

## **The Circulation of Small Denomination Currency in Early Modern Vietnam: An Analysis from a Comparative Perspective**

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Historically, Japan, Korea and Vietnam commonly used Chinese style copper coins as small denomination currency. As for the money use in these three regions, we can discern two similar trends between the late seventeenth and early nineteenth century. First, all three regions succeeded to integrate monetary circulation based on domestic currency. Plentiful supply of domestically manufactured coins enabled to curtail the import of Chinese copper coins; as a result, domestic monetary circulation was unified step by step. This process could be called “early modern monetary integration.” Second, between the eighteenth and the nineteenth century, besides traditional copper money, the government of each region started to mint coins made from non-copper materials, such as zinc and iron. The appearance of non-copper coins sometimes triggered disastrous inflation; however, in the long term, it contributed to the increase of the monetary supply and stimulated economic development in each region.

In Vietnam, the minting of its own copper money dates back to the tenth century. However, until the eighteenth century the circulation of copper coins minted by successive Vietnamese dynasties was not substantial. Foreign copper coins, such as Chinese and Japanese ones played an important role in the domestic economy. The eighteenth century saw dramatic changes in monetary circulation of Vietnam. In Northern Vietnam, the Le-Trinh government started to mint copper coins on a hitherto unprecedented scale based on the proliferation of domestic copper mine output. In the same period, innovations in the monetary system took place in Southern Vietnam where Nguyen lord ruled from the late sixteenth century. Facing a serious shortage of currency, Nguyen lord began to mint zinc coins instead of the traditionally used copper coins. People welcomed the newly minted coins and zinc coins soon became dominant in Central and Southern Vietnam.

After the disastrous 30-years civil war, the Nguyen dynasty unified Northern and Southern Vietnam for the first time in history. The Nguyen dynasty continued to mint zinc coins and extended their circulation to Northern Vietnam. At the same time, the Nguyen dynasty collected the various copper coins, such as former Le-Trinh coins and Chinese coins to re-mint them. With political integration, the integration of monetary circulation also proceeded at an unprecedented level. The nationwide introduction of zinc coins altered the economic role of copper coins. The face value of copper coins gradually increased, and the economic role of copper coins shifted from a means of exchange to one of storing value.