

The Relationship Between Migration and Private Enterprises in Shanghai during the Late Qing Dynasty and the Early Republic of China

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Abstract. In the late Qing Dynasty and the early Republic of China, private enterprises in Shanghai made rapid development. There are many reasons to promote the development of private enterprises in Shanghai. From the perspective of population migration, this research analyzes how the migration of Chinese and foreign population to Shanghai promoted the development of private enterprises in Shanghai in this period from four aspects: concession, labor and demand, technology, and the change of government control over enterprises. By analyzing old photographs and data from local gazetteers of Shanghai, the paper also investigates the relationship between migration and private enterprises in Shanghai. It demonstrates that the foreign and domestic migration to Shanghai significantly contributed to the development of private enterprises in Shanghai during the late 19th and early 20th centuries.

Keywords: private enterprises, migration, Shanghai.

1. Introduction

In the late Qing Dynasty and early Republic of China. Private enterprises in Shanghai have made rapid development. There are many reasons for the rapid development of private enterprises in Shanghai at the time. After the opening of Shanghai's commercial port in 1843, a large number of westerners entered Shanghai. The functions of Shanghai's concession became more functional and the number of foreign enterprises increased. This quickly makes Shanghai an international metropolis. In the period thereafter, Shanghai also attracted many domestic people to migrate to the city. The entry of a large number of domestic populations contributed to change in the supply and - demand of private enterprises in Shanghai. At the same time, the control of the government over enterprises was also gradually changing.

From the perspective of population migration, this research analyzes how the migration of Chinese and foreign populations to Shanghai has promoted the development of private enterprises in Shanghai in this period. The paper includes four aspects: concession, labor and demand, technology and the change of government control over enterprises. By analyzing old photographs and data from local gazetteers of Shanghai, the study investigates the relationship between migration and private enterprises in Shanghai. The study demonstrates that the foreign and domestic migration to Shanghai significantly contributed to the development of private enterprises in Shanghai during the late 19th and early 20th centuries. It further reveals the historical origin of today's Shanghai as a developed and international cosmopolitan city.

2. Shanghai Concession and Its Impact

The inflow of foreign population promoted the formation and development of the concession, which objectively provided an opportunity for the development of private enterprises in Shanghai. After the signing of the Nanjing Treaty in 1842 and the Five Port Trade Charter in 1843, Shanghai opened a commercial port, and a large number of foreign businessmen and missionaries entered Shanghai.

Large number of foreigners started commercial and religious activities after entering Shanghai. With the development of time, foreigners use concessions to carry out more and more modernization

activities. So the increase of foreign population in Shanghai resulted in various facilities. Many churches, foreign firms, schools and other public facilities were built in the concession areas.

Because of the international connections of the concession, Shanghai was less attacked by the war. To a certain extent, the existence of a large number of concessions made Shanghai a safe place. Shanghai maintained a stable social order during the frequent wars in the late Qing. This stable environment was one of the conditions for the development of private enterprises in Shanghai. Because people generally maintained an optimistic attitude towards the sustainable operation of Shanghai enterprises, Shanghai Concession became a concentration place of modern enterprises. This can be seen from the data that there were more than 30000 commercial users in the concession of 33 square kilometers in Shanghai in 1933[1]. This factor also further attracted a large number of people to move to Shanghai from other cities in China. In addition, the inflow of foreign businessmen has promoted the formation of many foreign-funded enterprises in the concession of Shanghai. These foreign companies provided examples for private enterprises in Shanghai in terms of system and operation.

Among these immigrants, domestic immigrants come from all over the country, which makes Shanghai not have strong local ideas and conservative traditions, and forms an open and diversified immigration culture. At the same time, most of the foreign immigrants are engaged in commercial, financial or religious work. While spreading culture, Shanghai has formed a relatively developed industrial, commercial and municipal management system. With the help of immigrants, Shanghai has gradually formed a modern urban system. This environment has also continued to attract more domestic and foreign industrial and commercial personnel, promoting the rapid progress of private enterprises in Shanghai.

3. Domestic Migration and Its Impact

3.1 Labor and Consumption Demand

According to “Study on Population Changes in Old Shanghai” published by Zou Yiren in 1980, from 1852 to 1949, the net population growth of Shanghai exceeded 5 million [2]. The population of Shanghai increased nine times, and two-thirds of them are immigrants.

At the same time, the number of factories in Shanghai is also increasing rapidly. According to Study of Modern Shanghai City edited by Zhang Zhongli in 1990, China's national industry was mainly concentrated in Shanghai in the early period of the Sino Japanese War of 1894-1895. By 1947, the number of industrial enterprises in Shanghai accounted for 60% of the total number of 12 major cities in China [3]. The sharp increase in the number of private enterprises in Shanghai inevitably required more labor. At the same time, the products produced by emerging factories also required a larger market demand.

In the modern enterprises of Shanghai in the late Qing Dynasty, a large number of modern industrial instruments were used. On the one hand, the use of these industrial instruments could increase production efficiency and thus provide more products. Meanwhile, private enterprises were dominated by the light industry at that time. The rapid expansion of private enterprises in Shanghai also indicated that there was a strong market demand in Shanghai at that time. The increasing consumption demand resulted in the growing population caused by domestic migration.

On the other hand, such massive machines needed a large number of skilled employees to operate. This meant that Shanghai industry required more workforce. The large number of immigrants from other parts of China provided an adequate labor force for the rapidly expanding private enterprises.

3.2 Providing Advanced Technologies

The migration of foreign businessmen promoted the spread of modern industrial technologies in Shanghai. The fields involved by foreign-funded enterprises include textile mills, shipyards, printing plants, steel mills, etc. For example, in terms of textile technology, before the opening of Shanghai, the folk textile industry was dominated by manual textile. With the inflow of advanced technology,

European textile technology was introduced in 1870 to support the operation of modern large-scale textile factories. Take Shanghai Machine Weaving Bureau as an example. In 1883, Zheng Guanying, who was responsible for purchasing machines and raw materials, purchased foreign textile machines and used domestic cotton as raw materials, making the quality of the cloth produced unable to meet the standard of high-quality fine cloth. In 1990, after Yang Zonglian and Yang Zonghan brothers took over Shanghai Machine Weaving Bureau, they hired many foreign technicians. With the help of foreign advanced weaving technology, the twill cloth produced by them was loved by the people. At the same time, the output has been expanded and the production efficiency has been improved.[4] All of these provided technical support for the development of modern private industry and Commerce in Shanghai.

On the other hand, steel-making technology has also gradually progressed with the opening of commercial ports. Under the influence of foreign advanced technology, the Qing government set up a steel plant in the Jiangnan general manufacturing Bureau founded in 1865 to manufacture ordnance. Modern steel-making technology began to develop from then on.

4. Impact on the Government's Control over Enterprises

With the influx of population into Shanghai, the degree of control over enterprises by the government and businessmen in Shanghai is gradually changing. Many government-run enterprises transformed into national private enterprises. Before the opening of Shanghai, the government dominated the enterprises in Shanghai, and the strength of private enterprises was weak. After the opening of the port, relying on the advanced technology brought by foreigners, Li Hongzhang, an important Minister of the government, initially established the official Jiangnan Manufacturing Bureau in Shanghai [5, 6].

However, in 1872 and 1878, the Merchants Steamship Navigation Company and Shanghai machine weaving Bureau, were founded by Li Hongzhang respectively in Shanghai. But he adopted the mode of "official supervision and business operation". After 1895, the government-run enterprises of the Qing government generally implemented the contract leasing system. The original machine weaving layout was renamed Shanghai Huasheng Textile Factory [7, 8], and it became private later.

The main reason for this change is the entry of the foreign population after the opening of Shanghai and the subsequent migration of a large number of the domestic population. The injection of advanced technology has pushed the government not to rely on modern industrial technology to open modern factories.

However, due to the relatively backward personnel appointment system and operation and management methods of government-run enterprises, the government-run enterprises generally suffer serious losses, so they have to switch to the mode of government supervision-business operation or joint operation to attract private funds.

A large number of foreign businessmen and domestic entrepreneurs moved in to meet this demand. As a large number of light industrial enterprises in Shanghai were contracted by private capital and turned losses into profits under the modern company system, more and more official enterprises in Shanghai turned private after 1895 [9].

5. Conclusion

This paper demonstrates that the immigration of foreign populations provided a stable development environment for Shanghai private enterprises during the period of frequent wars. These foreign groups established a number of enterprises in Shanghai during the late 19th and early 20th centuries. As a result, these enterprises provided technical assistance and business management examples for local private enterprises in Shanghai. Furthermore, the migration of the population from other parts of China also increased the supply and demand of private enterprises in Shanghai and shaped the supply-demand structure. The domestic and international immigration in Shanghai became

a drive that contributed to the development of local private enterprises in the late Qing dynasty and the early Republican period.

More importantly, the immigration of a large number of people forced the government in the late Qing Dynasty to reduce its control over enterprises and contract more and more modern factories to private capital. This not only allowed private enterprises to gradually get rid of the interference and suppression by the government and achieve better development prospects. Last, the loose control of the government also enabled Shanghai private enterprises to comprehensively use modern technologies and management systems [13]. In this way Shanghai private enterprises moved rapidly towards modernization and standardization.

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