



# SHANGHAI'S HISTORY

## BACK TO THE FUTURE

BY KERRIE L MACPHERSON

Shanghai—and there is no place in China like Shanghai—is the arena where China's commitment to 'opening up to the outside world' will be tested. China's entry into the WTO has catapulted its biggest, richest, and most controversial city to world league competition and all eyes will be on the home team.

Evocative as such sporting metaphors may be, my rhetoric obscures the reality of the grim alternatives to integration with the world economy. Yet as they say in Shanghai with a shrug, "*burong xuanze de xuanze*" (roughly translated, "no other possible choice"), for Shanghainese realize that although their city will set the pace for change, they must confront deeply impacted economic and political problems and wrestle with the implications of accepting and internalizing international standards. This, of course, is just another way of saying that capitalism in its contemporary manifestations has returned to China's historically most capitalist place.

**KERRIE L MACPHERSON**  
is an Associate Professor of History  
and a Fellow of the Center of Urban  
Planning and Environmental Manage-  
ment at the University of Hong Kong.

Indeed, what does history have to tell us about Shanghai's relations to the outside world in the so-called 'space of flows'—(economic, political and social) within a scant 160 years of ostensibly modern development? One thing is clear: it has been perceived as either a negative model of development due to its 'unplanned' growth under foreign influences from 1843-1945 or the failure of the purportedly corrupt Guomindang to implement the 'Greater Shanghai Plan' before and after World War II. Subsequently, after 1949, it was touted as a model of socialist development that the rest of China's cities were exhorted to emulate.

Opened forcibly to foreign trade and residence at the conclusion of the Opium Wars in 1843, Shanghai functioned as a modest domestic trading mart and low-level administrative center, situated on alluvial soils of the Yangzi River delta on the west bank of the Huangpu River. At the hiatus of that critical century, it

became a world city, ranking in size and influence just behind London, Paris and New York. Shanghai's population rose from a ballpark reckoning of between two hundred fifty to five hundred thousand in 1843, to one million by 1880, to almost four million by 1935. However imperfect such historical statistics are, they indicate exceptional raw growth measures of modernization in the Chinese context, let alone in the West. The "growth of the acorn into a great oak" became "one of the romances of modern history."

Such demographic vigor was inspiring, but the growth, prosperity, and survival of Shanghai, like its counterparts in the West, depended on the emplacement of the infrastructure upon which the foundations of modern urban life arose. For population pressure alone, regardless of demands for greater profits, required the costly provisioning of physical and social engineering from sanitation and public health to education and public order. Remarkable as such innovations

and drastic improvements to urban environments were in the nineteenth and early twentieth centuries, Shanghai's melding of foreign and then Chinese efforts to emplace its infrastructure proved equally dramatic. Whether one traversed the metalled, cleaned, and lighted roads, shipped goods from numerous godowns and jetties, traded at the stock exchange, or took one's piped pure water, hospitals and schools for granted, these la-

bors shaped the agendas and scope of local governments and the condition of the port, creating one of the most unique metropolitan centers in the world.

However, qualifications are in order. Although China's agrarian, village-based society had supported more people in cities over a longer period than any other extensive civilization, these urban communities had no municipal governments, no central self-governing bodies distinct from the countryside. In other words they had no specifically urban governments required to register their needs, respond to rapid change to prepare for swift communal adjustments, or plan for their future. "Urban" as its population may have been, before its opening as a treaty port Shanghai remained an enlarged, if locally important and at times vigorous, village.

The self-governing foreign settlements and their municipal councils initially responsible for the "planning" of Shanghai were made possible by a unilateral act of the Qing government negotiated by the regional *daotai* in 1845.

With no presentiment that sovereignty was being impaired, the official approval of the first twenty-three land regulations was analogous to an international agreement giving local confirmation to the stipulations of the Treaty of Nanjing. These included designating a site for foreign residence and trade outside of the Chinese walled city, legal arrangements for the buying, selling, and leasing of property, and the right to provide "amenities"—basic infrastructure—supportive of international commerce. Although British, American, and French officials and traders envisaged only commensurate foreign enclaves excluding Chinese residence, such assumptions evaporated in the face of al-

most a million refugees who were driven into the settlements due to the depredations of the Taiping Rebellion. The rebellion spurred the formation of the Shanghai Municipal Council in the former Anglo-American settlements in 1854 and the separate French concession's *conseil municipal* by

1862. Thus, Chinese and foreign civic lives and activities were conducted within these distinct frames of reference for the balance of the century.

Although the existence of self-governing foreign settlements were challenged in the early twentieth century by some Chinese who saw them as an infringement of China's sovereignty, the humiliation had a another provenance: the foreign settlements



*History under construction.*

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were more advanced economically, supported by what passed in the west or China as a modern urban infrastructure, when compared with the Chinese administered areas governed along traditional, and increasingly viewed as anachronistic, lines. Between the last years of the Qing dynasty and the setting up of the Republic in 1912, the Chinese created their own municipal government, modeled frankly on the Shanghai Municipal Council and paralleling its functions. The purpose was to forge the areas under their control into one administrative whole as well as to raise the infrastructural standards to those extant in the foreign settlements. These efforts, temporarily suspended during the political turmoil of the 1920s, resurfaced with the establishment of the Nationalist Government under the Guomindang in 1927. The agenda remained the same: redevelopment of the choking port facilities long recognized by foreigners and Chinese alike as im-



*The old is always present, even in modern Shanghai.*

perative to Shanghai's continued prosperity, and the elimination of national "humiliations" symbolized by foreign Shanghai. This would be achieved by creating a Chinese municipality that would encompass and eventually absorb the foreign settlements with minimal disruption to foreign trade and investment.

Against a backcloth of western imperialism, regional warlords, challenges to domestic security by the Communist Party, as well as the increasing aggression of Japan, planning for Shanghai's future, on a scale unmatched by conurbations of similar rank, did occur. The 1927 promulgation of China's first municipal law designated Shanghai, even then, as a "special administrative city," directly subordinate to the Executive Yuan of the national government, slipping the older administrative bonds of district

and provincial governments. Simultaneous was the announcement of the "Greater Shanghai Plan" (*da Shanghai jibua*) an urban vision without precedent in its scope and monumentality. The plan called for the reconstruction of a new city center north of the Shanghai settlements and connected to port re-developments. The plan was also eminently practical. Besides construct-

ing a new "civic center" at Jiangwan and raising the infrastructure standards in the Chinese administered areas contiguous with the foreign settlements, it aimed at unifying the entire area physically (the foreign settlements would have been contained as mere urban "islands"). The ultimate goal, however, was to unite the entire city under Chinese municipal government, thereby solving the long-standing loss of sovereignty.

Although Japan destroyed much of the civic center in 1937, Shanghai emerged politically united at the close of the Second World War. The abrogation of the "unequal treaty rights" and foreign concessions in 1943 paved the way for more concerted planning, and the Greater Shanghai Plan formed the basis of fresh initiatives. In 1946, the Shanghai City Planning Board was created, composed of Chinese and foreign technical experts to draft a "master plan" for Shanghai to be implemented over a twenty-five year period with a fifty year planning of the entire region as the final goal. This was critical as the net registered tonnage that cleared the port jumped to eighty-five percent of the national total. What is of interest here is that the development of Pudong (the area opposite the old central district on the east bank of the Huangpu River) was given pride of place. Indeed, a critical examination of this 1946-49 master plan reveals in most detail, that it was the predecessor (unacknowledged) of the Pudong New Area project initiated in 1990, Shanghai's "head of the dragon."

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Shanghai's growth as a product of the world capitalist economy prior to its 'liberation' in 1949 also affected the planning of its future. The victory of the Communist Party over the Nationalists and the founding of the People's Republic

meant the application of socialist policies designed to expunge its "imperialist" past by diminishing its economic hegemony and containing its growth. The central government was said to have extracted eighty-seven percent of the total local revenues from 1949-1984, higher than any other urban unit of a similar size. Ramifications of such "transactions of decline" and other "anti-development" policies of the central government meant that by 1958 the volume of foreign trade that cleared the port fell

below that of the comparatively underdeveloped Hong Kong.

Of course, ample testimony to the failure of the policies pursued since 1949 to achieve acceptable levels of modernization was the 1978-1979 reforms and the move towards "market socialism" and a transnational economy. Planners and reformers were not unmindful of the consequences of such a move to

the socialist system, particularly the divestiture of the entrenched economic cum social welfare institutions represented by the state owned enterprises, as well as the urban and national bureaucracies charged with their management. However risky the economic, political, or social devolution might become (recall the former Soviet Union), there was once more a recognition that national economic development and urbanization are inextricably linked, and that great cities (now termed, *zhongdian chengshi* or “key-point cities”) are the arenas where the expansion of economic life takes place. If imperialism had complicated Shanghai’s relations with the international economy in the past, there was never any doubt in the minds of Shanghai’s pre-1949

planners that Shanghai’s continued viability not only depended on international investment but that it was absolutely essential to China’s national development.

The Pudong New Area, the “engine that drives east China’s development,” was primarily dependent on international financing, and the ancillary effects of such a large-scale development project helped to propel reforms in all sectors of the economy as well as in the functioning of local government. Between 1991–1997, the city’s accumulated foreign trade volume reached an excess of US\$112 billion. In the same period almost twenty thousand overseas-funded projects with an initial investment of over forty billion US dollars was recorded. In addition, fifty-one foreign-funded financial institutions and nine foreign banks authorized to handle Chinese currency business, as well as the opening of Shanghai’s stock market, the Jīngān Index, indicates that Shanghai’s economic and financial primacy is back in play.

Will Shanghai be capable of meeting the challenges raised by China’s entry into the World Trade Organization, and will Shanghai’s experience be exportable to the rest of China? Only history can inform our understanding of the potentialities of great cities as agents of modernization and generators of change. Shanghai’s past is surely no exception in that regard. As this brief perusal backward suggests—mindful of the changing currents—Shanghai has enjoyed unique and profound relationships with the international community, relationships possessed by no other Chinese city. Like the emblem of the sailing junk, one of the oldest vessels plying the Huangpu on Shanghai’s city emblem, representing the city’s long history of international commerce, the city has set its course towards the future. ■



*The twenty-first century skyline, yet to be realized.*