

## Middlemen, Social Networks, and State-Building in Republican Shanghai

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SHANGHAI IS ARGUABLY CHINA'S most famous city and certainly its most infamous. It was the Shanghai of the Republican period (1911–1949) that gained this notoriety. As the financial and trading entrepôt of East Asia, industrial and commercial center of China, publishing and artistic mecca for China's new intelligentsia, and hiding ground for radicals and revolutionaries from all over the world, Shanghai quickly earned its reputation as a city of extremes. Obscene wealth could be found next to degrading poverty. Radical anarchists vied with conservative Confucians for public attention, while both bible-thumping missionaries and criminal bosses recruited followers among the newcomers flocking to the city. Shanghai attracted these extremes because of its position at the juncture of several empires. Indeed, for almost a century, the boundaries of the Chinese, British, American, and French empires came together physically in the three cities that comprised Shanghai: the Chinese City, the International Settlement, and the French Concession. As a crossroads, Shanghai attracted great wealth and inherited an even greater struggle for a share of it.

What held Shanghai together during this volatile period? In particular, how did Shanghai function as a city without a unified state to bind it together and establish common ground? To a degree uncommon in other Chinese cities, indeed uncommon in most cities in the world, Republican Shanghai had no center. Shanghai's territory was divided among three (sometimes more) municipal governments integrated into just as many separate national states and empires. Furthermore, no government building, no religious institution, not even a public plaza

gave Shanghai a “center” where its residents could gather. In addition to this political and physical fragmentation, Shanghai’s people were divided among dozens of languages, races, classes, religions, and political loyalties.

Yet in the midst of these deep cleavages, the city managed to function as a coherent whole. In everyday terms, businessmen traded goods and services, creating markets and entire industries, without a state to define and enforce the “rules of the game.” Artists and intellectuals created a vibrant new culture without political stability to provide them with the freedom and leisure to pursue their calling. Teachers educated children, doctors treated patients, and chefs fed diners without a common set of government regulations to guide them. Even more surprising than these everyday acts of cooperation was the fact that in moments of crisis, the city did not descend into anarchy. The Republican period was replete with crises: stock markets crashed; typhoons destroyed lives and property; foreign invasions leveled entire districts of the city. Still Shanghai functioned and managed to recover time and time again.

While Republican Shanghai is in some ways unique in the degree of its divisions and statelessness, it nevertheless provides a kind of natural experiment for conditions that are more common than anyone would wish. With the spread of urbanization to every continent around the globe in the twentieth century, enormous cities have developed in countries with extremely weak states, and even failed states. Contemporary São Paulo or Lagos may not harbor colonial enclaves, but state authority fails to penetrate all the neighborhoods in their vast urban landscapes. Rebellions, civil wars, and regional conflicts have left other cities, such as Baghdad and Kinshasa, more overtly divided. For these cities, Shanghai has as much, if not more, to teach us than Paris or London.

The cities of western Europe have provided us with many of our key concepts for understanding the development of cities and their relationship to the state, such as the bourgeoisie, the public sphere, and civil society, to name a few of the most influential. All of these concepts emerge from a pattern of historical development in which strong national states and wealthy urban centers developed gradually over centuries, both in tandem and in competition with one another. Differences in the sources and nature of their power gave the relationship between kings and burghers a vibrancy that proved to be creative and productive for both sides—and an important element of Europe’s subsequent rise to world dominance. Because this dynamic relationship proved to be so critical

in Europe, scholars have looked for its counterpart in the rest of the world. In the China field alone, the search for a modern bourgeoisie and anything approximating a civil society have consumed decades of research and debate.

While this search has helped explain why other regions did not follow the path blazed by the Europeans, it has been less helpful in understanding the development of different kinds of relationships between cities and states. The focus on what has been missing has to some extent distracted us from seeing and comprehending what actually existed in cities such as Shanghai. Given the enormity of the differences between state-building and urbanization in early modern Europe and twentieth-century China, we should not be surprised that very different relationships may have developed between cities and states. By avoiding any presumptions about the autonomy and interests of either city or state—presumptions inherent in concepts such as the bourgeoisie and civil society—this volume tries to look at Shanghai with fresh eyes.

With this goal in mind, we seek to answer one simple question: What held Shanghai together? While the question is simple, finding an answer is less straightforward because it resides in the interstices of Shanghai's many worlds. It is the efflorescence of Shanghai studies in China, Japan, North America, Europe, and Australia over the last 25 years that makes the attempt possible. This flood of research into Republican Shanghai's merchants, gangsters, policemen, workers, prostitutes, writers, painters, revolutionaries, professionals, colonists, and many others means that we are now approaching a depth of knowledge about a Chinese city (albeit in a very short historical period) that is somewhat comparable to the historiography of Europe's famous cities.<sup>1</sup> Taking advantage of this accumulation of knowledge, the authors of this volume were asked to seek an answer to the simple question just posed, within the context of their own research into Republican Shanghai. We then came together to put our findings side by side and search for the connections across them, to look for the critical common ground that could help us answer our central question.<sup>2</sup>

In case after case, we found that the connections lay in particular individuals—men like Wang Yiting—who used their wealth, extensive relationships, and seemingly boundless interests and energy to play a prominent role in a bewildering variety of occupations, organizations, and social circles. Although many of them were professional middlemen, such as the compradors who served as intermediaries for foreign-owned companies, they did much more than facilitate

economic exchange; they also crossed national, cultural, social, and political boundaries to create a new hybrid urban culture. These middlemen were members of Shanghai's elite, and wealth was an important source of their power and ubiquity.

Our central conclusion is that these elite middlemen and the broader social networks in which they were embedded provided the glue that held Republican Shanghai together on a day-to-day basis. In moments both of everyday cooperation and of extraordinary crisis, these elite networks served as a mechanism for communication and coordination across the city's many divisions. But the role of these middlemen and the resilience of their social networks were by no means a constant in the life of the city and, in fact, both proved to be fragile at key turning points in Shanghai's history.

Peace, prosperity, and political movements based on inclusive identities were conditions that strengthened and broadened Shanghai's social networks. Economic hardship and polarizing politics undermined them. While these tendencies seem straightforward, perhaps even obvious, the relationship between state-building and the strength of social networks proved to be more surprising. Contrary to the common assumption that state power tends to undermine the domination and strength of local society, periods of state-building at the local level, such as the New Policies period in the late Qing dynasty and the mid-1930s under the Nationalist regime, were actually periods in which Shanghai's elite networks strengthened and grew more resilient.

Retracing the well-worn history of Republican Shanghai with these social networks in focus provides a new perspective on state-society relations and the dynamics of the Chinese revolution. Furthermore, even with all of Shanghai's peculiarities, this perspective can shed light on the struggle of other cities to prosper under the rule of weak or failed states in the modern world. As in western Europe, state builders and elites in Shanghai relied on very different sources and kinds of power. But unlike their European counterparts, theirs was a far from level playing field, especially by the twentieth century. Not just because Shanghai's elite was less capitalist, less cohesive, or less independent than its European predecessors but because modern military power changed the nature of the competition entirely. Japan's invasions of Shanghai in the 1930s were the most vivid illustration of how much the rules of the game shifted in the intervening centuries. The other key difference in Shanghai's historical experience was the rise of mass politics, which provided new kinds of power to urban elites but also posed new threats to their long-term dominance.

These differences in the nature of military power and the role of the masses in politics resulted in a distinctly different pattern of development in Shanghai that reveals both the vulnerabilities and the interdependence of city and state in the modern world. This volume focuses on personal networks to show their heretofore underappreciated role in state-building. We try to delineate the kinds of individual networks and the contexts in which they worked to undergird a weak state.

### Elites and the State in the Republican Period

The inconclusive civil society debate in the China field has been one skirmish in a much longer battle over whether and how to apply models drawn from Western experience in order to understand the contours of social and political change in China.<sup>3</sup> Before the state–society paradigm became so popular, social classes were seen as the primary forces of social and political change.<sup>4</sup> The gradual rise of China’s bourgeoisie and proletariat was considered the fundamental transformation of the late nineteenth and early twentieth centuries, and the role and nature of the state was interpreted in that light. The Qing dynasty was viewed as rooted in agrarian society and hostile toward China’s new urban classes. Similarly, the warlords who followed were characterized as hostile to both of these “modern” social forces. In contrast, the Nationalists were viewed in a somewhat more positive light because the bourgeoisie was seen as one key element of the regime’s social base. In keeping with this focus on socioeconomic change, class analysis highlighted revolutions as historical turning points and placed Shanghai center stage, since China’s industry was so heavily concentrated there. Nevertheless, Shanghai’s bourgeoisie remained of secondary importance compared to understanding the development of the working class and its role in the Communist revolution.

While class analysis conformed to the broad contours of the Republican period, anomalies called for elaboration. Why did the urban revolution fail in 1927 if the “modern” social classes were behind it? Why was the relationship between the bourgeoisie and the Nationalist regime so conflictual during the Nanjing decade? In 1949, when social revolution finally did succeed, why did some elements of the bourgeoisie forsake “their” regime and welcome their class enemies? Most of these anomalies were explained in terms of deformations in the development of these social classes in China, whether they were divided internally or contaminated by their connections to imperial powers, or both.<sup>5</sup>

The state–society paradigm has in many ways provided a more flexible analytical framework for the study of Republican China.<sup>6</sup> Separating out the interests of state and society, as well as taking a more comprehensive, less stringent view of what constituted either state or society, has opened up a much richer perspective into the period, especially the Nanjing decade of 1927–1937, which has received the lion’s share of attention. By taking a broader, less prescriptive view of society, the state–society paradigm expands our view of urban elites beyond the bourgeoisie to include merchants, compradors, party cadres, professionals, and even organized crime bosses.

The state is no longer reduced to the expression of class interests but is considered an institutional force that to some extent structures and defines the interests of this complex elite. The key historical turning points from the state–society perspective were marked by the rise and fall of new states (1911, 1927, and 1937). While Shanghai’s status as a partially colonized city made it less central to the story of state-building in Nanjing, it still has received more attention than any other Chinese city (including Nanjing) because it was the economic linchpin of the fledgling state.

One reason behind the intense focus on the Nanjing decade is because it represents the only decade during the Republican period when a central Chinese state functioned effectively. It therefore raises questions of state–society relations in a way that the rest of the Republican era does not. For example, Nationalist state-building imposed new constraints on Shanghai’s elite, leveraging its resources, seizing the initiative in addressing local problems, and even nationalizing key private companies, such as the modern banking sector. Considerable debate has ensued over whether this new relationship amounted to complete state domination of Shanghai’s elite or to a more subtle incorporation and interpenetration of state and society.<sup>7</sup>

All sides in this debate over the relationship between state and society during the Republican period agree that these concepts need to be tailored to the very different circumstances of the Chinese case if they are to be useful. They stress the nuances of the relationship between state and society: that their competition is not a zero-sum game, that they need to be disaggregated into their constituent parts, that the borders between them are not clear-cut.<sup>8</sup> Even with these caveats, however, it is difficult to escape the Eurocentric assumptions built into the state–society paradigm, and the overall message of this literature is that the collapse of the Qing state ushered in a period of autonomy for

Shanghai's elite that was interrupted by the state-building efforts of the Nationalist regime from 1927 to 1937. The implicit assumption is that the strength of Shanghai's elite and the task of state-building were mutually exclusive; that is, the interests of state and society were in direct conflict with one another.

Yet it is difficult to square this analysis with the behavior of Shanghai's elite during this period. If the central story of the Nanjing decade was a struggle for dominance between local elites and a centralizing state, why did local elites fail to resist and indeed sometimes cooperate with their state-building rivals? Was it because they feared the mobilization of the working class, as earlier scholars employing the class analysis paradigm claimed? Was it the result of the internal divisions among this elite, combined with the misguided opportunism on the part of a few key leaders?<sup>9</sup> Or was it the exchange of local autonomy for access to power in a wider arena?<sup>10</sup>

Another puzzle is the long-term impact of state-building in the Nanjing decade. Although few studies of state-society relations address the impact of war and occupation directly, the implicit or explicit claim is that the state-building achievements of the 1920s and 1930s shaped the state-building project of the Communists more than 20 years later. However, the way in which this legacy survived the disruptions of the Second World War is often left unclear.

### Social Networks and Shanghai's Elites

Simpler analytical building blocks may take us much further in explaining these puzzles than the state-society paradigm. While conceptually simpler than class analysis and the Marxist theory of social change underlying it, the state-society paradigm still incorporates problematic assumptions, such as the premise that the interests of states and elites (especially urban elites) are fundamentally opposed. Many of these premises do not travel as far as the concepts they underpin. Perhaps simpler analytical concepts might reorient our comparative reference point away from the West toward other parts of the world that may have more in common with China.

Social networks offer just such an analytical building block. Social networks have long been recognized as an important element of Chinese society, shaping its culture, economy, and politics.<sup>11</sup> As a consequence, we do not need to begin our analysis with a debate over whether social networks ever existed in Republican China. Instead,

we commence immediately with questions of how social networks affected the city and how and why they changed over time. Furthermore, with the extensive research conducted on social networks around the world, they provide a much more ready comparison to other places and times than more complex concepts such as civil society, the bourgeoisie, and the public sphere.<sup>12</sup>

In addition to simplifying the conceptual framework, pulling back from the intense focus on the Nanjing decade to look at the entire Republican period helps put some of the puzzles of the class and state-society paradigms in perspective. Rather than focus exclusively on the high point of Republican-era state-building efforts under the Nationalist regime, it is also important to examine the low points of the warlord period and the Civil War to see the effect on both state and society. For the purposes of this volume, we focus on the activity of the elites, whom we argue were the glue holding the city together as the state showed itself unable or unwilling to perform that function.

To try to understand the dynamics of Shanghai's elite networks and how they evolved, we sought to gain a bottom-up perspective on their development, independent from the major political events that have defined the Republican period. Of course, this kind of bottom-up analysis is difficult to carry out without demarcating a discrete period to limit what could be an endless research effort. The Shanghai case, however, is especially appropriate for this type of inquiry because its Republican-era elite had a short life span. This distinctive social group emerged, reached its peak of wealth and power, and then was eliminated in just over 100 years—a long century, if you will, that began with the opening of Shanghai as a treaty port in 1843 and came to a close with the socialization of industry in 1956. These two major turning points marking the rise and fall of Shanghai's Republican-era elite frame our joint inquiry, allowing us to range across the late Imperial, Republican, and early Communist periods to trace the nodes of this elite's overlapping networks and activities.

From the perspective of this long century, the fragility of the local elite's domination is in many ways quite striking, especially considering the spectacular wealth, power, and cultural creativity that it managed to achieve in that short period. Yet both the strength and the vulnerability of Shanghai's Republican elite stemmed from the same source: Shanghai's position as a crossroads of Euro-American and Asian empires. Initially marginal to all of these empires, this crossroads gained strategic importance as the city and its economy grew. As Shanghai developed



into a new center of power, Shanghai's elite gained unique influence and at the same time became uniquely vulnerable to rival contenders, whether Chinese warlords or Japanese imperialists.

Too heterogeneous to be usefully considered a social class, this elite was composed of local gentry, government officials, compradors, bankers, merchants, industrialists, gangsters, intellectuals, artists, professionals, and partisan cadres, to name a few of its constituent groups. Just as the rest of Shanghai's population was remarkably diverse, the elite was divided by national, ethnic, religious, and political affiliations. To get a handle on this diverse group, we have concentrated our attention on the personal networks of three men who emerged as key middlemen in our research: activist Huang Yanpei, comprador Wang Yiting, and gangster Du Yuesheng.

Chapters 2 through 4 of this volume examine the backgrounds of these three individuals and their participation in various organizations and networks. Later chapters show how these different organizations and networks interacted and developed over time. While Du Yuesheng has achieved considerable prominence in the literature on Shanghai, Wang Yiting and Huang Yanpei are not as well known. Nevertheless, all three played prominent roles in Shanghai's political and social circles, emerging again and again as key players at critical points in the city's history. While these three men are by no means representative of Shanghai's elite, they do feature some of the diversity of that broader social group.

Such individuals shared little in terms of common background or experience. Self-made millionaires such as comprador Wang Yiting came from poor families and received limited formal education, in contrast to the much more privileged and cultured background of those like educator and activist Huang Yanpei. Gangster Du Yuesheng may have shared Wang's humble origins, but his meteoric rise to wealth and power came through the rough world of opium smuggling and protection rackets rather than apprenticeships in native banks and Japanese trading companies.

The medium, or link, that these men shared was their wealth, which in turn contributed to their social prestige (albeit of very different kinds). These economic and social resources put each of these middlemen in central positions in a dense web of relationships within Shanghai's elite and beyond. Wealth, social prestige, and central positions in social networks were also the source of their considerable power. While the leverage that wealth and prestige can provide are well understood,

the power that may be gained from positions in a complex and ever-changing pattern of relationships is perhaps more ambiguous.

Serving as the intersection of multiple elite networks turned these men into brokers between different worlds. For example, Du Yue-sheng was a key broker between the French authorities in Shanghai and Chinese state authorities (see Chapter 4). Wang Yiting bridged the religious and the business worlds and in both guises helped find common ground between Shanghai's Japanese and Chinese residents (see Chapter 3). Huang Yanpei not only crossed the boundaries between culture and business, his political activism helped create a whole new conception of education, as well as the institutional infrastructure to make it happen (see Chapter 2).

In addition to the coordination these middlemen could engineer by virtue of their position at the intersection of multiple elite networks, their networks also reached beyond this narrow strata—up to state officials and revolutionary statemakers, down to workers and the lower classes within the city, out to neighboring regions, and even to the empires that lay far beyond China's borders. For example, Huang Yanpei served as a government official in the early years of the Republic and maintained long-lasting relationships with both Nationalist officials and Communist cadres. A distinctive source of Du Yuesheng's power was his web of relationships with labor racketeers and the city's large underclass of petty criminals and beggars. Similarly, Wang Yiting and other philanthropists could draw on native place networks to tackle social problems that extended far beyond Shanghai's borders, as in the work of the Anti-Kidnapping Society (see Chapter 8).

The power that individuals gained from this multidimensional brokerage system could be considerable. As Elizabeth Perry argues in Chapter 5 of this volume, social networks were the building blocks of collective action in Shanghai. Parks Coble similarly argues in Chapter 6 that the National Salvation Movement achieved rapid influence primarily because it was able to plug into an "existing set of social networks" and a "coalition of constituent organizations, each based on profession and status." These networks could also help provide some protection for activists confronted with efforts to undermine their political mobilization. Sei Jeong Chin's Chapter 7 on the media shows that the links to Huang Yanpei as well as Du Yuesheng allowed certain publications such as *New Life Weekly* to escape the censor's ax when speaking out against the Japanese during the National Salvation Movement. At crucial points, the media was able to sidestep political

repression and censorship by the fledgling Nationalist government. Just as important, if not more so, these networks were vital to the Chinese state, which lacked the capacity to enforce its censorship policies without the active cooperation of publishers and editors. Both state and society derived power from the networks that linked them together.

But brokers in these overlapping networks used their power for demobilization as well. The comprador Yu Xiaqing managed to exert leverage over hundreds of thousands of protesters, strikers, and boycotters during the May 30th movement against imperialism in 1925, providing a vivid illustration of this kind of power. Taking advantage of his pivotal position between merchant, student, and working-class networks and the Nationalist and Communist revolutionaries who were mobilizing them, Yu was able to exert personal control over the strike fund financing the movement (see Chapter 5 on popular protest).

Although this kind of brokerage power could be decisive, it was in fact fatally dependent on the strength and the structure of the networks that produced it. Because such power stemmed from the ability of these middlemen to cross social, cultural, and political boundaries in ways no others could, ironically, it depended on the continuation of these cleavages. After Shanghai was unified in the wake of the Second World War and the elimination of the colonial concessions, brokers were never able to achieve the same centrality and power they had enjoyed beforehand. Middlemen like Du Yuesheng could no longer counter state power as effectively as they had before the unification of the city, since state agents could now develop autonomous sources of power and influence. Du responded to these new circumstances with considerable creativity, seeking to expand his social networks in new directions by reaching out to the new middle classes in the Perseverance Society (see Chapter 4). Even with these new efforts, however, Du Yuesheng was never able to regain the kind of power he enjoyed before the Second World War.

These networks did more than place middlemen like Wang, Du, and Huang in positions of power. They also helped foster a distinctive hybrid urban elite culture that created commonality where none existed before. A clear illustration of this common ground was the fact that all three of these men ended up working closely together in founding new organizations, confronting the problems of the city, and advancing a shared vision for the nation. Chapter 2 of this volume examines the emergence of a new mercantile elite and culture that began in the second half of the nineteenth century. Wealth obviously was a

common denominator bringing together different elites. An essential prior development that made such interactions possible was the legitimization of wealth and business in China. The transformed representation of those who engaged in business and industrial undertakings as solely concerned with profit-seeking pursuits that enriched the wily and unprincipled to that of being “patriotic deeds that brought benefits to the Chinese nation and its people” was central in the formation of Shanghai’s distinctive elite as well as in the development of Shanghai’s identity as a city. As Wen-hsin Yeh argues in Chapter 2, “Capitalist enterprises, thus legitimized, won the sponsorship of the state as well as the patronage of the liberal-minded gentry-elite.” As Chin shows in Chapter 7, journalism also bridged the long-standing divide in Chinese thought between commerce and culture, helping to foster a new national identity in a semicolonial city.

Philanthropy was another prominent aspect of this newly forming common ground. Chapter 9 examines philanthropy as a marker of power and a vehicle for enhancing social prestige—a route accessible through wealth, regardless of how it was acquired. Legitimate businessmen like Wang Yiting were key members of major relief efforts, but so was Du Yuesheng, best known for his Green Gang activities. Understanding the networks that formed in such forums provides new insights into how an illiterate gangster like Du Yuesheng could operate in the same social/cultural circles and in prominent public positions with men like Wang Yiting and Huang Yanpei. This phenomenon reflects a transformation that goes deeper than the “corruption” of Shanghai society. The development of a common cultural milieu within such a fragmented society has to be considered a contribution to the life of the city, even if it did incorporate the city’s underworld denizens as well as its more legitimate residents.

In Chapter 3, Kuiyi Shen also shows how philanthropy helped bridge the worlds of commerce and art in Shanghai, funneling critically needed resources to artists and fostering the creation of a distinct style of painting. The Shanghai school of painting experimented with European impressionism and Chinese ink brush painting techniques, helping to bridge the East/West divide. In Chapter 10, Jeffrey Wasserstrom points to the role of key individuals in crossing these kinds of national and cultural divisions in Shanghai society. These “border-crossers” had the linguistic and cultural skills to live, work, and socialize with both the foreign colonial elite and their Chinese counterparts. While there remained segregated Chinese and foreign communities in

Shanghai, Wasserstrom suggests that one of the reasons Shanghai was able to thrive economically and survive crisis was that “many individual members of the local Chinese and foreign elites were either part of the same social circles or part of overlapping ones.”

Social networks and the bridges they provided were also an impetus to collective action. Particularistic identities such as native place were not necessarily obstacles to collective action in Shanghai but helped shape innovative, hybrid local/national identities. Perry shows in Chapter 5 that particularistic identities not only existed side by side with broader conceptions of class and nation but that these narrow identities could serve as the basis for large-scale collective action. In Chapter 8, Bryna Goodman examines how a sense of the public evolved out of native place associations and their philanthropic efforts. Hybrid identities were not necessarily an obstacle to social cohesion in Republican Shanghai—in many cases they provided the basis for it. Yeh underscores in Chapter 2 how new and old styles of networking were not mutually exclusive.

### Elites and the State: Historical Implications of a Network Approach

While social networks provide a simple starting point for analysis, they can open up a rich perspective on complex phenomena such as state-building and revolution. For example, this analytical approach puts the “problem” of Shanghai’s many political and socioeconomic divisions in another light. The political divisions between the French, Anglo-American, and Chinese cities created enormous profits and power for the middlemen who bridged them, as did the social divisions between different classes and native places. But the strength and the fragility of Shanghai’s elite networks also depended on maintaining a delicate balance of power. When the expanding Japanese empire threatened this balance of power in the Shanghai of the 1930s, these middlemen became some of the strongest supporters of the Nationalist regime’s state-building project, providing both resources and leadership.

Comparably, the development of hybrid identities and cultures helps explain how and why many members of Shanghai’s elite embraced the Chinese Communist Party in the late 1940s. As the corruption and the incompetence of the Nationalist regime undermined the day-to-day functioning of the city even as the state sought to crowd out Shanghai’s

elites from the public arena, the Communists' competence seemed to offer a new foundation for political order. In addition to sharing this common goal, the policies and rhetoric of New Democracy seemed to promise a new hybrid identity and hybrid political culture with a central place for cities like Shanghai and elite middlemen like Huang Yanpei.

This bottom-up perspective on the rise and fall of Shanghai's distinctive elite suggests a historiography different from either the social forces or the state–society paradigms. Rather than being defined by revolutions or the establishment of new states, from this perspective the key historical turning points were defined by war. The Opium War turned Shanghai into a semicolonial, divided city and created the conditions for the emergence of a new hybrid elite. The Taiping Rebellion pushed local gentry from throughout the Jiangnan region to seek the safety of the foreign concessions, further fueling the formation of this elite. The First World War laid the foundations for Chinese industry to flourish and expand.

If these wars shaped the formation of Shanghai's elite, clearly the Second World War contributed to its demise by undermining its wealth and cohesion. Furthermore, unification of the city eliminated the source of much of the brokerage power that these middlemen had achieved in the Republican period. While the Nationalists' own incompetence prevented them from fully taking advantage of these new circumstances, the Communists did not have the same kind of limitations. Given the transformation wrought by the Second World War, it is perhaps not surprising that Shanghai's once powerful elite was so divided in its response to the Communist takeover in 1949. Rather than resist a radical regime that threatened to attack the sources of its power and prestige, these elite middlemen chose either to cooperate with the Communists or to leave Shanghai altogether. The nationalization of industry in 1956 was an anticlimactic end to this elite's wealth and power. While a full understanding of state-building and the revolution requires examining a much wider swathe of Chinese society than just this elite, the rich view that this narrow strata provides into the Republican period suggests the potential for using social network analysis more broadly.

#### *City and State: Comparative Implications of the Shanghai Case*

This analytical approach can open up new avenues for comparative analysis that move beyond testing and adapting concepts and models derived from European history. Even with all of Shanghai's peculiar-

ities, it can shed light on the struggle of other cities to prosper under the rule of weak or failed states in the modern world. The contrast between Shanghai and western European cities points to some possible parallels. As in western Europe, state builders and elites in Shanghai relied on very different sources and kinds of power. But unlike the European context in the early modern period, elites in Republican Shanghai had far more reason to support and promote state-building, even if it meant providing much of the resources for the new state.

As already discussed, Shanghai's elites certainly benefited from their position at the crossroads of multiple empires. But these benefits depended on a delicate balance of power, and Chinese state-building offered one of the few ways in which Shanghai's elite middlemen could hope to influence that balance of power. Contrary to the common assumption that state power tends to undermine the strength of local society, periods of state-building at the local level, such as the New Policies period in the late Qing dynasty and the mid-1930s under the Nationalist regime, were actually periods in which Shanghai's elite networks strengthened and grew more resilient.

Perhaps the reasons for this distinctive pattern of state-society relations in twentieth-century China stem from the accident of timing. Over centuries of gradual state-building in the early modern period, western European cities resisted the centralizing efforts of kings in a time when their fortifications and militias could provide some measure of protection. We can certainly see in China some parallels to these fifteenth- and sixteenth-century developments in Europe. For example, Shanghai's elite used its merchant militia and armory to seize power from the feeble Qing dynasty in 1911 (see Chapter 5). But the parallels quickly disappear; this kind of local military force was already being outstripped by professional armies in the 1920s and was a nonfactor by the time the Japanese invaded the city in the 1930s (see Chapter 6). War may have been a powerful force in Chinese state-building in the twentieth century just as it was in early modern Europe, but the nature of warfare had been fundamentally transformed in the intervening centuries.

Given this transformation, Shanghai's historical experience is arguably much more relevant to other cases of state-building in the twentieth century than any European precedents. Not only might you expect to find similar alliances of urban elites and state authorities against the forces of imperialism, you might also find other examples in which a strong society and a strong state are complementary, rather than in conflict with one another.