changes were thought to cause significant financial losses.¹¹

Next to examine is the foreign trade sector, which had its own serious social issues heavily influenced by its prosperity at the end of the Koryŏ Dynasty. Strong regulative policies were implemented based on the

10 Kwŏn Inhyŏk, *Chosŏn sidae hwap'ye yut'ong kwa sahoe kyŏngje* (Seoul: Kyŏngin munhwasa, 2011); Yi Chongyŏng, "Chosŏn'ch'o hwap'yeje ūi pyŏnch'ŏn," *Inmun'gwahak* 7 (June 1962); Sukawa Hidenori, "Chōsen jidai no heika," *Rekishigaku kenkyū* 711 (1998); Sukawa Hidenori, "Chōsen zenki no kahei hakkō to sono rinri," *Sennka* (Tokyo: Aoki shoten, 2001).

11 Park Pyeongsik, "Chosŏn ch'ogi ūi hwap'ye chŏngch'aek kwa p'ohwa yut'ong [Monetary policy and cloth-currency circulation in the early Chosŏn period]," *Tongbangakchi* 158 (June 2012) [included in *Chosŏn chŏn'gi taeoe muyŏk kwa hwap'ye yŏn'gu* (Studies on the Foreign Trade and Currency in the Early Chosŏn Dynasty) (Seoul: Chisik sanŏpsa, 2018), from now on referred to as *Book C*].

commercial restraint theory, which can be described as follows. All forms of private exchanges and smuggling across the Chinese borders were strictly prohibited, with the only exception being official trade accompanied with diplomatic envoys visiting Beijing. This policy was carried out concurrently with the isolation policy of the Ming Dynasty. Private trade and smuggling of banned items such as gold and silver conducted with the Japanese or the Jurchen were also under strict prohibition, but as shown in the *kyehae* treaty(癸亥約條) stipulating the opening of the three south-eastern ports (Samp'o 三浦), neighborly relations (*kyorin* 交隣) also acted as a standard for the building of foreign relations and some amount of trade was allowed under state monitoring and rigid regulations.¹²

The numerous social issues previously mentioned - gold and silver flowing out of the country in exchange for luxury goods manufactured in China, trouble in securing public finances, agitation in the social status order caused by luxury trends, the deterioration of small merchants and farmers in the course of forced procurement of export commodities - all associated with the affluent foreign trade conducted in the late Koryō Dynasty, were alleviated under the solid foreign policy put out by the Chosŏn government. This situation can also be explained as a result of a quantitative decrease in trade flows with China. However, as the focus of the government's foreign trade policy was not on complete and unilateral suppression but on enhancement of supervision and control, overseas trade led by capital merchants and Kaesŏng merchants steadily expanded with both China and Japan around the reign of King Sejong.¹³

Henceforth, the perception and policies of commerce proclaimed by the

12 Kim Pyŏngha, *Chosŏn chŏn'gi taeil muyŏk yŏn'gu* (Seoul: Han'gugyŏn'gugwŏn, 1969); Ku Toyŏng, "Chosŏn ch'ogi taemyŏng muyŏk ch'eje ūi sŏngnip kwa chŏn'gae [Establishment and progression of the Korea-China trade system in the early Chosŏn period]," *Sahagyŏn'gu* 109 (March 2013).

13 Park Pyeongsik, "Chosŏn ch'ogi ūi taecoe muyŏk chŏngch'aek [Foreign trade policies of the early Chosŏn period]," *Han'guksa yŏn'gu* 125 (June 2004) [included in *Book C*].

Chosŏn government in the early fifteenth century immediately after its foundation were implemented in accordance with the theory of ‘promoting the root and restraining the branch’ and ‘benefits placed on the higher.’ In other words, the regulation against commercial activities and merchants was not an obstinate one-sided one of restraint and prohibition, but rather an important means by which the state maintained control and supervision over commerce by entrusting it to full-time merchants which in turn, more crucially, prevented small farmers from drifting into commerce. This was a commercial policy that clearly embraced Confucian ideals to preserve the socio-economic system of a state based on agriculture. As the commercial system was reorganized with the capital city in its center, new aspects and changes in commerce emerged in all areas such as *sijŏn*, provincial commerce, currency circulation, and foreign trade, on the grounds of the restraint-of-commerce-of-commerce policy by a centralized state.

Late Fifteenth Century: Transition in Commercial Orders of the Early State

Chosŏn’s commercial system designed under the slogan of ‘restraining the branch’ underwent gradual changes beginning in the second-half of the fifteenth century, especially after the reign of Sŏngjong. Such a shift first appeared in the capital *sijŏn*. This market, which had originally occupied the left and right sides of Chongno 1-ga to 3-ga and the sections of Namdaemun-ro 1-ga, further expanded into the Chongno 4-ga area in 1472 (year 3 of King Sŏngjong), on the grounds that accidents had been increasing caused by carts and horses in a cramped space with too many people.¹⁴ The size of *sijŏn* with a total of approximately 1200 *kan* be-

14 Park Pyeongsik, “Chosŏn chŏn’gi *sijŏn* ūi palchŏn kwa siyŏk chŭngdae [Development of *sijŏn* and enhancement of merchants’ duties in the early Chosŏn period],” *Yŏksa kyoyuk* 60 (December 1996) [included in *Book A*].

came comparable to the former capital market of Kaesŏng, which had enjoyed prosperity throughout the Koryŏ Dynasty.¹⁵

Subsequently, in 1485 (year 16 of King Sŏngjong), the government took extreme measures to push forward a relocation of the entire *sijŏn* despite strong protest from *sijŏn* merchants including owners of ironware emporiums. These measures, in accordance with the overall state management of *sijŏn*, were initiated as restraint-of-commerce policies intended to increase the level of control and supervision of the state by re-organizing the entire market including the extended areas according to the type of goods handled. Resistance coming from some *sijŏn* merchants against this measure of re-organizing *sijŏn* in 1485 was so extreme that a notice written in hangŭl [Korean Alphabet] was anonymously displayed, accusing the minister and second minister of economic affairs (*hojo* 戶曹) who were at that time in charge of the *sijŏn* policy, and even the chief state councilor was implicated in the unidentified letter.

This incident, which was afterwards referred to as the most horrid administration of criminal cases since King Sŏngjong ascended to the throne, led to some 150 merchants being arrested. In March of the following year, an ironware-store-owning merchant Yu Chongsaeng was confirmed as the main culprit and was forced to relocate to P'yŏngan Province with his entire family. This was an outburst of angry *sijŏn* merchants who were concerned that they might lose their privileged commercial rights. They protested against governmental measures using their steadfast organizational community which consisted of union members based on blood relations. It could also be seen as an event that reflects the expansion and development of the capital in the late fifteenth century, as well as the

15 Park Pyeongsik, "Chosŏn chŏn'gi ūi tosŏng sangŏp kwa han'gang [Commerce in the capital city and the Han River in the early Chosŏn period]," *Sŏurhak yŏn'gu* 23 (September 2004) [included in *Book B*].

Chosŏn government's *sijŏn* policy resting upon 'restraining the branch.'¹⁶

One reason underlying the proliferation of capital commerce and the expansion of the *sijŏn* market during the reign of Sŏngjong can be found in the capital's highly dense population. During this period, the population increased at such a rapid pace that a report stated houses were built in the city highlands and some even outside the city walls since Hanyang could not fully accommodate the growing number of residents. The newly increased capital population sought a livelihood mainly in the commercial and industrial sectors, and the aforementioned *sijŏn*'s overpopulation in year 3 of King Sŏngjong gives us a vivid illustration of the background of expansion in the *sijŏn* sector.¹⁷

Meanwhile, another factor worthy of mentioning behind the development of the capital in the late fifteenth century can be found in the taxation system, which was also in transition during this period. In particular, the tribute system (*kongnapche* 貢納制), which was levied on products indigenous to a particular locale to procure necessities for the royal household or the central government, degenerated after the mid-fifteenth century. Other forms of payment emerged such as substitute payments (*taenap* 代納) and contractual payments (*pangnap* 防納), and in its course, the capital and its vicinity came to serve as the largest market supplying commodities for these modified tribute taxes. This process could be explained as *kyŏngjung munap* (京中貿納), literally meaning that purchase and payment were conducted altogether in the capital, and as merchants and stocks of goods crowded into the capital, commercial activities took another turn, being conducted under a completely different atmosphere from earlier.¹⁸

Changes in Chosŏn's commerce compared to the beginning of the dyn-

16 Park Pyeongsik, "Sŏngjongjo ūi sijŏn chaep'yŏn kwa kwan-sang kaltŭng [Re-arrangement of *sijŏn* and government-merchant conflicts during the reign of Sŏngjong]," *Chŏnnonngsaron* 7 (March 2001) [included in *Book B*].

17 Park Pyeongsik, "Chosŏn chŏn'gi sijŏn ūi palchŏn kwa siyŏk chŭngdae."

18 Park Pyeongsik, "Chosŏn chŏn'gi ūi tosŏng sangŏp kwa han'gang."

asty also became noticeable in the provinces. First of all, there was the emergence and spread of periodic markets (*changsi* 場市), which can be seen as a sort of bottom-up peasant-led trade organization.¹⁹ *Changsi* was a rural market resulting from the emergence and growth of small goods production at that time. The first *changsi* to be verified by historical evidence was opened in the Muan district of Ch'ŏlla Province in 1470 (year 1 of King Sŏngjong). The number of *changsi* openings gradually increased from its original bi-weekly schedule, and also spread nationwide from the initial three southern provinces.

What enabled *changsi* to emerge as a common rural market in the late fifteenth century was an increase in the number of peasant farmers who accumulated some amount of agricultural surplus. As can be seen in the transition of the land system implemented during the Chosŏn Dynasty, that is, from the rank land system (*kwajŏnbŏp* 科田法) to the office land system (*chikchŏnje* 職田制) in the reign of King Sejo, and finally to the government-obtaining and government-distributing system (*kwansugwan'gŭpche* 官收官給制) in the reign of King Sŏngjong, control of landlords over tenant-guests, also known as non-economic compulsion based on the right to collect land taxes gradually weakened. It was from this point that surplus agricultural products were accumulated in the households of peasant farmers, and this led to an increase in the production and distribution of small-goods associated with the vigorous commercial activities of the in-land merchants mediating the whole process. Therefore, some provincial magistrates consented that the *changsi* market was essential for the livelihood of peasant farmers and argued that they may be allowed, despite the central government's disapproval and prohibitory stance on the matter.

Along with small-scaled commercial activities led by peddlers whose

19 For a further account on *changsi* described below, see Yi Kyŏngsik, "Sibyuk segi changsi ūi sŏngnip kwa kŭ kiban [Emergence of *changsi* and its foundation in the sixteenth century Chosŏn]," *Han'guksa yŏn'gu* 57 (June 1987) [included in *Chosŏn chŏn'gi t'oji chedo yŏn'gu* 2 (Seoul: Chisik sanŏpsa, 1998)].

main site of transactions was the periodic *changsi*, vessel merchants using huge ships for transporting large amounts of goods such as grain, salt, and marine products were, in comparison with the early Chosŏn period, also robustly engaging in trade. Passages in the West Sea were secured starting from the Anhŭngyang sea road in the T'aean district of Ch'ungch'ŏng Province, where shipping accidents frequently occurred, all along to Changsanggot sea road in the Changyŏn district of Hwangae Province. Vessel merchants including grain-handling merchants linked the provincial areas to the capital using these newly restored sea paths while remarkably enhancing their commercial activities.²⁰ The royal household and other central authorities whose agricultural estates were originally located in the three southern provinces were at that time expanding their estates into P'yŏngan and Hamgyŏng Provinces, and this enhanced land management stimulated commercial activities of the grain-handling vessel merchants.²¹

In the late fifteenth century when changes in commerce were taking place both in the capital and the provinces, a new form of cloth currency also appeared and eventually became to be used as a common medium of exchange. This new cloth currency, namely *ch'up'o* (麤布), was essentially coarse cotton cloth with the number of warp-thread under five *sŭng* and the length shorter than thirty-five *ch'ŏk*. Expansion of cotton crop cultivation around King Sejong's reign had already resulted in the replacement

20 Park Pyeongsik, "Chosŏn ch'ogi ūi haengsang kwa chibang kyoyŏk"; Park Pyeongsik, "Chosŏn chŏn'gi ūi kongmul kyoyŏk kwa ch'amyŏch'ŭng [Grain transactions and participants in the early Chosŏn period]," *Han'guksa yŏn'gu* 85 (June 1994) [included in *Book A*].

21 Yi Kyŏngsik, "Chosŏn chŏn'gi chijuch'ŭng ūi tonghyang [Movements in the landlord class in the early Chosŏn period]," *Yŏksa kyoyuk* 19 (April 1976); Yi Kyŏngsik, "Chosŏn ch'ogi ūi pukpang kaech'ŏk kwa nongŏp kaebal [Pioneering of the northern provinces and agricultural development in the early Chosŏn period]," *Yŏksa kyoyuk* 52 (December 1992) [all included in *Chosŏn chŏn'gi t'oji chedo yŏn'gu* 2]; Ch'oe Wan'gi, "Chosŏn chunggi ūi mugok sŏnsang," *Han'guk hakpo* 30 (March 1983).

of the original hemp cloth with the five-*sŭng* and thirty-five-*ch'ŏk* cotton cloth as standard currency since the cotton cloth was much lighter and of higher quality. Under King Sŏngjong's administration, the number of *sŭng* and *ch'ŏk* gradually decreased making the cotton cloth coarser and marking the beginning of the standardization of *ch'up'o*.²²

Since the reign of King Sŏngjong, *ch'up'o* became the alternative currency for the five-*sŭng* hemp cloth, or ordinary cloth, which had already disappeared from the market during the reign of King Sejong and King Munjong. The virtually nonexistent ordinary cloth, which had an exchange value of one-half of the standard cloth and one-quarter of the cotton cloth, stimulated the need to find an alternative, which in turn led to the reduction of the number of warp-thread and *ch'ŏk*-length in cotton cloth. The results eventually took the form of *ch'up'o*. The emergence of *ch'up'o* and its wide usage as currency was a monetary phenomenon in response to the long-term development in the production and distribution of small goods and the peasant-level exchange economy surfacing in the capital and provinces during this period. *Ch'up'o* had become a standard currency throughout the country, acting as a reliable mean of exchange between petty merchants and small farmers in the capital *sijŏn* and rural *changsi*.²³

Changes in the initial commercial order were also evident in foreign trade in the late fifteenth century.²⁴ Although the state continued to control foreign trade under the principle of 'restraining the branch,' private trade with both China and Japan nevertheless proliferated and significantly increased. As for trade with China in the early stage, government-employed translators had led the private trade alongside diplomatic en-

22 Park Pyeongsik, "Chosŏn chŏn'gi ũi ch'up'o yut'ong kwa hwap'ye kyŏngje [Circulation of *ch'up'o* and monetary economy in the early Chosŏn period]," *Yŏksahakpo* 234, (June 2017) [included in *Book C*].

23 Park Pyeongsik, "Chosŏn chŏn'gi ũi ch'up'o yut'ong kwa hwap'ye kyŏngje."

24 For a further account on foreign trades, see Park Pyeongsik, "Sibo segi huban taeoe muyŏk ũi hwaktae [Expansion in foreign trade in the late fifteenth century Chosŏn]," *Han'guksa yŏn'gu* 181 (June 2018) [included in *Book C*].

voys to Beijing, but now a growing number of rich and large merchant-traders (*pusangdaego* 富商大賈) who were originally capital merchants or Kaesŏng merchants started to become leading members of private trade. The demand for luxury goods among royal family members and other high-ranking officials of the time prompted an increase in demand for Chinese luxury goods such as silk or blue and white porcelain. This became the main motivation underlying international economic activities.

The volume of trade with Japan also quantitatively expanded in both the official and private sector. In 1500 (year 6 of Prince Yŏnsan), the last year of the fifteenth century, Japanese bronze unloaded at Samp'o amounted to no less than 110,000 *kŭn* (approximately 70 ton), and the amount of cotton cloth bestowed upon Japanese merchants never went below 5 million *pil* (sheets) on an annual basis. Thus, the original sixty households of Japanese residences permitted in Samp'o according to the *kyehae* treaty soared to 525 households with 3,105 people in 1494 (year 25 of King Sŏngjong), which is almost ten times higher than that of the time of King Sejong. In addition, capital and Kaesŏng merchants amassed commercial profits by mediating trade between China and Japan.

As described above, commerce in Chosŏn in the late fifteenth century had been regulated through state control which leaned upon the ideology of 'restraining the branch.', and the fundamental economic policies were based on the premise that 'agriculture is the root'. Nevertheless, new aspects of change were visible in all possible commercial spheres such as in the capital and provinces and in foreign trade. This was, in short, a phenomenon brought forward by a tendency of both the ruling and the ruled for accumulating property (*sikhwa* 殖貨) and conducting commercial activities (*ch'ungmal* 逐末), and this inclination became more conspicuous in the sixteenth century.

Sixteenth Century: Commercial Advancements Promoting New Commercial Perceptions

The overall commercial condition in the sixteenth century underwent changes and developments so striking that it overshadowed the initial principle of restraining commerce. These changes were primarily noticeable in commercial activities conducted in the capital *sijŏn* and along the Han River. The extension of commerce in the capital had already been acknowledged in the late fifteenth century during the reign of King Sŏngjong when the capital commercial areas expanded and were re-organized in full measure according to types of commodities.

Moreover, actions of *taenap* and *pangnap* expanded exponentially during the reign of Yŏnsan, and in relation to the luxurious and self-indulging nature of the king, they further became common practice. Merchants made payments of goods demanded by the royal household and the central government, which were initially collected directly from the local provinces in the forms of taxes and tributes, but later purchased from markets in the capital and along the Han River. This became a routinized practice, also known as ‘*kyŏngjung munap*.’²⁵ Merchants who became ‘private masters’ (*sajuin* 私主人) or ‘tribute masters’ (*kongmulchuin* 貢物主人) by providing the necessary items for the royal household and the state on behalf of tax and tribute payments, were basically rich and large merchant-traders in the capital, including *sijŏn* merchants. They later on emerged as tribute contractors (*kongin* 貢人) under the uniform land-tax law introduced in the seventeenth century, passing their tribute contracting certificates on to their descendants as property rights.²⁶

Meanwhile in the sixteenth century, in addition to these *sijŏn* mer-

25 Pak Tosik, *Chosŏn chŏn’gi kongnapche yŏn’gu* (Seoul: Hyeon, 2011); Tagawa Kōzō, *Richō kōnōsei no kenkyū* (Tokyo: Tōyō bunko, 1964).

26 Park Pyeongsik, “Chosŏn chŏn’gi ūi chuinch’ūng kwa yut’ong ch’egye [*Chuin*-class and the distribution system in the early Chosŏn period],” *Yŏksa kyoyuk* 82 (June 2002) [included in *Book B*].

chants, private non-licensed merchants grew remarkably outside of *sijŏn* while expanding their economic activities. The population of the capital, which had been on the rise since the reign of King Sŏngjong, continued to escalate as the tendency of the general public to engage in commerce also heightened. Most of the newcomers flocking to the city sought a livelihood in commerce and manufacturing. As a result, in the reign of King Chungjong every area in the city, including the original *sijŏn* district, had operating markets. It was repeatedly argued that strict prohibitory measures should be taken against all new markets other than *sijŏn* and pre-established markets which had already been in business for some time, and that the government should publicly announce its willingness to support the values of ‘promoting the root’ and ‘restraining the branch.’²⁷

However, as seen in King Chungjong’s actions allowing the non-*sijŏn* markets and positively acknowledging them as a major means of livelihood for the city residents, the growth of private merchants and their accumulation of property continued while the policy of ‘restraining the branch’ gradually eased. Not only traditional *sijŏn* merchants but also some of these non-*sijŏn* merchants were included among the larger merchants-traders during this period, actively engaging in foreign trade as well as domestic commerce to increase their wealth.²⁸ In 1600 (year 33 of King Sŏnjo), chief state councilor Yi Hangbok described merchants who were disrupting the orders of the capital markets while insisting on a fair imposition of merchant duties. These market disrupters (*nanshija* 亂市者) were a reference to the abovementioned private merchants, a historical antecedent to the un-licensed markets (*nanjŏn* 亂塵).²⁹

The commercial advancements in the capital further reinforced Han-

27 Park Pyeongsik, “Chosŏn chŏn’gi *sijŏn* ūi palchŏn kwa siyŏk chŏngdae”; Park Pyeongsik, “Chosŏn chŏn’gi ūi tosŏng sangŏp kwa han’gang.”

28 Paek Sŏngch’ŏl, “Sibyuk segi pusang taego ūi sŏngjang gwa sangŏp hwaltong,” *Yŏksawa hyŏnsil* 13 (September 1994).

29 Park Pyeongsik, “Pisijŏn’gye sangin ūi sŏngjang kwa tosŏng ūi sanggwŏn punjaeng [Growth of non-*sijŏn* merchants and commercial competition in the capital market].” [included in *Book A*].

yang's function as a city of commerce in the sixteenth century, particularly benefiting from the advantages of the Han River area. Since the beginning of the dynasty, the Han River had been the hub of both the logistics of the public sector (various tax and tributes in kind) and that of the private sector (a wide range of goods accommodated from the provincial areas). As a result, the Sōgang and Yongsangang areas along the Han River were already overcrowded with people engaged in loading and transporting, and the people had to suffer the inconvenience of overcrowded roads and excessively clustered houses in the mid-sixteenth century. Moreover, emerging from the Han River area were various 'masters.' These purchasing agents with flourishing businesses offered accommodation along with services such as managing or mediating tax provisions and the disposal of commodities brought by guests.³⁰

However, the emergence of purchasing agents and their business activities were not solely restricted to the capital and the Han River area. Major ports around the country also saw purchasing agents the large-scale circulation of commodities and foreign trade. These ports were vital to the economy and operated by vessel merchants such as grain handlers. Along with Ŭiju and Sampo, they became the main hubs of foreign trade with China and Japan. Furthermore, business certificates allowing these commercial activities of purchasing agents in the provinces became established as property rights similar to those of private masters or tribute masters in the capital. These local agents, therefore, can be considered as the forerunner of 'port masters' (*p'ogujuin* 浦口主人) or 'guest masters' (*kaekchu* 客主) in the late Chosŏn period, who appeared at local ports and transportation hubs and operated as wholesale dealers or brokers. Various agents emerging from cities and provinces around the country during this period performed a key role in the capital-centered commercial circulation by mediating the transactions of the public sector, such as taxes and tribute, with those of the private sector, such as various com-

30 Park Pyeongsik, "Chosŏn chŏn'gi ũi chuinch'ŭng kwa yut'ong ch'egye."

modities such as grain, salt, and fish.³¹

Meanwhile, in the sixteenth century, *changsi* was widely disseminated throughout the country as a bottom-up peasant institution, and the number of market openings within a month also heightened. Thus, in 1520 (year 15 of King Chungjong), all provinces nationwide including the three southern provinces that already had *changsi*, and by the end of King Sŏnjo's reign, at least three to four markets opened simultaneously in one district, and complaints were made that not a day went by without a market opening. The tendency for commoners to engage in commerce prevailed to the extent that authorities lamented that a large number of ordinary people abandoned their main occupation of farming to pursue commerce, and in the reign of Chungjong it was said that some ten thousand people were wandering amongst markets in Chŏlla Province alone. Indeed, "there was no place across the country that did not have a market."³²

With the development in both the capital and the provinces, and with the commercial participation of lower-class farmers expanding nationwide, *ch'up'o*, which had surfaced in the late fifteenth century, now widely circulated as standard currency. There was a subdivision in the categories of *ch'up'o*, one of them being the three-*sŭng* cotton cloth called *sangmok* (常木), and other various *ch'up'o* having nominal values of one-half to one-third of *sangmok*, that were used as lesser currency in the market. Thus, *ch'up'o* was obviously functioning as the standard currency in both the area of national finance and the private sector exchange economy, along with high-value currencies such as fine cotton cloth and silk.

Unlike the previous cloth currencies such as hemp cloth or cotton cloth in the sixteenth century, *ch'up'o* was a quasi-nominal currency in the sense that there was a discrepancy in its intrinsic value and its nominal value in the market exchange process. In other words, resting on the gradual growth of the lower-class peasant exchange economy and over-

31 Park Pyeongsik, "Chosŏn chŏn'gi ūi chuinch'ŭng kwa yut'ong ch'egye."

32 Yi Kyŏngsik, "Sibyuk segi changsi ūi sŏngnip kwa kŭ kiban."

coming the state monetary policy against bad currency, *ch'up'o* was mediating public finances and private exchange sector as standard currency. Therefore, the status of the Chosŏn economy in the sixteenth century was worthy of the title “*ch'up'o* economy.”³³

In the sixteenth century, East-Asian foreign trade experienced an unforeseen expansion in its size along with unprecedented changes in its condition, as the ‘era of commerce’ or ‘era of trade’ began to unfold on a global level. The isolation policy previously adhered to by the Ming Dynasty was, to some extent, loosening, and this in turn stimulated trade between countries. Japanese local aristocracy who were entering an age of Warring states, or *Senkoku* period, also actively engaged in foreign trade in an attempt to secure stable financial income.³⁴ It would be safe to say that East Asia’s international trade, which included Chosŏn’s intermediate trade that connected Ming and Japan, entered a new phase. Chosŏn, too, was experiencing a boom in foreign trade with Ming and Japan on the backdrop of substantial changes including developments in domestic commerce, expansion in the landowner system, and the demand for luxury goods, all of which occurred beginning in the late fifteenth century.³⁵

Therefore, a trade structure was newly established and invigorated, with imports that consisted of luxury goods such as silk and porcelain from China, silver and copper from Japan, and a wide range of spices and dyes from the Southeast Asian countries, while exports mainly consisted of Korean ginseng and Japanese silver to China, and cotton cloth and

33 Song Chaesŏn, “Sibyuk segi myŏnp’o ūi hwap’ye kinŭng,” in *Pyŏn t’aesŏp paksa hwagapkinyŏm sahangnonch’ong* (Seoul: Samyŏngsa, 1986); Park Pyeongsik, “Chosŏn chŏn’gi ūi ch’up’o yut’ong kwa hwap’ye kyŏngje.”

34 Refer to various researches and arguments introduced in footnote 3.

35 Ku Toyŏng, *Sibyuk segi hanjung muyŏk yŏn’gu* (Seoul: T’achaksa, 2018); Han Sanggwŏn, “Sibyuk segi taejungguk samuyŏk ūi chŏn’gae” in *Kimch’ŏlchun paksa hwagapkinyŏm sahangnonch’ong* (Seoul: Chisik sanŏpsa, 1983); Yi Chŏngsu, “15-16segi ūi taecil muyŏk kwa kyŏngje pyŏndong,” *Pudae sahak* 22 (August 1998); Yi T’aejin, “Sibyuk segi kukche kyoyŏk ūi paltal kwa sŏul sangŏp ūi sŏngsoe” in *Sŏul sangŏpsa* (Seoul: T’achaksa, 2000).

grain to Japan. What is especially noteworthy is that in the process, merchants of Chosŏn such as capital merchants and Kaesŏng merchants gained huge profits from intermediating trade between Chinese luxury goods and Japanese silver in relation to the internal demands of Chosŏn. Unlike the seventeenth century, a trade structure directly linking China and Japan had not yet been established, allowing Chosŏn merchants in the sixteenth century to enjoy an abundant amount of interest gained through the intermediating of trade between the two countries.³⁶

During this period, some Chosŏn merchants engaged in processing trade by importing white thread from China to manufacture fine Chosŏn silk (*hyangjikip'iltan* 鄉織匹緞), and then re-exporting the finished products to Japan. In order to meet the Chinese demand for low- to medium-priced ginseng, some even developed bundled-ginseng (*p'asam* 把蔘), which later evolved into red ginseng. As the Japanese merchants lost their direct trade route with China after the Ningbo Incident (寧波之亂) in 1523, the profits obtained by Chosŏn merchants from the trade structure of exporting Japanese silver to China were of great significance. For example, silver brought by a single group of envoys sent by the Japanese ruler amounted to no less than 80,000 *yang* (approximately 3,200 Kilograms).³⁷

The sixteenth century Chosŏn merchants, unlike the general evaluation made by academics in Korea and around the world, were never indifferent to or uninvolved in the proliferating East Asian foreign trade during this period. Therefore, Japan's invasion of Chosŏn in 1592 which vastly disrupted all three East Asian countries at the very end of the sixteenth cen-

36 Park Pyeongsik, "Sibyuk segi taejung muyŏk ūi sŏnghwang kwa kungnae sangŏp [Proliferation of trade with China and internal commerce in sixteenth century Chosŏn]," *Yŏksa kyoyuk* 146 (June 2018); Park Pyeongsik, "Sibyuk segi taeil muyŏk ūi chŏn'gae wa kaltŭng [Progression and conflict in trade between Korea and Japan in the sixteenth century]," *Yŏksa hakpo* 238 (June 2018) [all included in *Book C*].

37 Park Pyeongsik, "Sibyuk segi taejung muyŏk ūi sŏnghwang kwa kungnae sangŏp"; Park Pyeongsik, "Sibyuk segi taeil muyŏk ūi chŏn'gae wa kaltŭng."

tury possesses aspects of a trade war, or economic war, through which the Japanese government attempted to reverse its unfavorable position in the East Asian trade system and transform it into an economic basis for the newly unified regime.³⁸

Alongside the remarkable commercial developments in both internal and external trade in sixteenth century Chosŏn, noteworthy is the fact that new commercial perceptions and policies strikingly different from those of the early Chosŏn policies had come to light. Undoubtedly, the rural Neo-Confucian literati (*sarim* 士林) who had suffered great purges as they paved their way into the court, still strongly criticized the inclination of commoners to engage in commerce and condemned the government's efforts to secure financial resources, while basing their arguments on 'promoting the root and restraining the branch' along with 'prioritizing righteousness over profits' (*chungŭi kyŏngni* 重義輕利). However, some high-ranking government officials related to the meritorious elites (*hun'gu* 勳舊), the political opponents to the *sarim*, stressed the importance in securing public finances, and while they agreed to the basic perception of commercial restraint, they nevertheless sought national prosperity and military power through new understanding and policy of commerce.³⁹

In the midst of ample disagreement and controversy over principles of commerce, a new dimension of commercial awareness surfaced among some of the *sarim*-affiliated officials and scholars. This was a perception of the 'adopting the branch to supplement the root' (*imal pobon* 以末補本), with its chief proponent being Yi Chiham (1517-1578). Breaking away from the Confucian traditional perception of root and branch, he assumed the root and the branch are of equal significance and the value of 'righteousness' (*ŭi* 義) and 'profits' (*ri* 利) to be determined differently

38 Yi Hŏnch'ang, "Imjinlan kwa kukche muyŏk," *Imjin waeran ch'ilchugap kinyŏm imjinlan yŏn'gu ch'ongsŏ* 1 (Seoul: *Imjinlan chŏngsin munhwa sŏnyangoe*, 2013); Sukawa Hidenori, "Tongasia haeyŏk kukche kyŏngje chilsŏ wa imjin waeran," in *Yusŏngnyong ŭi haksul kwa kyŏngnyun* (Seoul: T'aehaksa, 2008).

39 Park Pyeongsik, *Chosŏn chŏn'gi sangŏp sa yŏn'gu*, chapter 5.

according to the personnel managing the situation. This thought brought about a positive outlook toward the government's passionate efforts towards securing national finances for public purposes and its policy to promote commerce.⁴⁰

The theory of 'adopting the branch to supplement the root' was a perception as well as a theory of commerce suggesting that the state and its people should actively utilize commerce and manufacture for the sake of public finance and people's livelihood while continuing to recognize agriculture as its base economy. Given the evident development in the conditions of internal and external trade since the late fifteenth century, especially starting in the sixteenth century, more leading intellectuals believed the state ought to actively embrace these advancements on a national level to stabilize the economy and support the livelihood of the people. Such claims were not directly adopted or reflected in the state policy of the Chosŏn Dynasty. However, what is notable is the conceptual transition from commerce being a subject of the state's strong regulation or control into it being an economic area of which the state and people should achieve its full potential. After the experience of the Japanese invasion in 1592 and the Manchu invasions in 1636, the Chosŏn government started generating full-fledged discussions regarding economic policies that embraced this new perception.⁴¹

Conclusion: Contextualizing the Fifteenth and Sixteenth Century in Chosŏn's Commercial History

How can we interpret the status and meaning of the commercial history of early Chosŏn, a dynasty which rose as a Confucian state in 1392?

40 Park Pyeongsik, *Chosŏn chŏn'gi sangŏp sa yŏn'gu*, chapter 5.

41 Paek Sŭngch'ŏl, *Chosŏn hugi sangŏpsa yŏn'gu* (Seoul: Hyeon, 2000); Han Myŏnggi, "Yu mongin ũi kyŏngseron yŏn'gu - imjin waeran ihu sahoe kyŏngje chaegŏn ũi han panghyang," *Han'guk hakpo* 18, no.2 (June 1992).

The argument given above forces us to reconsider the prevailing perception and evaluation of commerce in Chosŏn, which are, in fact, hardly concurrent with the historical reality. First, the ‘promoting the root and restraining the branch’ policy put forward by the government from its inception, along with the economic ideology of ‘benefits placed on the higher,’ was intended to ‘control’ and ‘supervise’ merchants along with their commercial activities to gain some sort of stability in agriculture and rural communities as Chosŏn was essentially an agriculture-based society. There is no denying that rigid policies of ‘suppression’ were intermittently imposed on commerce to promote farming. Nevertheless, it was a measure taken based on the acknowledgement of the order of the roles and status of *sang* and *gong*, alongside the previously valued occupations *sa* and *nong*.

Thus, after the late fifteenth century, Chosŏn’s commerce went through a transition with its development becoming more prominent in the sixteenth century. For example, during this period, there had been commercial expansion and development in the capital, the emergence of non-*sijŏn* merchants and their pressuring of the original *sijŏn* in the form of *nanjŏn*, the appearance of local markets and their country-wide dispersion, the circulation of a quasi-nominal currency *ch’up’o* as a means of exchange leading to the development of a ‘*ch’up’o* economy’, and merchants actively engaging in foreign trade between China and Japan by intermediating Chinese luxury goods and Japanese silver. These points have gone unnoticed in the existing literature of historical studies in Korea and elsewhere. Undoubtedly, Chosŏn merchants vibrantly and purposefully engaged in commercial activities in the era of commerce that began to form from the sixteenth century at the level of global history including East Asia.

Moreover, these commercial developments inspired some government officials and Confucian scholars to propose a new commercial theory, namely *imal pobon*, which literally means the adopting of the branch to supplement the root. This newly adapted perception that, while agriculture may still be valued as the root occupation, commerce and industry

should be fully promoted as branch occupations to support the securing of national finance and appeasement of the people, is of great significance since it was intensely discussed among the ruling officials and was implemented as a real policy in the seventeenth and the eighteenth centuries. After the opening of the ports in the nineteenth century, the government further shifted their commercial perception to ‘building a nation state upon commerce and industry’ (*sanggongōbipkuk* 商工業立國) and set it as the ultimate goal to pursue in the state’s social and economic policies.⁴²

Therefore, Chosŏn, as a Confucian state and agricultural society, experienced a historical progression in commercial perceptions and policies which can be organized into three phases; from (I) the promoting of the root (agriculture) and the constraining of the branch (commerce) to (II) the adopting of commerce to supplement agriculture, and finally to (III) the building of a nation state upon commerce and industry. The detailed aspects of Chosŏn commerce in the fifteenth and sixteenth centuries illustrated in this paper describe the typical features of phase (I) and the conditions in the transitional period from phase (I) to phase (II). In conclusion, since the end of the Koryŏ Dynasty, commerce in Chosŏn, after having been restructured in accordance with the Confucian order at the beginning of the state, continued to adapt and develop internally while also expanding contact and trade with China and Japan.

References

Primary sources:

1. *Koryŏsa* [History of the Koryŏ Dynasty]
2. *Koryŏsa jŏryo* [An Essential History of the Koryŏ Dynasty]

42 Park Pyeongsik, “Chosŏn sidae ūi sangŏp kwa sangŏp chŏngch’æk [Commerce and commercial policies in the Chosŏn period],” [included in *Book C*].

3. *Chosŏn wangjo sillok* [The Veritable Records of the Chosŏn Dynasty] *T'aejo sillok – Sŏnjo sillok*
4. *Pibyŏnsa dŭngnok* [Records of the Border Defense Command]
5. *Kyŏngguk taejŏn* [The Great Code for the Governance of the State]

Secondary sources:

6. Ch'oe, Wan'gi. "Chosŏn chunggi ūi mugok sŏnsang [Grain-dealing vessel merchants in the mid-Chosŏn period]," *Han'guk hakpo* 30 (March 1983).
7. Han, Myŏnggi. "Yu mongin ūi kyŏngseron yŏn'gu - imjin waeran ihu sahoe kyŏngje chaegŏn ūi han panghyang [A study on statecraft theories of Yu mongin: a suggestion on social reconstruction in the aftermath of the *Imjin* war]," *Han'guk hakpo* 67 (June 1992).
8. Han, Sanggwŏn. "Sibyuk segi taejungguk samuyŏk ūi chŏn'gae [Proceedings of private trade with China in the sixteenth century Chosŏn]," in *Kimch'ŏlchun paksa hwagapkinyŏm sahangnonch'ong*. Seoul: Chisik sanŏpsa, 1983.
9. Kim, Pyŏngha. *Chosŏn chŏn'gi taeil muyŏk yŏn'gu* [Studies on Trade between Korea and Japan in the Early Chosŏn Period]. Seoul: Han'gug yŏn'guwŏn, 1969.
10. Kishimoto, Mio, *Higashi ajia no kinsei* [The "Early Modern Era" in East Asia]. Tokyo: Yamakawa shuppansha, 1998.
11. Kishimoto, Mio and Miyajima, Hiroshi, *Chosŏn kwa chungguk kŭnse obaengnyŏn ūl kada* [The Era of Ming-Ching Dynasty and Chosŏn Dynasty]. translated in Korean by Kim, Hyŏnyŏng and Mun, Sunsil. Seoul: Yŏksa bip'yŏngsa, 2003.
12. Ku, Toyŏng. *Sibyuk segi hanjung muyŏk yŏn'gu* [Studies on Trade between Korea and China in the Sixteenth Century]. Seoul: T'achaksa, 2018.
13. Kwŏn, Inhyŏk. *Chosŏn sidae hwap'ye yut'ong kwa sahoe kyŏngje* [Currency Circulation and Social Economy in the Chosŏn Period]. Seoul: Kyŏngin munhwasa, 2011.

14. Paek, Sŭngch'ŏl. "Sibyuk segi pusang taego ũi sŏngjang gwa sangŏp hwaltong [Growth of rich and large merchant-traders and their commercial activities in the sixteenth century]," *Yŏksawa hyŏnsil* 13 (September 1994).
15. _____. *Chosŏn hugi sangŏp sa yŏn'gu* [Studies on Commercial History of the Late Chosŏn Period]. Seoul: Hyeon, 2000.
16. Park, Pyeongsik(Pak, P'yŏngsik). *Chosŏn chŏn'gi sangŏp sa yŏn'gu* [Studies on the Commercial History of Early Chosŏn Dynasty]. Seoul: Chisik sanŏpsa, 1999.
17. _____. *Chosŏn chŏn'gi kyohwan kyŏngje wa sangin yŏn'gu* [Studies on the Commerce and Merchants in the Early Chosŏn Dynasty]. Seoul: Chisik sanŏpsa, 2009.
18. _____. *Chosŏn chŏn'gi taeoe muyŏk kwa hwap'ye yŏn'gu* [Studies on the Foreign Trade and Currency in the Early Chosŏn Dynasty]. Seoul: Chisik sanŏpsa, 2018.
19. Pak, Tosik. *Chosŏn chŏn'gi kongnapche yŏn'gu* [Studies on the Tribute System in the Early Chosŏn Period]. Seoul: Hyeon, 2011.
20. Reid, Anthony. *Southeast Asia in the Age of Commerce 1450 ~1680; Volume Two: Expansion and Crisis*. New Haven, CT: Yale University Press, 1993.
21. Sŏ, Sŏngho. "Sibo segi sŏul tosŏng ũi sangŏp [Commerce in capital Seoul in the sixteenth century]," in *Sŏul sangŏpsa* [Commercial History of Seoul]. Seoul: T'aehaksa, 2000.
22. Song, Chaesŏn. "Sibyuk segi myŏnp'o ũi hwap'ye kinŭng [Monetary function of cotton cloth in the sixteenth century]," in *Pyŏnt'aesŏp paksa hwagapkinyŏm sahangnonch'ong*. Seoul: Samyŏngsa, 1986.
23. Sukawa, Hidenori. "Chŏsen jidai no heika [Currency in the Chosŏn period]," *Rekishi gaku kenkyu* 711 (1998).
24. _____. "Chŏsen zenki ni okeru keizai kŏsŏ [Economic policies in the early Chosŏn period], *Tŏyŏshi kenkyu* 58, no.4 (2000).
25. _____. "Chŏsen zenki no kahei hakkŏ to sono rinri [Currency issuance and its motivation in the Early Chosŏn Period]," in *Sennka* [Copper Money]. Tokyo: Aoki shoten, 2001.

26. _____. “Tongasia haeyök kukche kyöngje chilsö wa imjin waeran [International economic order in the East Asian oceans and Imjin war],” in *Yusöngnyong üi haksul kwa kyöngnyun*. Seoul: T’eahaksa, 2008.
27. Yang, Chöngp’il. “Chosön chön’gi kaesöng sangin üi kiwön kwa palchön [Origin and development of Kaesöng merchants in the early Chosön period],” *Hangnim* 33 (June 2012).
28. Yi, Chöngsu. “15~16segi üi taeil muyök kwa kyöngje pyöndong [Korea-Japan trade and economic changes in the fifteenth and sixteenth century Chosön],” *Pudae sahak* 22 (June 1998).
29. Yi, Chongyöng. “Chosön’ch’o hwap’yeje üi pyönch’ön [Changes in monetary policies in early Chosön],” *Inmun’gwahak* 7 (June 1962).
30. Yi, Hönch’ang. “Imjinlan kwa kukche muyök [The *Imjin* war and international trade],” *Imjin waeran ch’ilchugap kinyöm imjinlan yön’gu ch’ongsö* [Researches on *Imjin* war in Commemoration of its 420th anniversary] 1. Seoul: Imjinlan chöngsin munhwa sönyangoe, 2013.
31. Yi, Kyöngsik. *Chosön chön’gi t’oji chedo yön’gu* [Studies on Land system in the Early Chosön Period] 2. Seoul: Chisik sanöpsa, 1998.
32. Yi, T’aejin. “Sibuyuk segi tongasia kyöngje pyöndong kwa chöngch’i sahoe chök tonghyang [Economic Change and Political and Social Trends in the sixteenth century East Asia],” in *Chosön yugyo sahoesa non* [Historical Theories on Confucian Thoughts in Chosön]. Seoul: Chisik sanöpsa, 1989.
33. _____. “Sibuyuk segi kukche kyoyök üi paltal kwa söul sangöps üi söngsoe [Expansion of international trade and the rise and decline of commerce in Seoul in the sixteenth century],” in *Söul sangöpsa* [Commercial History of Seoul]. Seoul: T’eahaksa, 2000.
34. Tagawa, Kōzō. *Richō kōnōsei no kenkyū* [Studies on the Tribute System in Chosön Dynasty]. Tokyo: Tōyō bunko, 1964.

<Abstract>

A Confucian State and Its Commerce: The Commerce of Early Chosŏn Revisited

Pyeongsik Park

This research engages the criticism and concerns on the current structure of understandings prevalent in academic studies of the early Chosŏn commercial history conducted in Korea and overseas.

In contrast to the prevailing viewpoint regarding the fifteenth and sixteenth century commerce in Chosŏn, it is yet to be thoroughly examined whether it was indeed a time of commercial stagnation, so much as that it had created a self-sufficient natural economy. Moreover, in the advance of ‘the age of commerce’ in a global perspective, what is also not yet determined is whether Chosŏn was undeniably alienated from or intentionally distanced itself from joining this global trend, and as an exemplary Confucian state, kept this pro-agricultural feature of denying the mere existence of commerce and suppressed any kind of development for as long as two centuries.

Since the end of the Koryŏ Dynasty, commerce in Chosŏn, after having been restructured in accordance with the Confucian order at the beginning of the state, continued to adapt and develop internally while also expanding contact and trade with China and Japan. Chosŏn’s commercial development became more prominent in the sixteenth century. During this period, there had been commercial expansion and development in the capital, the emergence of non-licensed merchants and their pressuring of the original licensed market, or *sijŏn*, in the form of *nanjŏn*, the appearance of local markets and their country-wide dispersion, the circulation of a quasi-nominal crude cotton cloth currency, or *ch’up’o*, as a means of exchange leading to the development of a ‘*ch’up’o* economy’, and mer-

chants actively engaging in foreign trade between China and Japan by intermediating Chinese luxury goods and Japanese silver. These points have gone unnoticed in the existing literature of historical studies in Korea and elsewhere. Undoubtedly, Chosŏn merchants vibrantly and purposefully engaged in commercial activities in the era of commerce that began to form from the sixteenth century at the level of global history including East Asia.

Therefore, Chosŏn, as a Confucian state and an agricultural society, experienced a historical progression in commercial perceptions and policies which can be organized into three phases; from (I) the promoting of the root [agriculture] and the constraining of the branch [commerce] to (II) the adopting of commerce to supplement agriculture, and finally, to (III) the building of a nation state upon commerce and industry. The detailed aspects of Chosŏn commerce in the fifteenth and sixteenth centuries illustrated in this paper describe the typical features of phase (I), and the conditions in the transitional period from phase (I) to phase (II).

Keywords: Confucian State, Commercial Perception, Commercial Policy, *Sijŏn* (市廛), *Changsi* (場市), Currency, Foreign Trade

〈국문초록〉

유교 국가와 상업 - 조선전기의 상업 재고(再考) -

박평식 (서울대)

본고는 한국사학계와 세계 역사학계의 조선전기 상업사 이해 체계에 대한 비판과 문제의식 속에서 작성되었다.

한국사에서 15~16세기는 상업이 부진하고 침체하여, 이른바 ‘자급자족’의 자연경제가 펼쳐졌던 시기였을까? 더욱이 당시 세계사 차원에서 이른바 ‘상업의 시대’가 발흥하였던 시기에, 조선 사회는 이 같은 흐름에서 소외되거나 아니면 스스로 이를 거부하면서, 전형적인 유교 국가로서 상공업을 부정하고 억압하는 농업사회의 면모를 이 시기 내내 고수하고 있었을까?

고려 말 이래 조선 상업은 국초의 유교적 재편성 과정을 거쳐 그 내적인 변동과 발전을 추진하는 가운데, 그리고 중국과 일본 등 주변 나라들과의 접촉과 교역을 통해서 그 변화를 지속하고 있었다. 특히 16세기에 들어서는 그 발달상이 더욱 두드러졌다. 이 시기 도성 상업의 확대와 발전, 비시전계 사상인의 등장과 ‘난전’으로서 시전 압박, 지방 장시의 출현과 전국 확산, 교환수단으로서 준명목화폐인 추포의 통용과 ‘추포경제’의 진전, 그리고 중국의 사치품과 일본산 은을 활용하여 양국을 잇는 중계무역을 통해 대외무역에 적극 나서고 있던 조선 상인들의 모습 등은 모두 한국 또는 세계 역사학계의 평가와는 전혀 다른 양상들이었다. 당대 동아시아를 무대로 펼쳐지던 상업의 시대에 조선 상업과 상인들 역시 능동적이고 주체적으로 참여하고 있었던 것이다.

요컨대, 유교 국가이자 농업사회인 조선에서 상업은 (I) ‘무본억말’ 단계 → (II) ‘이말보본’ 단계 → (III) ‘상공업입국’의 단계로 역사적인 진행을 하였으며, 그 중 15~16세기의 상업은 (I)단계 조선 상업의 전형이자 장차 (II)단계로 전환되는 과도의 시기에 해당하는 것이었다.

주제어: 유교 국가, 상업인식, 상업정책, 시전, 장시, 화폐, 대외무역