The Values of Entrepreneurship in Early Modern China

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Introduction

In his 2008 monograph, *Capitalism with Chinese Characteristics*, Yasheng Huang takes a fresh approach to the question of what factors have contributed to the rapid growth of the Chinese economy since 1978, following Deng Xiaoping’s economic reforms. Huang demonstrates that although GDP growth in the 1990s was numerically quite similar to that of the 1980s, that growth resulted from very different impetuses: rural entrepreneurship in the 1980s and a shift to state-led development in the 1990s. The discrepancy between these paths to a rapidly growing economy, he argues, has “substantial and real welfare consequences” (Huang 2008, xvii) including more effective poverty reduction, less income disparity, less illiteracy, and more widespread government services during the earlier period when growth was driven by rural entrepreneurship. Huang’s account proves that rural entrepreneurship is a more desirable, and more ethical, method of driving economic growth than a state-directed model because it does much more to improve the quality of life – the welfare – of the people. This essay situates some of the concerns motivating Huang’s analysis in historical context to demonstrate how our understanding of entrepreneurial values in China today might be deepened through an analysis of entrepreneurship in China before the nineteenth century.

I have approached the problem of the value and values of entrepreneurship from the field of literary studies. I work on the early Qing period (1640s-1670s), which predates the two decades of Huang’s study by just over three hundred years.

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Despite differences in discipline and period, I nevertheless share Huang’s interest in exploring the functions and ethics of entrepreneurship in a Chinese context. In this essay, I draw some connections between the key terms and concepts used to analyze entrepreneurship at disparate moments in the development of the modern Chinese world. I introduce the entrepreneurship of the seventeenth-century maverick literatus, Li Yu (1611-1680) and bring it into conversation with work on entrepreneurship in the later Qing and the modern period. I use this comparative analysis to broaden our understanding of categories frequently asserted in both contexts – such foundational terms as “Chinese,” “entrepreneurship,” and “welfare.” I conclude by commenting on what can be gained by historicizing these terms and the values associated with them.

Entrepreneurship with Chinese Characteristics?

What is “Chinese” about entrepreneurship in China, and how has it changed over time? In the 1980s, economists began to address the first of these questions under the auspices of comparative social science, marking a significant break from simply considering business practices in China and other places to be belated or underdeveloped relative to the West (Greenfield and Strickon 1981, 469; Redding 1991, 152). Entrepreneurship itself had been understood since the influential work of Joseph A. Schumpeter to be the driving force of development. Schumpeter described the role of entrepreneurship in spurring development in this way: “the creation of new combinations of materials and forces that disturb previous equilibrium states and result in new ones that on a priori grounds are assumed to be better” (Greenfield and Strickon 1981, 469).

What is notable about Schumpeter’s theory of development is his focus on the critical role of the individual in driving a society ahead, from equilibrium to equilibrium (Greenfield and Strickon 1981, 468). Comparative studies beginning in the 1980s broke with this model, allowing for the possibility of multiple paths to development and modernity, refusing to begin from the assumption, following Max Weber, that a particular cultural model was superior to others. One such study posited, for example, the possibility of “a non-individualistic version of capitalist modernity” and questioned the inevitability of the “linkage between modernity, capitalism, and individualism” that had previously been assumed (Berger 1988, 6; Redding 1991, 138). Another concluded that Japanese, Korean, and overseas Chinese can be considered together to elucidate an “East Asian develop-
ment model” that constitutes a “movement toward modernity [that] has not been accompanied … by a noticeable rise in individualism” (Redding 1991, 152).

Comparative studies like these consider entrepreneurship in China largely on its own terms, but the comparative method ultimately remains committed to drawing connections and contrasts between different cultures or systems, comparisons that are accompanied by familiar value judgements. In the study just referenced, for example, the author concludes that Weber’s assumption that “a moral base in religious values is a necessary precondition for the legitimizing and encouraging of entrepreneurship” (Redding 1991, 152) – a moral base he locates in a general adherence to a “secular Confucianism” that promotes widespread paternalism across Asia. While no English-language study of entrepreneurship in China can entirely avoid comparisons with the West, a study that compares the values of entrepreneurship across time in China rather than across modern nation states will look for different kinds of similarities.

A comparative study of entrepreneurship in China that includes the early modern period, when the word itself did not yet exist, must first define the term and its scope. Only in this way will it be able to address the second question with which I opened this section – that of how Chinese entrepreneurship has changed over time. The term “entrepreneurship” can refer to a range of different practices and qualities, which become even more complex when we consider how we might broaden the scope of the term to include historical examples. Let us begin with a modern definition posited by Yasheng Huang. He has noted that “a universally accepted definition of entrepreneurship is self-employment business. Self-employment businesses are single proprietorships, and in China they are formally known as individual businesses (geti hu) or individual economy entities (geti jingji) in the Chinese statistical reporting system” (Huang 2008, 58). This contemporary understanding of entrepreneurship insists that, most fundamentally, it is about undertaking business activities in such a way that an individual proprietor can exert significant control over the direction of the business. Geti hu signifies a very particular modern category of business entity that is by definition contrasted to other types of business entities in the same period, such as state-owned or collective enterprises. While geti hu has occasionally been used as an analytical category to analyze business in the Qing dynasty, it does not offer a sufficiently robust definition of entrepreneurship to justify using it as a category for comparative historical analysis.

In recent years, historians have begun to theorize entrepreneurship in Chi-
na in ways that explicitly contest its purported relationship to capitalism and Western influence. As such, they are faced with the challenge of articulating a definition of entrepreneurship in the absence of an obvious contemporary category from the period under consideration. Two recent studies offer particularly promising methodological strategies for dealing with this thorny issue: Madeleine Zelin’s *Merchants of Zigong: Industrial Entrepreneurship in Early Modern China* (Zelin 2005) and the collected essays in *The Business of Culture: Cultural Entrepreneurs in China and Southeast Asia 1900-1965* (Rea and Volland 2014). Each seeks, through different methodologies and objects, to revise historical narratives that propose that the lack of development of modern institutions like modern legal or banking systems precluded economic development and creative enterprise in imperial China. Zelin’s study of the salt industry in Zigong, Sichuan during the late Qing and early Republican period demonstrates that merchant-entrepreneurs succeeded in developing and regulating a large-scale industry in advance of the adoption of foreign institutions and practices in China. Rea and Volland’s edited volume proposes entrepreneurship as a conceptual category that encapsulates in a more robust fashion the range of cultural work undertaken by individuals and institutions for profit from the late nineteenth through the first half of the twentieth century.

In both of these English-language studies, the term “entrepreneurship” is used to theorize a relationship between individuals, institutions, and the market in a way that is distinctive to the particular historical circumstances of this period of Chinese history. Zelin characterizes entrepreneurship as a “willingness to take risks, make long-term investments, and exercise entrepreneurship in seeking new markets, new sources of capital, new technologies, and new forms of business organization” (Zelin 2005, 185). Her study suggests that Zigong’s remote location in Sichuan allowed entrepreneurs to develop their industry largely without interference from the state until the final decades of the Qing dynasty (1870s-1900s), when enhanced imperial control finally made it impossible for the private businesses to continue flourishing as they had from the founding of the dynasty until then (Zelin 2005, 2–3). This conclusion resonates with Yasheng Huang’s claim that private entrepreneurship is better for welfare.

Rea and Volland propose that a convergence of historical circumstances during the very late Qing dynasty and the first half of the twentieth century encouraged cultural entrepreneurship to an unprecedented and unsurpassed extent (Rea and Volland 2014). In Rea’s contribution to the volume, he proposes “cultural entre-
entrerprise’ as an analytical concept for explaining a particular form of cultural agency that arose in early twentieth-century Asia: a pluralistic approach to the art and business of culture characterized by active participation in multiple modes of cultural production. . . . It is entrepreneurial because it involves the investment of both talent and capital in new enterprises. . . . [new forms of technologies] also encouraged experimentation with a variety of media and genres” (Rea 2014, 10). He proffers technological advances, changes in the political sphere, and the abolition of the examination system as key reasons that this historical moment produced such prolific and creative entrepreneurship.

Both of these studies characterize entrepreneurial behavior in similar ways: a willingness to embrace the uncertainties of risk, to invest in – or create – new markets for their products, to exploit new technologies for profit, and to experiment with new business models or new combinations of established occupations. The combination of these behaviors that we have come to understand as entrepreneurship can be found in the early modern period as well, as my research demonstrates. Identifying this set of qualities and practices makes possible a comparative analysis of how entrepreneurship was perceived in the early modern period, what sorts of change it effected, and what impact it had on social welfare. In short, I look at the values and effects of entrepreneurship in China as it was practiced before self-conscious modernization or significant Western influence.

I contend that a consideration of China’s capitalist or socialist particularities, often epitomized in a phrase like “socialism with Chinese characteristics,” is better understood through a method that embraces Chinese history. “Chinese characteristics” signifies not only a deviation from Western expectations, but also the persistence, preservation, and expansion of Chinese practices from earlier periods, practices that have a fraught and historically specific relationship to Confucianism. A case study from the Ming-Qing transition will allow for a preliminary exploration of the values and effects of the particular amalgam of characteristics and practices we have come to associate with entrepreneurship. At a time when it seems particularly urgent to nurture entrepreneurship in rural China, we might remember that longstanding Chinese traditions of entrepreneurship far exceed the attention they are usually given in contemporary discourse.

**Early Modern Entrepreneurship?**

The Confucian division of men into the hierarchical social categories of literati
(shi), peasants (nong), artisans (gong), and merchants (shang), which relegated those involved in trade to the lowest ranks of social life, persisted as an ideal throughout the dynastic period, despite significant social and economic changes. From the middle of the Ming dynasty, a commercial boom made merchants wealthier, even as it became increasingly difficult for scholars to obtain an official position in the bureaucracy (Ho 1962; Elman 2000). With the old roles shifting beneath them, many men found themselves occupying positions that were neither literatus nor merchant. It became possible for merchants to purchase official positions, even as great numbers of scholars gave up pursuing success in the examinations to take up trade (Brook 1999). Many of the most famous cultural figures from this period—such as author/publisher Feng Menglong and painter/writer Chen Jiru—supported themselves by selling their works (Greenbaum 2007). Such a blurring of distinctions between merchants and literati poses a significant challenge to the historian because it was elided in most contemporary accounts of social practice: intellectual exchange was not only consistently valorized as superior to mercantile exchange, but monetary or in kind compensation for intellectual labor often went unmentioned as well (Clunas 1991; Cahill 1994; Hay 2001; Chow 2007).

The fraught intersection between the subject position of the literatus and that of the merchant offers the historian a rich trove of material through which to explore the values of entrepreneurship in the early modern period. Faced with supporting themselves financially, many educated men became entrepreneurs, undertaking risky profit-producing business ventures. They explored new markets—Feng Menglong, for example, created a brand-new market for the vernacular short story—and they diversified the range of profitable activities they engaged in, from writing fiction, plays, joke books, and essays, to producing painting manuals, albums of paintings, and exclusive illustrated editions. Despite the fact that they were making a living selling books, investing capital into developing new kinds of books, and building up brand names that would increase sales of those books, these men did not consider themselves merchants. At the same time, merchants engaged in more traditional sorts of trade, and especially those trading in salt, found that wealth could buy them social distinction more readily than it had before. As a result, merchants began to participate enthusiastically in, and even contribute to, literati culture, even as literati began, furtively and in denial, to undertake the activities of the merchant and trader class (Wu 2012).

The analytic category that has been most often used to characterize these hybrid figures is “scholar-merchant” (shishang). As Cynthia Brokaw has described
in her study of Sibao book merchants, these shishang are individuals who “insisted that they were a special kind of merchant… devoted not just to the petty search for profit, but to the spread of learning” (Brokaw 1996, 64). The figure of the shishang, produced in the urban milieu of the mid- to late Ming, effectively collapses the two poles of the Confucian social hierarchy into a single social role. Kai-wing Chow has reconstructed the processes, costs, and profits associated with this group – especially their involvement with the publishing industry – in the late Ming period from a very slim archive (Chow 2007). In doing so, he has been able to uncover the economic realities underlying relationships that shishang took great pains to bury.

Exposing the literati’s disavowed profit-seeking in their literary and publishing endeavors is a worthy project, but it does not necessarily differentiate innovative, creative, or risky – in a word, entrepreneurial – endeavors from more commonplace ways for literati to turn a profit (by, say, writing epitaphs or prefaces, or selling paintings). It may very well be the case that the more entrepreneurial literati (or shishang) were more willing to talk about their aim to profit through the sale of cultural products, but it is not a given. The distinction I am interested in here is not between those literati who would admit to selling their writing and those who wouldn’t, but between those who found creative ways to develop and expand their products, who took risks, and who sought out new markets, and those who did not, regardless of whether they were explicit about seeking remuneration. Not all salesmen, after all, can be described as entrepreneurial.

In order to fully extricate entrepreneurship from a larger context of early modern market-focused behaviors, I focus on the practice of entrepreneurship, rather than on the figure of the entrepreneur or the shishang. In focusing on entrepreneurship as a behavior rather than as a type of person, I follow Keming Yang, who, in his study of entrepreneurship in China, has suggested that entrepreneurship should be conceived of as a behavior, or an activity, which is a temporary, passing quality rather than a particular type of social actor (Yang 2012, 8). In this theorization we can see that, as my research demonstrates, literati were frequently entrepreneurial, more or less discreetly seeking out market-based profit as it became more difficult to earn an official position in the late Ming, and even more so during the turbulent dynastic transition that followed. This was true leading up to and during the seventeenth century, and it became pronounced again as the twentieth century approached.

In asserting this model of historical continuity – of a long and rich history
and culture of Chinese entrepreneurship – I am also arguing that “capitalism with Chinese characteristics” has its own complex line of evolution. Rather than consider the transition from the dynastic Qing to the Republican nation-state as marking a break between the traditional past and the modern present, and relegating the literatus of the past to be generalized, even with caveats, as one who “disdained commerce and concerned himself exclusively with aesthetic and moral matters” (Rea 2014, 11), we should allow that any number of particular historical circumstances have paved the way for entrepreneurship to become a widespread practice in China today. By acknowledging the variety of histories of entrepreneurship within cultural constraints, this approach shows how China at different historical moments made space for individual creativity, and when and how it became possible for that creativity to be profitable.

Li Yu's Cultural Production: 
A Case Study of an Early Modern Entrepreneur

I focus in what follows on a case study of a highly educated, risk-embracing, and very profitable seventeenth-century figure known as Li Yu. Born into a family of doctors and pharmaceutical vendors who had settled in Rugao, Jiangsu, Li Yu distinguished himself from a young age through his aptitude for study. His education was to eventually lead to an official position. Despite early recognition by regional officials, Li Yu was not initially successful in the examinations, and when the Ming dynasty fell in 1644, he was approaching his mid-thirties without an official position.

The dynastic transition of that decade caused massive upheavals across China: many of the political and cultural authorities of the Ming were killed, took their own lives, or went into reclusion as loyalists (yimin) to the Ming, refusing to serve under the Qing. Those who did serve under the Qing often sought to sponsor loyalist projects in an effort to share in the remembrance of the Ming. Urban hubs throughout the Yangzi River delta experienced major upheaval, and the near total elimination of existing cultural authorities and increased literati mobility generated an unprecedented quantity of profitable experiments of people improvising to survive (Meyer-Fong 2003, 102). In their business engagements, these men practiced strategies of distinction in which reliance on the market was usually paired with disdain for the uncultured.

In the midst of this crisis, Li Yu gave up the traditional pursuit of success
through the examination system and embarked on a career as a writer of fiction and plays in the bustling city of Hangzhou. His fiction abounds in clever plot construction and bawdy humor; his plays are raucous, farcical, and, above all, entertaining. Innovation (xin) is the defining feature of Li Yu’s literary production, and it was through these stories and plays that he first gained fame (and financial security) across the new empire (Hanan 1988).

Over the thirty years of his career, Li Yu made a brand of his name, and he used that brand to market a diverse array of cultural products. He engaged in experimental cultural production at the intersection of the market, aesthetics, and technology in a practice I propose is best characterized as entrepreneurial. He combined a pursuit of innovation with the production of easily reproducible designs, and the resulting cultural production presents a compelling model for thinking about entrepreneurship in the pre-industrial world.

Just how was his work entrepreneurial? First, he constantly sought to diversify and innovate. During the 1650s, he published on average one new play or short story collection per year. From 1660, he shifted his focus to collections of letters, court cases, and regulated verse that included writing solicited from dozens of cultural figures throughout the empire. Near the end of his life, he wrote Leisure Notes (Xianqing ouji, 1671), a collection of essays full of designs and suggestions that promised to make the reader’s everyday life extraordinary, without significant expenditure. One essay teaches readers how to install a pulley system to rig stage lighting; another describes a design for retractable eaves that allow one to enjoy a garden, rain or shine. In genre, subject matter, and tone alike, Li Yu pushed the limits of what was considered acceptable writing for educated men of his day.

Li Yu’s work is also entrepreneurial for the creativity and flexibility with which he embraced market-oriented cultural production. Unlike many of his fellow literati who might quietly receive remuneration for standard literary products like prefaces or calligraphy-adorned fans, Li Yu exploited the more obviously commercially oriented publishing business. He printed books at his garden residence in Nanjing where he marketed and sold books and stationery. He also undertook a range of non-literary commercial ventures such as designing gardens and directing a theater troupe that he toured to the homes of wealthy patrons. Garden designers and actors were still very lowly social positions, even though a few aficionados had become famous for their association with them.

The most distinctively entrepreneurial aspect of Li Yu’s work is his experimentation with writing and print as technologies. Li Yu stands out among his compa-
triots for the sheer range of products he developed, but he nevertheless maintains and even extends earlier types of social hierarchy by producing and enforcing new modes of consumption. He experimented with the ability of writing and print to transport new kinds of cultural products to a broader reading public, and in doing so, he generated cultural objects that blur the boundaries between production and consumption. Instead of approaching a purchaser as a pure consumer, many of Li Yu’s cultural products encouraged interactivity and personalization, demanding, for example, that you stop reading to go and paper your walls. It’s hard to get lost in a novel when Li Yu’s narrator is constantly interrupting you, just as it’s hard to live in a study with bare walls after you’ve read about Li Yu’s design for crackle-glazed wallpaper that will make you feel as if you’re living inside a teapot. In this way, he invited consumers to share the burden of the production of culture, even while the final product retained his brand name.

**Both Technologically Reproducible and Singular: Who Owns a “Li Yu” Fan Painting?**

To illustrate this point, I will present just one of the innovative products Li Yu developed at the intersection of innovation and technological reproducibility: his solution to the problem of how to make a technologically reproducible painting that nevertheless retains something of the uniqueness of a fan painting produced on commission for a customer (or friend) that boasts the traces of the artist’s brush. The problem Li Yu aimed to solve in this case was how to make a reproducible fan painting that is not simply a picture of a fan painting.

For a writer or a painter in the preindustrial patronage system of the early Qing, fame came with incessant demands for new products. Li Yu had given much thought to what it would be like to make a living selling traces of one’s brush. His 1653 play, *Ideal Love-Matches* (*Yizhong yuan*) depicts two pairs of well-known late-Ming poet-painter-calligraphers: cultural giants Dong Qichang (1555-1636) and Chen Jiru (1558-1639). The play opens with Dong and Chen complaining about the burden of requests for their works; they plan to spend the day in disguise so that potential customers will not approach them. Instead of refusing buyers, however, the painters of Li Yu’s play embrace falsehood in advertising: they each end up marrying a woman who forges their paintings for a living, thus doubling the production capacity for their brands.

But “doubling” was not a sufficient scale for Li Yu. He focused on woodblock
printing, whose simpler technological reproducibility ensured faster production. He reconceptualized print, forging a new path as a designer who made easily reproducible books work in new ways. Whereas connoisseurship manuals had long profited by commodifying knowledge about the proper consumption of luxury goods, Li Yu’s essay collection, Leisure Notes, is full of reproducible designs that commodify everyday life, as well as new valuations of old luxury goods, like paintings, bronzes, and tea. In his play, Ideal Love-Matches, accomplished artists suffer in their dealings with uncouth customers, even as they profit from them.

Li Yu resolves this inconvenience by marketing unique “Li Yu fan paintings” for each reader that could be distributed without extra effort or individualized attention on his part. Instead, the reader makes the painting based on instructions for its design in his purchased copy of Leisure Notes. In one of the essays included in that text, Li Yu suggests that readers carve a window shaped like a fan into the wall of a boat, and then completely seal every other opening, so that light can only enter through the fan-shaped window opening. Li Yu’s fan-shaped window offers two fan paintings in one: Those on the boat enjoy a scenic landscape painting, while anyone walking along the shore would see a fan painting depicting a lively party. Even at home, he suggests, one can capture a scene in a similar fashion, using old branches, or rocks, or birds to create a diorama on a board outside a window.

With this “fan painting,” Li Yu solves the problem of authenticity – he is the designer, but readers capture the view – and the problem of labor – performed by readers per his instructions in the easily reproduced woodblock printed book they have purchased – mobilizing a brand name in new ways and using it to claim technical designs that have yet to be realized. He uses the old technologies of writing and print to produce, reproduce, and profit from such designs, many of which he never saw constructed. This essay, combined with each reader’s paper, glue, labor, and time, produces an original “Li Yu fan painting.”

With designs like this one, marked with his brand name, Li Yu borrowed readers’ labor to commodify their everyday lives as he saw fit: from objects, like chairs or drawers, to such mundane activities as sweeping or even walking. This particular combination of innovation and technological reproducibility makes print work in new ways: it offers a personalized, tailored, and interactive experience, by requiring readers to provide their own resources – materials and labor, alike – to make their own “Li Yu original.” In this way, Li Yu used books to spread his brand name throughout the empire, attaching it to windows, incense tampers,
theatrical performances, and even beds, all without ever encountering those material objects.

Li Yu gained a wider clientele, and required less financial support from each client, than he would have as a painter or calligrapher: by forming a peculiar hybrid of writing and design, his works could be mechanically reproduced by his servants and widely disseminated at an urban point of sale. But in order for him to profit, he needed to find a way to convince readers that he had rights to each copy of those easily reproduced records of his designs – his books. Li Yu’s books were reproduced without authorization – that is, pirated – as early as the 1650s, but his most interesting statement about his sole right to produce copies of his books appears in an essay on stationery in Leisure Notes.

Permission is granted to copy all the new designs in this book except the stationery designs, which I get my servants to manufacture and sell as an alternative to making a living by my brush. These may not be reprinted. (Li Yu 1992, 3.229; adapted from translation in Hanan 1988, 14)

Stationery, for which he also offers several novel designs, is the only design in Leisure Notes that can be easily reproduced on a mass scale. Concerned for his livelihood, Li Yu declares:

As for those who reprint my books in the belief that their wealth and power will protect them, […] they are living off my labor, and that is a situation I cannot tolerate. I swear that I will fight them to the death, and hereby give notice to the authorities that this book marks a new policy on my part. […] Heaven and Earth endowed every person with a mind and it is up to each of us to develop our intelligence. I have done nothing to stultify their minds or prevent them from developing their intelligence. What right do they have to take away my livelihood and prevent me from living off my own labor? (Li Yu 1992, 3.229; adapted from translation in Hanan 1988, 14–15)

Here, Li Yu argues fervently against the unauthorized reproduction of his books and stationery precisely because he knows that consumers lose nothing when they purchase a pirated edition of these technologically reproducible products. Li Yu’s printed books and his stationery have always been copies, and their popularity and lack of any authentic traces of a brush, seem bound to invite further copying.
According to Stephen Owen, the literati practice of claiming that “a singular style or a text that memorably represents an experience or a place” is a “more secure” form of “ownership” than actual possession of land dates to the mid-Tang (Owen 1996, 31–33). Li Yu has fully embraced this notion, using his style and writing to claim “ownership” over a broad range of things, not only places he has visited or objects he owns, but things he has never seen, things that belong to every one of his readers. Li Yu’s vociferousness regarding his rights to his designs and written works draws on this literati practice of using language to claim moral and spiritual ownership of land – in the absence of, and as superior to, financial ownership. Because Li Yu, unlike these earlier literati, also depends on the profits from his cultural production to survive, he finds a way to inscribe economic value within this conception of textual, or “spiritual,” ownership, insisting that money should be spent only to acquire what is actually valuable: that which is as far from the materiality of the objects in question or their actual owners as possible. Readers pay for their fan paintings, after all, by giving up their right to claim ownership of them.

**Conclusion**

By way of conclusion, I would like to return to the question with which I opened: What can be gained through historical contextualization of entrepreneurship in China today? In order to address this question, I have also explored the broader question of when, and why entrepreneurship happens, and how it changes social relations.

In Li Yu’s case, the impetus for entrepreneurship is very clearly the dynastic transition. Without political, social, and economic upheaval, Li Yu’s career would doubtless have turned out differently. The disappearance of cultural giants from the major cities of Jiangnan, the loss of faith in the ruling family, the lack of desire to continue to pursue success in the examination, and the very physical uprootedness that many educated young men experienced in this period combined to make possible the serious pursuit of a different sort of path. These new paths that opened for a few decades in the early Qing dynasty were characterized by the pursuit of broad commercial success through the diversification of production and continual expansion of the consumer base. As I have shown, many men at this time opted to remain on a more traditional path, but Li Yu’s ambitions were too great for a profession in decline.
In branding himself, Li Yu inflated his ego to an almost unprecedented degree. He constantly praised himself, his ideas, his writing ability, and his creativity in writing. Patrick Hanan has argued that this is a “persona” that Li Yu created to sell his books (Hanan 1988), but it might also be interpreted as the personality, or set of traits — restlessness, creativity, curiosity — that led him to pursue an entrepreneurial path. Prior to the fall of the Ming, these personality traits had very little chance to be developed as Li Yu was bound to the traditional Confucian education regimen and path to official success.

How does entrepreneurship change social relations? In this case, Li Yu challenged many of the foundational moral principles according to which Confucian-educated men understood themselves. Although he certainly had detractors in his day, he found creative ways to present compelling alternatives to a range of long-held beliefs. He was committed to considering all sorts of situations and things from multiple perspectives, pointing out those aspects that others had missed by relying on common sense or received wisdom. If we consider the effects of Li Yu’s work over the course of the Qing, it cannot be argued that he revolutionized Confucian thought or social relations. In fact, as the Qing rulers solidified their control over the empire and educated men got back to the business of ruling, there was not social or cultural space for the sort of entrepreneurial activity that made Li Yu famous and (at least a little) rich.

In addition to challenging the moral values of the Confucian educated, Li Yu also sought to broaden the scope of his readership, expanding the realm of the literate and the literary to include a larger group than had previously been included. Li Yu sought to accommodate a broader public comprised of a multiplicity of readers who come to his texts with disparate levels of education and divergent desires. Through careful observation of early Qing society, Li Yu sought to welcome and cater to both erudite scholars and less educated readers. In this way, his works differ from most of those written by other literati (wenren) — a category usually rendered in English as “scholars,” “literati,” or “intellectuals.” As outlined above, in this period educated men asserted their identities as intellectuals in order to distinguish themselves from merchants and artisans, regardless of whether they had attained an official position or were engaged in the same for-profit activities as those from whom they sought to distinguish themselves. Li Yu’s extensive classical education made him unmistakably part of this group of intellectuals, but he never passed the examinations or held an official position, using his intellect instead to make a living marketing his entertaining books and plays to a range of people that
included women, merchants, artisans, and others.

Our final lesson from entrepreneurship in early modern China lies precisely in this capacity for entrepreneurial activity to break down social barriers and bring previously excluded groups into the dominant cultural sphere. One of Li Yu’s key – and most controversial – interventions was his willingness to challenge the elitism of the literary world. In *Leisure Notes*, Li Yu deflates the prestigious category of “wenren” by subjecting it to a literal interpretation. Noting that *wenren* means “literary people,” he claims that rather than include “just those scholar-officials or gentry (caishi), anyone who can recognize characters (shizi) should be included in the group” (Li Yu 1992, 3.351; see Hanan 1988, 199). In another essay, on the importance of teaching women to read, he calls literacy “the key that unlocks every door,” and suggests, somewhat radically, that it has the potential to benefit everyone: men and women, young and old alike (Li Yu 1992, 3.143). The proposal here is provocative: in his understanding of literature and language, Li Yu’s interest in marketing his own writing results in a veritably democratic proposal for universal literacy. In seeking profit, this early modern entrepreneur ended up promoting inclusiveness. Perhaps entrepreneurship “with Chinese characteristics” can and still does draw on this vision of the entrepreneurial role.
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