

# Taxi Shanghai: Entrepreneurship and Semi-Colonial Context

Adam K. Frost

<https://orcid.org/0000-0001-8691-0299>

Shuang L. Frost

<https://orcid.org/0000-0001-7428-8527>

## **Abstract**

Scholars of entrepreneurship can all agree that “context matters.” However, there is little consensus regarding the appropriate approach to studying context and its relationship with entrepreneurship. Moreover, while the significance of “top-down” contextual influences on entrepreneurship are widely recognized, the ways that “bottom-up” entrepreneurial processes shape context remain under-studied. To help fill this void, this article explores the dynamic interplay between entrepreneurship and context in Republican Shanghai (1911-1949). More specifically, the article follows the history of Shanghai’s “Taxi King,” Zhou Xiangsheng, and his enterprise, Johnson Taxi, as well as the broader history of semi-colonialism within which both are nested. Through the process of context theorizing— a direct examination of the mutual influences between entrepreneurship and context— the article explicates three mechanisms by which entrepreneurs interacted with and reshaped their context. It shows how Chinese entrepreneurs launched informal taxi services that filled critical gaps in urban connectivity; they combined heterogeneous technologies to build city-wide taxi networks that traversed Shanghai’s many divides; and harnessed rising nationalistic sentiments to link the consumption of transportation services with political identity and outcompete their foreign rivals. We argue that through such mechanisms, Chinese entrepreneurs were capable not only of navigating their semi-colonial context, but of actively re-imagining and transforming it. More broadly, we also hope to demonstrate the efficacy of qualitative and historical approaches to the process of context theorizing.

## Entrepreneurship and Context

Entrepreneurship and context are mutually constructive. Context defines the landscape of opportunities that are available to entrepreneurs, structures their rewards, constrains their actions, and shapes their decision-making processes.<sup>1</sup> At the same time, entrepreneurs, in the pursuit and fulfillment of opportunities, purposefully reconfigure their contexts.<sup>2</sup> Over time, this dynamic interchange drives the emergence and stabilization of new economic, social, institutional, and cultural environments as well as new entrepreneurial forms.

While scholars increasingly recognize the importance of including contextual factors in theories of entrepreneurship, the mechanisms of mutual influence between context and entrepreneurship remain under-studied and under-theorized. As Friederike Welter has argued, most entrepreneurship research still implicitly or explicitly assumes a “one-way relationship” between entrepreneurship and context, emphasizing how contextual factors influence the nature and extent of entrepreneurial activity.<sup>3</sup> Far less attention has been paid to the “bottom-up processes” through which entrepreneurs reshape context.<sup>4</sup> This biased focus has resulted in the tendency among management scholars to reduce context to “social, economic, and political externalities” or “environmental forces” that simply “*affect* the focal behavior in question.”<sup>5</sup> This is also true of business history. As Per Hansen and Daniel Wadhvani note, even historians, who are generally more attentive to context and how it is conditioned by historical development, are similarly culpable of approaching it as “structures and institutional frameworks... almost outside of the actors’ world.”<sup>6</sup> Such exogenized conceptions of context preclude the examination of dynamic interaction between context and embedded phenomena.

To study the mutual influence of context and entrepreneurship, we must engage in *context theorizing*. Context theorizing is a process of “directly specifying the nature and form of influence that [surrounding phenomena and temporal conditions] are likely to have on the phenomena under investigation” as well as “the role of lower-level phenomena in the emergence and change of the units in which they are nested.”<sup>7</sup> As Peter Bamberger has argued, this process enables the exploration of the “dynamic interplay between the micro and macro” and how “individuals both shape their context and are shaped by it.”<sup>8</sup> However, context theorizing presents its own set of challenges. Contextual data is inherently difficult to quantify, and it is often difficult to ascertain which of the infinite range of contextual parameters matters most to the phenomena of interest. Qualitative historical research, we argue, is an ideal vehicle for carrying out such a task. Through such research we can develop “thick, detailed descriptions of actual actions in real-life contexts” that are sensitive to the “temporal and historical aspects” of the phenomena under investigation.<sup>9</sup>

In this article we engage in “context theorizing” by retracing the co-evolution of Chinese entrepreneurship and semi-colonial context in Republican era Shanghai (1911-1949). Specifically, we follow the history of Shanghai’s ‘Taxi King’, Zhou Xiangsheng (English name Mr. C. Johnson), and the company he built, Johnson Taxi. We show how the development of Johnson Taxi, from a small illicit operation to the largest firm in the industry, was powerfully shaped by its semi-colonial context. We also show how Mr. Johnson—in his personal evolution from a “wild chicken” taxi operator, to a systems-builder, to a cross-cultural business leader, to a nationalist icon—brought together different types of knowledge, technologies, and business practices to navigate and even transform his context. By working at the intersection of theories of entrepreneurship and semi-colonialism, and situating our case study of an entrepreneur and his firm within the broader history of Shanghai’s changing semi-colonial condition, we attempt to reveal the recursive links between

entrepreneurship and multi-layered context.<sup>10</sup> Moreover, by retracing how these links changed over a long period of time, we also highlight the contingent and path-dependent dimensions of this co-evolutionary process.<sup>11</sup>

The article is divided into three sections, each of which identifies and explores a different site of dynamic interaction between entrepreneurship and context. In part one, we retrace the formation and growth of informal taxi networks and how they facilitated interconnectivity between the segregated administrative regions of Shanghai. In part two, we focus on the previously unexplored integration of telecommunications technologies in taxi networks, showing how taxi entrepreneurs wove together the city with digitally-enabled taxi services. In part three, we address how the taxi business became a principal site for the production and propagation of nationalist symbols and demonstrate how entrepreneurs, such as Zhou Xiangsheng, harnessed nationalistic symbols to reshape collective imaginaries and promote the development of domestic enterprises. Through such explorations we identify and explicate three generalizable mechanisms by which entrepreneurs purposefully reshape their situated contexts.

Through a deep dive into the largely forgotten history of Shanghai's early taxi industry, this article also contributes to our understanding of Shanghai's rise as a global metropolis. Although there is an abundance of research on other forms of transportation, such as rickshaws and streetcars, works on the taxi industry are curiously absent.<sup>12</sup> This lacuna is probably attributable to the fact that, as a result of poor road infrastructure, China's taxi industry remained largely confined to Shanghai and other treaty ports and had not yet reached maturation by the outbreak of hostilities in the Second Sino-Japanese War. Nevertheless, we argue that taxis exerted a disproportionate influence on the city's development for at least two reasons. First, taxis became the preferred mode of transportation for businesspeople and Shanghai's growing managerial class. By offering fast and reliable transportation services, taxi companies thus facilitated the growth of business across the city. Second, and more importantly, automobiles had unique political and symbolic importance. As we will see in the final section of this article, taxi entrepreneurs used the symbolic power of automobiles to reshape collective imaginations about what it meant to be modern citizens of China.

The findings of this article were derived through the cross-analysis of oral histories and other textual and visual sources. As is the case with many businesses that operated in Republican China, most of the Johnson Taxi corporate records were lost either to war or revolution. Although Johnson Taxi still exists today, albeit as a public company under a different name, the corporate archives contain few records from before the founding of the People's Republic of China in 1949. However, key extant documents from the socialist era do shed light on the history of the firm and its founder: a transcript of an oral history given by Zhou Xiangsheng in 1963; a statement written by Zhou in 1971; a statement by Zhou's brother Zhou Sanyuan (who took over as the director of Johnson in 1937) produced in 1968; and excerpts of the recorded oral histories of Johnson employees collected in 1979.<sup>13</sup> To situate these accounts within their historical context, we have pieced together the fragmented history of Shanghai's early taxi industry from materials collected from the Shanghai Municipal Archives and the Shanghai Library as well as news articles published in *Shenbao*, *The North China Herald*, and *The China Press*. Wherever these sources offer divergent or contradictory accounts, we have attempted to triangulate the most probable sequence of events by contrasting English and Chinese languages primary sources and complimenting them, whenever possible, with other materials such as memoirs and films.

## Entrepreneurship in Semi-Colonial Context

“Semi-colonialism” is a laden concept with a duplex genealogy. The term first emerged in the early years of the Communist International and was originally used to describe the particular socioeconomic configuration characterized by the co-existence of colonialism and native feudal structure; this was later adopted by Mao Zedong and used in Marxist historiography to explain China’s apparent failure to transition to capitalism.<sup>14</sup> A few decades later, in mid-century American historiography, the concept was employed to nearly the opposite effect; John King Fairbank and others used “semi-colonialism” to describe the system through which Western powers introduced new ideas, technologies, and institutions into China and thereby exerted a largely positive influence on Chinese economic development.<sup>15</sup> In this article, we use the term “semi-colonial” neither in the Marxist historiographical sense, nor with the intent of reducing China’s historical experience to its encounter with foreign imperialism; both usages have been rightly criticized for denying the agency of historical Chinese actors.<sup>16</sup> Rather we follow the example of cultural scholars who have re-interpreted “semi-colonialism” as a framework that distinguishes the “incomplete and fragmentary nature of China’s colonial structure” and stresses the qualitative differences between China and other colonial settings.<sup>17</sup> We then apply this framework to build upon recent work in business history that seeks to understand the agentic processes by which domestic and foreign actors shaped China’s early industrial development.<sup>18</sup>

In the late 19th and early 20th century, business in China was powerfully shaped by its semi-colonial context. Beginning with the First Opium War (1839-1842), China suffered a series of ignoble military defeats that forced them to sign “unequal treaties” with foreign powers. These treaties contained one-sided terms requiring China to cede territories, pay indemnities, and participate, on unequal footing, in a rapidly globalizing economy.<sup>19</sup> They also established a treaty port system, wherein foreigners were granted legal extraterritoriality (i.e. exemption from the jurisdiction of Chinese law) and were allowed to live and do business within designated port cities such as Shanghai, Xiamen, and Tianjin. These treaty ports thus became the entrepôts where foreign businesses encountered China’s already deeply-commercialized markets and where foreign colonial powers advanced their interests in China. With the support of their respective colonial governments, companies such as British-American Tobacco, Singer, and Ajinomoto entered China to open up and capture Chinese markets.<sup>20</sup> In this process, they introduced into China new technologies, financial institutions, and modern managerial hierarchies.<sup>21</sup> Treaty ports, as Elisabeth Köll argued, thus became the “enclave environment where new business systems, new administrative bodies, and new institutions... regulated and mediated the interaction and competition between Chinese interests and foreign powers.”<sup>22</sup>

The city of Shanghai was, in many ways, the “lynchpin” of this semi-colonial framework.<sup>23</sup> From the signing of the Treaty of Nanjing in 1842 to the restoration of Chinese sovereignty in 1943, Shanghai was carved into separate administrative areas, each under the control of different state powers.<sup>24</sup> The British and the Americans established the International Settlement along the northern and western banks of the Huangpu River and created their own governing body, the Shanghai Municipal Council (SMC).<sup>25</sup> The French established the French Concession just to the south, where they also exercised extraterritorial privileges. Further south still, Shanghai’s original walled market-town remained under Chinese control. And during the Second Sino-Japanese War, the Japanese Imperial Army took control over the Hongkou area (the Northeastern portion of the International Settlement) and established martial law. This multinodal power structure and fractional governance gave rise to overlapping systems of laws and regulations. The practical consequence of this for entrepreneurs

was that in order to create enterprises that operated across Shanghai's divides, they needed to conduct business in multiple languages and currencies, navigate disparate business practices and customs, and simultaneously negotiate with different regulatory bodies.

The demographics of semi-colonial Shanghai also differentiated the city from fully-colonial contexts. Throughout most of Shanghai's history as a treaty port, Chinese people constituted the overwhelming majority of residents, even in the foreign-controlled concessions. In the 1930s French Concession, for example, French nationals numbered less than 2,500, while there were about half a million Chinese.<sup>26</sup> Furthermore, because many Chinese migrants belonged to wealthy families of great status in their places of origin, they wielded considerable economic and political power. This is not to say that high class or the lack of apartheid segregation meant that Chinese enjoyed equal rights with their foreign counterparts. As we will see, they faced unequal barriers to entry in business, were regularly subjected to bigotry and discrimination, and, until very late, lacked representation in the city's governing bodies; it was only around the turn of the century, for example, that Chinese men began securing appointments on the municipal councils.<sup>27</sup> Nevertheless, some domestic entrepreneurs did surmount the obstacles posed by these power asymmetries.

Shanghai's semi-colonial context presented unique challenges as well as entrepreneurial opportunities. For example, the fragmented nature of the city, inhibited the development of city-wide infrastructure. All public utilities were initially owned and operated by private companies beholden to the administrative boundaries of their respective districts. A waterworks based in the International Settlement, for instance, could not extend its network of pipes north of the Suzhou Creek or west of Yu Ya Qing Road without negotiating separate franchise rights with the Chinese or French authorities. As a result, as late as 1950, Shanghai's water supply was managed by four independent waterworks that rarely cooperated.<sup>28</sup> In the absence of a single centralizing state to administer the "rules of the game," different groups of entrepreneurial actors devised ways to fill voids and make the city work. At the highest levels of Shanghainese society, elite middlemen (such as the comprador Wang Yiting and the gangster Du Yuesheng) utilized their interlocutory powers to create and enforce quasi-governmental institutions, which, unlike the Shanghai Municipal Council, cut across the city's many divides.<sup>29</sup> At the lowest levels, communities of informal actors cooperated to solve macro-urban challenges; public sanitation, for instance, was maintained not only by modern sewage systems and waterworks, but also by bands of night soil men who traveled from neighborhood to neighborhood with carts, collecting human waste and transporting it to the countryside for resale as fertilizer.<sup>30</sup> In the many neighborhoods, such informal services made urban life livable.

Although entrepreneurs did succeed in filling many voids, the cleavages that divided Shanghai along racial and national lines only grew deeper with the passage of time. As Chinese citizens' outrage over the economic, social, and political injustices of colonialism and imperialism continued to mount over the course of the early 20th century, Chinese entrepreneurs began successfully tapping into rising nationalist sentiments to alter the consumer landscape. Through advertising and popular demonstrations they divided goods and services into the conceptual categories of "foreign products" and "national products," and encouraged Chinese citizens to consume the latter as an act of patriotism. For example, Wu Yunchu, the entrepreneurial founder of Heaven's Kitchen, a leading condiments producer, successfully drove the MSG-maker Ajinomoto out of Chinese markets by whipping up anti-Japanese sentiments. Nationalism thus proved to be a power weapon for entrepreneurs to advance both their political and business interests.<sup>31</sup> As the 19th century intellectual and businessman Zheng Guanying put it, "practicing armed warfare is not as good as practicing

commercial warfare.”<sup>32</sup> Such acts contributed to the rise of Chinese nationalism and fundamentally shaped what it meant to be ‘Chinese’.<sup>33</sup>

In summary, while the term “semi-colonial” has a laden history, the re-imagined framework of semi-colonialism is useful for highlighting the hybridity of political, social, and institutional contexts that characterized Republican China and shaped the terms of interaction between Chinese and foreign actors. By employing this framework, we believe that we can better elucidate the system of constraints and opportunities that framed entrepreneurial processes as well as the ways in which entrepreneurship interacted with their situated context.

### **The Rise of “Wild Chicken” Taxis**

In 1908, at the eve of the founding of the Republic of China, a thirteen-year-old boy with a braided queue left his home in Dinghai, a small fishing island off the coast of Ningbo, for the city of Shanghai. Poor and uneducated, the young boy had to make his own way in the world. For a time, he picked up odd jobs, laboring as a child servant for a Portuguese family and a dishwasher in a restaurant. Eventually though, the boy secured a position at the Astor House Hotel, a job that would expose him to a new world of modern technologies and western lifestyle. The boy’s name was Zhou Xizhang and, unbeknownst to anyone at the time, taking this job at the Astor House was the first step in his journey to becoming the taxi king of Shanghai.<sup>34</sup>

The Astor House was the first western hotel in Shanghai and was a gateway through which modern technologies were introduced into China. Originally built in 1846 on the northern end of the Bund, in 1882 the hotel became the first building in China to be lit by electricity; a year later, it was the first to install indoor plumbing; in 1896, the first motion picture was screened in the hotel’s ballroom; and in 1901, the first telephone lines were put into operation there. After a major renovation and grand reopening in 1910, this so-called “Waldorf Astoria of the Orient” featured two hundred guestrooms with modern plumbing and steam heating, multiple lifts, six service elevators, and an ‘electrically cooled’ dining room that could seat upwards of 500 guests.<sup>35</sup>

It was just after the hotel’s grand reopening that Zhou Xizhang was hired on as a *xi zai*, or “western boy.”<sup>36</sup> Dressed in white-sleeved jackets, long blue shirts, and soft black shoes, the *xi zai* of Astor House were an icon of Shanghainese high society. This prestigious line of work provided Zhou with unique opportunities to interact with the global elites. Through his daily routine of transporting luggage up and down service elevators, drawing hot water into cast-iron baths, and delivering food to rooms, Zhou came to understand the minutiae of life for the wealthy and powerful. As an occupational necessity, Zhou also studied English into the late hours of night and became conversant in the language.<sup>37</sup> But most important to his future, Zhou was exposed to one of the city’s fledgling industries—the taxicab business.

Shanghai was an early entrant into the global taxi business. In 1911, just four years after New York City received its first shipment of gasoline-powered taxi cabs from France, Shanghai founded its first taxi enterprise, the Oriental Automobile Company (later renamed “Ford Hire Service”). In what was initially an experimental venture, Oriental imported a small fleet of yellow Renaults from Paris and ran advertisements in local newspapers with the slogan: “Get the habit. Taxicab it.”<sup>38</sup> After petitioning the Shanghai Municipal Council, the company was granted permission to install taxi stands in five locations across the city, including the Astor House Hotel, the Shanghai Club, and the Race Tracks. Oriental was soon joined by other foreign firms, including Taylor and Olivier Import and Export Co.

(the distributor of Goodrich Tires in China), as well as a number of small domestic competitors, such as the Feilong and Yitai garages. By 1913 a total of nine taxi companies were operating 43 licensed taxis in Shanghai. By 1921 the number of hire car companies had grown to 34, two-thirds of which were Chinese-owned.<sup>39</sup>

At the Astor House, after Zhou Xizhang attained the position of head boy, one of his main duties was scheduling pickups for hotel guests. Every day, Zhou conversed with garage managers and taxi drivers to help get the hotel guests to wherever they desired to go. Through these interactions, he accumulated tacit knowledge about the industry. He became familiar with how the garages operated, how they managed the activities of their drivers, and how they formed partnerships with local businesses. Eventually, Zhou was confident that he could launch a venture of his own. So, one day, with capital of dubious origin, he made a down payment on a second-hand Japanese 'Black Dragon' car and hired a local mechanic to drive it.<sup>40</sup>

Together, Zhou Xizhang and his driver began cruising the streets of Shanghai. The two men circled the train station, the docks, as well as restaurants and gambling dens, in search of potential customers. Since the poor-quality of their car prevented them from attracting the most discerning clientele, the team specialized in servicing foreign sailors. During these trips, Zhou rode shotgun so that, when the pair pulled up next to a pedestrian, he could talk with them in English and negotiate a fare.<sup>41</sup> Once a deal was struck, Zhou would jump out of the car, assist with luggage, help the customer alight, and hop back in. The language skills and service etiquette that he had learned as a *xī zài* enabled Zhou to cultivate a loyal base of clients who reused his services and gave word-of-mouth referrals.

Of course, such an informal enterprise did not operate strictly within the confines of law. Zhou Xizhang and his driver lacked a commercial taxi license. And even if they had one, in Shanghai it was still illegal to hail a taxi on the streets. In the early 1910s (before the advent of the formal taxi industry), taxi service providers had cruised up and down the Bund in pursuit of fares.<sup>42</sup> However, because of rising public concern that roaming vehicles were increasing traffic congestion and smog, in the late 1910s the Shanghai Municipal Council (SMC) enacted regulations that prohibited "cruising" and restricted taxis to servicing clients who queued up at taxi stands or outside of designated establishments (such as taxi garages, large hotels, and theaters). However, unlicensed taxi operators continued cruising the streets and negotiating fares on the fly. Because they drove from place to place, seemingly at random, these transportation-providers were denigrated as "wild chicken taxis."<sup>43</sup> Zhou's business was this latter type.

Informality had its advantages. As the owner-operator of a "wild-chicken taxi," Zhou Xizhang could meet unmet demand and turn a profit on virtually every trip. For those taxi-operators beholden to municipal traffic ordinances, short-distance trips were generally unprofitable. Labor and gasoline costs could easily outweigh the revenue of small fares, especially since taxicabs had to either return to their garage or queue up at a taxi stand before being dispatched on another trip. For this reason, customers traveling short distances were expected to hail rickshaws, rather than taxis, as a matter of courtesy. However, informal service providers like Zhou and his driver were bound by no such restrictions. Because they could immediately pick up another customer after fulfilling a trip, they could accept shorter-distance fares or deliver customers to more remote parts of the city (bribing police or paying fines whenever necessary).<sup>44</sup>

Informal taxi services flourished in Republican China. Even as the formal taxi industry developed, the number of wild chicken taxis continued to grow. In the late 1930s, in the capital of Nanjing, it was reported that at least half a hundred chicken taxis were operating alongside the city's 300 registered

public vehicles.<sup>45</sup> In Canton, a citywide survey revealed that wild chicken taxis were so ubiquitous and cheap that they were undermining the profitability of public motorbuses.<sup>46</sup> Similar developments were simultaneously playing out in the rickshaw business.<sup>47</sup> Not only did these informal transportation services fill critical voids in urban connectivity, they provided a gateway for Chinese entrepreneurs, like Zhou Xizhang, to enter the foreign-dominated industry.

As it happened, Zhou Xizhang informal business prospered. Within a half a year, he had paid off his debt and purchased a new car of American make. After a couple more years of healthy profits, Zhou was able to expand his fleet to five cars, lease a site to build a garage, and finally formalize his business. Having consulted some foreign friends, Zhou decided to register a company under the name of 'Johnson' in English and 'Xiangsheng' in Chinese. He then created a logo which incorporated both scripts: an English letter 'J' flanked by the Chinese characters 'xiang' (祥) and 'sheng' (生) (see Figure 1). Finally, Zhou took the name 'Xiangsheng' as his own and permanently linked himself to his brand.

[Insert Figure 1]

## **The Building of Taxi-Networks**

In a scene from the 1947 film "Long Live the Misses!," Ms. Sizhen, a Shanghainese newlywed, tells her husband that she will see him to the airport.<sup>48</sup> Sizhen walks over to her in-house telephone, makes a quick call, and within moments a cab from the Johnson Taxi Company with the number '40000' painted on its side pulls into her driveway. The couple gets in. The driver honks to clear the road. And off they go.

In this depiction of 1940s Shanghai, getting a cab seems effortless. With just a few words spoken over the phone, a car was instantly summoned, in much the same way that contemporary apps enable us to 'tap a button, get a ride.' But unlike today's ride-hailing services, which are made possible by wireless telecommunications and computational algorithms, the taxi order placed in Republican Shanghai (1911-1949) depended on a hidden matrix of human, managerial, and material technologies. Unbeknownst to Ms. Sizhen, when she placed an order with Johnson, this is probably what would have happened behind the scenes:

When Ms. Sizhen dials '4-0-0-0-0' on her phone, she is greeted by a Johnson Company operator. Sizhen informs the operator that she needs an immediate ride to the airport and tells him her address. The operator takes the details of the order on a standard slip of paper; he records Sizhen's home address under "Pick-Up" and the letter "I" (shorthand for airport) under "Destination." The operator then hands off this slip to the dispatcher, who checks his list of garages for presently available cars and selects the one nearest Sizhen's home. The dispatcher calls the garage and relays the information to the garage manager. The manager records the details of the trip on an order form, along with the current time and the estimated trip duration. He then gives the form to a driver, who sets off to the pick-up location. Within five minutes of Sizhen having lifted the telephone receiver, the Johnson Company car arrives at her home.

The seemingly mundane act of ordering a cab thus involved at least three distinct technologies (the telephone, the automobile, and the order form) and five interrelated actors (the customer, the telephone operator, the dispatcher, the garage manager, and the taxi driver). All of these actors and material components had to work together in a perfect concert to create a seamless experience. And this is to say nothing of the supporting systems of roads, traffic lights, electrical grids, transportation regulations, and global supply networks that did not feature directly in the order, but without which it would have been impossible to carry out. Entrepreneurial figures like Zhou Xiangsheng played a pivotal role in combining these heterogeneous elements to build an infrastructure that traversed Shanghai's many divides and made it possible, from almost any location, to "place a call, get a ride."

[Insert Figure 2]

\*\*\*\*\*

According to a local newspaper, when a wealthy Hungarian businessman imported the first automobiles into Shanghai in 1901, "the facilities for street transportation were so poor that when the street cars arrived here they were *carried* to the accompaniment of the chant of hundreds of coolies."<sup>49</sup> Such was the sorry state of China's road infrastructure at the turn of the 20th century, and this came to be viewed as a key obstacle to the development of the motor industry.<sup>50</sup> However, in the following two decades, Shanghai underwent a radical infrastructural transformation. Shanghai's existing network of navigable roads was expanded to cover most of the French Concession and International Settlement. Cobbled lanes were paved with asphalt. Major thoroughfares were widened and lined with electric street lamps.<sup>51</sup> In the Old City, the city walls were even torn down to make way for a new ring road.<sup>52</sup> These changes greatly hastened the adoption of cars in the city and made possible the birth of the taxi industry. By 1908 there were 119 vehicles cruising up and down the Bund; by 1916 Shanghai boasted more than a thousand registered vehicles.<sup>53</sup> It would take another two decades for the rest of China to begin to catch up.<sup>54</sup>

At the same time as Shanghai was being physically transformed to accommodate automotive traffic, the city experienced a concurrent revolution in telecommunications technologies. Beginning in the 1880s, international corporations such as Ericsson and Siemens began competing to import telephone equipment into Shanghai and supply them to the city's businesses. The number of subscribers to the largest telephone company, the British-owned Shanghai Mutual Telephone Exchange, rose exponentially from just 340 in 1899, to 600 in 1902, to 3,300 in 1908.<sup>55</sup> By 1938 the Mutual Exchange was servicing over 60,000 subscribers and was facilitating over 126 million calls annually.<sup>56</sup> Shanghainese residents even began purchasing telephones for private use in their homes. As one contemporary ad for domestic telephone services described: "Think of how often each day you need a messenger... to go to the comprador, to take a word to the office, to make an appointment with the hairdresser, to arrange the details of dinner, to call a taxi... Why should you try to get along without a Telephone when you can have a Telephone Service in your home for less than 30 cents a day?"<sup>57</sup> For well-to-do Shanghainese, the telephone quickly became a fixture of modern life.

The increasing ubiquity of telecommunications technologies influenced the evolution of the taxi industry. As telecommunications services became more widely available, consumers grew accustomed to ordering taxis by phone. Beginning in the 1910s, hotels, bars, and coffee shops

around the city were outfitted with wall-mounted devices, available to use for a small fee. Many customers began using wall-phones to summon cabs to take them from a given business to other parts of the city. In the 1920s, telephone companies installed public telephone booths in prominent locations and issued bronze tokens embossed with the phrase “Good for One Call” that could be used at any of these devices. The spread of these technologies ensured that consumers could electronically engage taxi services from any major establishment in the city.

It was during this time, when taxis services and telephones were evolving in tandem, that Zhou Xiangsheng emerged as a leading systems-builder. Over the course of the 1920s, Shanghai’s fabled Gilded Age, Johnson Taxi had taken off. The once small operation had grown into a respectable enterprise with multiple service garages, a fleet of twenty cars, and dozens of employees (Table 1). In order to raise capital for further expansion, in 1931 Johnson Taxi was incorporated as a limited liability company and issued public stock.<sup>58</sup> At the time of its incorporation, the firm had 500,000 Chinese silver yuan in founding capital, a figure equivalent in purchasing power to \$1.6 million US dollars today.<sup>59</sup>

[Insert Table 1]

The real turning point for Johnson Taxi came late in the summer of 1933, when Zhou Xiangsheng made a speculative bet on foreign exchange. After hearing a rumor that Great Britain planned to abandon the gold standard, Zhou took out a massive loan and reached out to a General Motors distributor with a proposal to buy 400 new Chevrolets. The representatives at GM, who had already been seeking a strategy to compete against Ford in Asia’s entry-level automotive market, eagerly accepted Zhou’s offer. As Zhou predicted, shortly after a contract was signed, the value of the Chinese Silver Yuan fell by nearly half against the American Dollar. By the time that his cars made it to Shanghai, they were worth twice as much in local currency as when they left the United States. After incorporating more than one hundred of these Chevrolets into his new taxi fleet (and selling the rest to pay off his contracted debt), Zhou Xiangsheng set about building what would become the largest, most comprehensive, network of taxi garages in Shanghai.

Prior to 1930, Shanghai’s largest taxi firms— Ford, Taylor, Silver— operated their businesses from a handful of garages concentrated in the French Concession and the International Settlement. Ford, for instance, managed the entirety of its 200-car fleet from one head office and five branch offices located in the International Settlement. This made good business sense. During the 1910s and 1920s, the market for taxi services was concentrated in the most affluent parts of the city, and so the centralization of garages made large fleets easier to coordinate. But by the early 1930s, some local entrepreneurs, like Zhou, sensed that there was growing unmet demand among Shanghai’s burgeoning managerial class, especially among native Chinese. Hoping to become the first to open up and capture this new market, Zhou decided to double the number of garages in Johnson’s service network. He carried out research in untested parts of the city by traveling to different areas of Shanghai and standing near intersections to observe the density and flow of pedestrian traffic.<sup>60</sup> Combining this observational data with his tacit understanding about how parts of the city were changing, Zhou marked out 22 locations on a map to build new service garages (see Figure 3).

[Insert Figure 3]

At the same time as he expanded Johnson's service network, Zhou Xiangsheng also began integrating telecommunication technologies. Shortly after building his first garage, Zhou purchased two telephone numbers for his business—"40251" and "40253"—and hired a team of dedicated operator-dispatchers to receive and transmit orders by phone.<sup>61</sup> He also installed proprietary "taxi booths" in the lobbies of hotels that instantly connected customers with Johnson operators through dedicated phone lines.<sup>62</sup> Zhou wanted to make the entire process of ordering a cab effortless for the customer and as seamless as possible. He instructed his operator-dispatchers that they must never refuse the reasonable requests of a customer nor tell them that a car is unavailable. As Mao Zhaohai, a former Johnson operator, recounted: "Boss Zhou told us that if all of our cars are presently booked, then rather than refusing a customer, we should personally call another company's garage to pick the customer up. He said we must never lose the people's trust."<sup>63</sup>

The integration of telecommunications technologies also enabled Johnson Taxi to offer additional services to the Shanghaiese public. If anyone dialed the company's number, in addition to being able to book taxis, they could ask for weather reports, the schedules of trains, buses, and steamboats, or information about current local events. This service proved so popular that Johnson's main competitor, the Ford Hire Car Service, responded by printing and distributing a free "City-Wide Chatter" pamphlet that similarly listed current sporting events, cinema programs, and reviews of local businesses.<sup>64</sup>

Around this time Zhou also made a small material innovation that helped put the Johnson brand in businesses across the city. In early 20th century Shanghai, most public telephones were installed as basic wall-mounted units. If someone answered the phone and then went to fetch the intended recipient of a call, they either had to balance the receiver atop the device's housing (careful not to depress the hook and terminate the call), or simply let it dangle from its cord. Noticing this obvious flaw in design, Zhou invented a simple receiver stand made from a cast-iron hanger, and commissioned the production of 30,000 units of the device.<sup>65</sup> Each had the Johnson's company logo and telephone number inscribed on its faceplate. Zhou then hired a team of handymen to travel around the city and install the hangers at dance halls, movie theaters, restaurants, offices, and other buildings free-of-charge. It was Zhou's intention that every time a local picked up a telephone to call a cab, the first thing they would see was "Johnson Taxi."

As the company continued to grow and add more garages to its network, Johnson established a centralized call center, separated the functions of operator and dispatcher, and devised a system of shorthand for transmitting information within the network. Under the new organizational structure, telephone operators, whose job required them to speak to customers in foreign languages, recorded the details of orders on slips of paper in universal shorthand. For instance, they would have recorded the address "Bubbling Well Road No. 251" as "251 B·W·R." The order slips were then handed-off to dispatchers, who generally could not speak foreign languages but who could interpret the shorthand. The dispatchers then identified the nearest garage with an available car and relayed the details of the order to the presiding garage manager. Finally, the garage manager recorded the order information on a dispatch ticket and passed it off to a driver who embarked on the trip.<sup>66</sup> This tiered system of information transmission helped to circumvent linguistic barriers and reduce errors in a multilingual context.

Another system was later added to streamline bookings for repeat customers. The company divided the city into five cardinal districts—North, South, East, West, and Central—and for each, kept a ledger of priority customers (i.e. frequent service users). For each priority customer, the company assigned them a unique identification number, such as "West District No. XX," and recorded their

home address and place of business. When these customers dialed in for a ride, they needed only provide their ID codes and a driver would immediately be dispatched to their location. This system enhanced the customer experience for frequent users and allowed orders to be executed even faster.<sup>67</sup>

Johnson's call-based dispatching also included new managerial practices. When Zhou Xiangsheng launched his new fleet of Chevrolets, he chose not to install distance meters in the cars, even though the technology was already widely available. Rather, he determined that fares should be calculated solely on the basis of time, as measured by the large clock tower of the Shanghai Customs Office. Johnson drivers were required to punch time cards upon departing from or returning to a garage and have customers sign them in English script.<sup>68</sup> If a driver was more than ten minutes late arriving at or returning from any given trip, they were issued a fine. Call-based dispatching thus enabled managers to exert greater control over drivers and prevent them from conducting independent business between orders. Taxi company owners, like Zhou Xiangsheng, so strongly preferred this disciplinary system that, on at least two occasions, they lobbied against regulatory changes that would have legalized cruising and given greater autonomy to drivers.<sup>69</sup>

Collectively, these innovations greatly enhanced the efficiency of taxi services and enabled those who could afford them to move around Shanghai with an unprecedented level of convenience and ease. Customers placing orders from within major parts of the city could expect Johnson taxis to arrive within minutes of placing a call. For more remote areas, the company promised that its cars would get there within ten minutes. Johnson's fast and punctual service won over Shanghai's business elite; as an English-language paper lauded, "the name Johnson has become synonymous with the most safe, efficient, and courteous hire car service in Shanghai."<sup>70</sup>

Even after the Japanese occupation of Shanghai, Johnson's service network continued to grow. Between 1936 and 1939, the annual number of trips serviced by Johnson taxis rose from 732,000 to more than a million (Table 2), at which time more than 70 percent of all trips were being generated over the phone.<sup>71</sup> The total number of orders would grow by an additional 30 percent in 1940 before finally falling as a result of wartime fuel shortages and diminishing demand. At the same time, the integration of new technologies and managerial practices also greatly enhanced the efficiency of services. If we divide the total number of trips serviced annually by the reported number of vehicles in Johnson's taxi fleet, we find that the average number of daily trips per vehicle rose from about 7.2 trips/day in 1936 to about 13.5 trips/day in 1941. To put this latter figure in perspective, according to a 2016 report by Morgan Stanley on New York City's taxi industry, full-time taxi drivers serviced, on average, 91 trips per week, or 13 trips per day.<sup>72</sup> In other words, in the middle of a world war, Johnson's taxi network was operating at a level of efficiency comparable to that of contemporary New York City. This network helped weave Shanghai together and hold it together even in the face of conflict.

[Insert Table 2]

## Taxis and Nationalism

In early 20th century Shanghai, transportation technologies existed within a complex ecology of competing forms. Sedan chairs, long the preferred mode of locomotion for Chinese elites, remained in usage into the Republican era, though increasingly for ceremonial purposes; after being denigrated by Chinese reformers as a symbol of China's cultural and technological backwardness, they gradually fell out of fashion and were replaced by other, more "civilized" technologies, such as the horse-drawn carriages of European elites. However, carriages too were eventually denounced as instruments of enforced racial hierarchies; the high-seated carriages enabled foreigners to tower over natives. All of these technologies were eventually displaced by the rickshaw—a modern Japanese invention first imported into Shanghai in 1874. The narrow form of rickshaws made them particularly adept at navigating Shanghai's narrow alleyways and cobbled lanes. However, because the rickshaw was, essentially, a two-wheeled carriage pulled by a human instead of a horse, it was also derided by reformers as "horrid foreign things, which degraded men to the level of animals."<sup>73</sup> It was in such a contested and politicized environment that automobiles were introduced as a symbol of progress (see Table 3).

According to the great reformer and philosopher Hu Shi, the true divide between the East and West resided neither in faith nor culture, but in the differences between a "rickshaw civilization" and a "motor-car civilization." Of all innovations in transportation throughout history, the car, he argued, was the first technology that offered the opportunity for humans to enslave machines, rather than the other way around.<sup>74</sup> Many Chinese came to share Hu Shi's view of automobiles as the ultimate symbol of progress. By the late 1910s, motor cars were the most prestigious mode of transportation among Shanghai's elites who repainted them in vibrant colors, outfitted them with lavish interiors, and used them to showcase their wealth and modern character.<sup>75</sup> A memorable scene from the 1935 film, *Scenes of City Life*, perfectly captures these automotive fascinations:

Our protagonist, a young man of modest means, asks the girl of his dreams out on a date. In an effort to impress this modern beauty, he sells his wristwatch to pay for two movie tickets. At first, all seems to be going well as the two enjoy the film together. But upon exiting the theater, the young man's date is greeted by a wealthier courtier who offers to take her for a spin in his shiny new car. Our protagonist is jilted on the spot. Crestfallen, he saunters down the bustling street. As he passes by a department store, he sees a showroom with a new Ford on display. Above the car is a large banner that reads: "Beautiful girls only ride in cars!"<sup>76</sup>

[Insert Table 3]

Like other technologies, the initial usage of automobiles reflected Shanghai's semi-colonial context. For decades it was mostly foreigners who owned cars and Chinese who drove them, and there were many who fought to maintain this status quo. In 1905, a group of American and British elites founded the Automobile Club of China to promote the adoption of automobiles and advance the interests of foreign automobile owners.<sup>77</sup> In the 1910s, members of the Club became especially concerned with how their Chinese chauffeurs were learning how to drive. As one member wrote, "the majority of chauffeurs acquire their knowledge of driving in the first place by stealth, so to

speak, at the expense of the motor car owner who is ignorant of what is done to and with his car when his back is turned.”<sup>78</sup> Another car owner similarly claimed that “they are being taken out in Master’s car while he is at office, or at dinner, or up-country for the weekend. [Trainees are being taught by] the chauffeur, who was earning a little on the side by teaching driving and using his employer’s petrol.”<sup>79</sup> To confront this growing phenomenon, in 1919 the Automotive Club partnered with YMCA to launch China’s first chauffeur training school and thereby “create a supply of chauffeurs who receive their training legitimately and not in the surreptitious manner which has been the custom in the past.”<sup>80</sup>

While chauffeur training schools were created with the express goal “turning out men of a good class, properly able to carry out their normal duties” in service of Western employers, they inadvertently laid the foundations for the rise of Shanghai’s domestic taxi industry.<sup>81</sup> In addition to training people to drive, these schools taught drivers critical skills such as tire repair and engine maintenance, the demand for which was so high that graduates could leverage their acquired knowledge to demand higher wages, seek alternative employment, or even transition into adjacent industries.<sup>82</sup> Chauffeur schools also inspired Chinese entrepreneurs to launch training programs of their own. In 1924, a group of Chinese business leaders founded the Zhonghua Technical School of Industry, the first Chinese-managed automotive training school, which recruited students across six provinces in China. In 1927, another Chinese national established the Central Automobile School, an educational institution that not only trained drivers, but also mechanics and engineers.<sup>83</sup> As these driving schools turned out the first waves of graduates, Chinese entrepreneurs tapped into this growing supply of skilled labor to build successful taxi businesses.

As domestic firms gained increasing market power in Shanghai’s taxi industry, they began to demand a say in the crafting of industry regulations. In 1928 a coalition of 28 small, mostly domestic, hire car companies compelled the largest firms— Ford, China Motors, and Taylor Garage— to join them in forming the Shanghai Hire Car Owners Association (SHCOA).<sup>84</sup> The SHCOA was a guild-like entity that not only determined industry standards and lobbied for legislation in the industry’s favor, but also set universal prices for all taxi services. Within the SHCOA, the domestic coalition used its power to ensure that no special privileges were granted to a single (foreign) taxi firm, to the exclusion of its (domestic) competitors.<sup>85</sup> Three years later, a group of 75 domestic companies formed a separate organization under the auspices of the Chinese government, the Chinese Merchants Hire Car Association, which immediately appointed Zhou Xiangsheng to serve as its director.<sup>86</sup> That same year, Zhou was concurrently elected to SHCOA’s board of directors. Thus, by 1931, local Chinese companies had gained political power within Shanghai’s taxi industry, and a 35-year-old Zhou Xiangsheng was positioned as the principal interlocutor between domestic and foreign firms. However, even as Chinese entrepreneurs were winning greater representation in the taxi industry, geopolitical events were rapidly reshaping their situated context.

At midnight on January 28<sup>th</sup>, 1932, Japanese naval aircraft bombed Shanghai, in what would later be described as “the first terror bombing of a civilian population of an era that was to become familiar with it.”<sup>87</sup> In the following hours, three thousand Imperial Japanese troops attempted to storm the city but encountered unexpected resistance from a renegade detachment of Nationalist soldiers. The invasion stalled. At this moment, when most elites were fleeing to the relative security of the foreign concessions, Zhou Xiangsheng was driving towards the battlefield in a decommissioned armored vehicle. Zhou had purchased the armored car a few weeks prior and secretly had it repaired by his mechanics.<sup>88</sup> Although the city was on lock-down, Zhou successfully negotiated his way through the military blockades, reached the front line, and donated the vehicle to the Chinese regiment in

person. The following day Zhou was arrested, but not before newspapers had learned of his actions. Overnight, he became hailed as one of Shanghai's most patriotic entrepreneurs.

The attempted Japanese invasion immediately transformed the political landscape of transportation services in Shanghai. Chinese taxi drivers regularly denied service to Japanese customers, as well as non-Japanese bound for Japanese-controlled parts of the city. Imported Japanese cars, which in the previous decade had rapidly overtaken American-made vehicles in Shanghai (Table 4), became targets of vandalism and even the occasional fire-bombing. Mounting tensions eventually erupted in homicidal violence. After a rash of murders of Chinese cab drivers, allegedly perpetrated by Japanese troops, taxi companies suspended all operations north of Suzhou Creek.<sup>89</sup> In one instance, when three drivers were murdered within a period of ten days, Zhou offered free transportation services to the families of the deceased and organized a public spectacle. On the day of the funeral, a procession of one hundred Johnson Taxis followed the hearse and served as an honor guard for the fallen drivers. Shanghainese residents lined the streets in solidarity, watching the spectacle of nationalism as it proceeded through the city. Some held up banners that read: "The People are Filled with Rage" and "Our Anger will be Repaid."<sup>90</sup>

[Insert Table 4]

In this contested landscape, Zhou Xiangsheng recognized an opportunity to both reshape his situated context and harness the rising power of Chinese nationalism. Zhou ran a series of poetic advertisements in Chinese-language newspapers that called for the patriotic consumption of domestic transportation services. As one ad read:

"We, the Chinese People,  
must travel in Chinese taxis.  
Only if we protect our interests and rights,  
will our nation grow wealthy and strong."

Contained within such ads was the core idea that the struggle against imperialism could be carried out in the realm of everyday economic action. This message resonated with Chinese consumers and provided a roadmap for resistance: if Chinese citizens wanted to build a powerful China and resist imperialism, then they must consume *Chinese* goods and services.

Around the same time, Zhou Xiangsheng also devised a clever way of further branding Johnson Taxi as a patriotic enterprise. Because so much taxi business was, by the early 1930s, conducted via telephone, a number of firms had caught on to the idea that a memorable number could serve as a powerful marketing tool. Silver Taxi, for example, adopted the minimalist 30030, while Ford chose 30189, a number which, if pronounced in the Shanghai dialect, sounded like "*sui lin yi bei jiu*," meaning "a cup of wine for the new year." Zhou Xiangsheng did one better, using his personal connections to secure the digits 4-0-0-0-0, a number both simple and politically profound. The number 40000 (*si wan*) was a direct reference to 400,000,000 (*si wan wan*), Sun Yat-sen's famous estimation of the Chinese population at the founding of the Republic of China.<sup>91</sup> While *si wan wan* did not actually represent China's demographic reality, its creation was an "arbitrary symbolic act"

that provided Chinese people with a cultural reference point and a numerical representation of a united China.<sup>92</sup> By adopting 40000 as his company's number, and repeatedly invoking it in patriotic advertisements, Zhou harnessed the symbolic power of *si wan wan* to induce the social imagination of a strong, self-determined China.<sup>93</sup>

Zhou painted Shanghai with the number 40000. It appeared on the sides of deep green Johnson cars; it shone from fluorescent neon billboard on top of its corporate headquarter at 800 Beijing Road; it was printed in banner ads in every major newspaper; and it was sewn onto the uniforms of Johnson drivers.<sup>94</sup> After securing exclusive rights to service the Shanghai North Railway Station, Zhou plastered massive Johnson Company advertisements along the station's walls; for years, the first thing that arriving passengers saw when they set foot in the city was the number 40000.<sup>95</sup> The marketing strategy was an unmitigated success. In Shanghai "calling 40000" became a byword for hailing a cab.<sup>96</sup> This remained the case even after the Communist revolution and the nationalization of the taxi industry.<sup>97</sup>

[Insert Figure 4]

In 1930s Shanghai, whether one ordered a taxi from Johnson or Ford was more than an economic decision or a matter of personal taste. It was a political act. For decades Chinese entrepreneurs vied against foreign elites and businessmen in Shanghai to break their monopoly over the transmission of automotive knowledge and the crafting of industry regulations. When the Japanese invasion pushed anti-imperialist sentiments to new heights, entrepreneurs, like Zhou Xiangsheng, successfully mobilized nationalistic symbols to inscribe taxis with the qualities of domesticity and foreignness and transform the way Chinese consumers engaged with transportation services. In doing so they both redefined travel as a performance of political identity and developed a key competitive advantage against their foreign business rivals. The effects of this transformation were clear. By 1935, at least two-thirds of licensed taxis were owned and operated by Chinese firms (Table 5), and Johnson Taxi had become the largest service provider in all of Shanghai.<sup>98</sup>

[Insert Table 5]

## Epilogue

On August 13th, 1937, just weeks after the Japanese Imperial Army launched its full-scale invasion of Mainland China, the flames of the war spread to Shanghai. For three long months, the city was paralyzed by howitzer fire and urban warfare, as Nationalists troops attempted to repel the invading forces and destroy Japanese strongholds within the city. Though the Nationalist's resistance proved more effective than either they or the Japanese anticipated, they were ultimately forced to retreat and cede their control of Shanghai. However, the French Concession and International Settlement, still under the administration of foreign powers, were spared. For the following four years, until the Japanese attacked Pearl Harbor and announced declarations of war on the United States and the

British Empire, the concessions served as a “solitary island” to which Chinese and foreigners sought refuge from the ravages of an increasingly global war.<sup>99</sup>

In this interregnum, Shanghai’s taxi industry continued to survive and operate from within the “solitary island.” The sudden influx of refugees increased the concentration of labor and capital in the concessions and drove up the local demand for transportation services.<sup>100</sup> However, taxi firms also faced unprecedented constraints. Occupying Japanese forces curbed the flow of inter-district traffic and set up checkpoints just outside the concessions. According to newspaper reports, at these checkpoints they harassed Chinese taxi drivers and forcibly attached colonial flags to the windshields of their cars.<sup>101</sup> The new colonial government also attempted to establish its own taxi networks to service Japanese residents and compete against the existing industry. In the summer of 1938, a fleet of 60 “midget taxis” and a cohort of 80 drivers were brought over from Japan to replace the suspended taxi services in northern Shanghai.<sup>102</sup> When the colonial regime later announced plans to increase the Japanese fleet to 400 vehicles and expand operations to other parts of the city, the employees of domestic transportation companies took to the streets in mass protest.<sup>103</sup>

As the occupation dragged on, the taxi industry entered a precipitous decline. Wartime inflation and disruptions to global supply chains crippled taxi operators. Though standard fares more than quadrupled between 1937 to 1941, they could not keep pace with the soaring costs of petroleum, car parts, and tires.<sup>104</sup> Driven into debt, smaller domestic garages declared bankruptcy one after another. The largest companies survived only by absorbing the lost market-share. In 1942, after petroleum supplies to the city were completely cut off, motor transportation ground to a halt.<sup>105</sup> Some taxis companies responded to the crisis by converting their vehicles to run on alternative fuels like kerosene and coke.<sup>106</sup> Other firms, like Johnson Taxi, became man-powered transportation providers. Johnson purchased a fleet of rickshaws and three-wheeled pedicabs, housed these vehicles in their garages, and dispatched them on trips using the existing telecommunications networks. Johnson’s loyal customer base continued dialing 40000 for transportation services, but instead of taxis, foot-powered tricycles arrived at their doors.<sup>107</sup>

Although the infrastructure created by Zhou Xiangsheng helped Johnson Taxi weather the war, Zhou himself was no longer a participant in its evolution. Though he had played an outsized role in the growth of the company and industry, Zhou’s autocratic style of management increasingly pitted him against Johnson’s board of directors. Zhou had, for example, been reprimanded for using company assets as collateral for a personal loan, which he used to build himself a mansion in the French Concession. He also got into a drawn-out fight with the board after he unilaterally decided to sell two hundred cars, i.e. four-fifths of the company’s entire fleet, to the Nationalist Government, just before the outbreak of the war. In the face of growing internal conflict, Zhou eventually resigned from his leadership role. In his stead the board appointed Zhou Sanyuan, Zhou’s younger brother, to take over as director.<sup>108</sup>

After being pushed out of his namesake firm, Zhou Xiangsheng reinvented himself as a serial entrepreneur. Using political connections and personal capital he launched a series of ventures, including a bank, a restaurant, and a radio station— all under the Xiangsheng brand. Most ambitious though was Zhou’s attempt to reenter the transportation business. The Xiangsheng Transportation Company (*Xiangsheng Jiaotong Gongsi*) was created with the goal of incorporating into a single corporate network taxi, bus, and steamship services; Zhou also had his sights set on purchasing airplanes. This

venture might even have succeeded if not for an entirely unforeseeable event—the defeat of the Nationalists at the hands of their rivals, the Communists, in 1949.<sup>109</sup>

With the Communist's rise to national power and the founding of the People's Republic of China, Johnson Taxi was gradually brought under the control of the new socialist state. In 1951, the firm was re-organized as a joint public-private enterprise (*gongsi beying qiye*), with 49% private and 51% public ownership.<sup>110</sup> In 1954, as part of an effort to disassociate the firm from its capitalist founder, Johnson Taxi was renamed the "Shanghai Taxi Company." After acquiring and merging with sixteen other formerly-private taxi companies, Shanghai Taxi came under complete state ownership in 1966.<sup>111</sup> Zhou Xiangsheng himself, though no longer associated with his namesake firm, would come under attack as an unrepentant capitalist. During the Cultural Revolution, Zhou was repeatedly subjected to public criticism sessions, evicted from his mansion, and forced to live alone in a cramped studio apartment. As an additional humiliation, he was assigned the job of dredging his community's sewers. His son later recollected how "my father worked from dawn till dusk, sweeping the alleyways and cleaning the sewers. Of course, he was often also made to wear a sign [of a capitalist] and was forcibly paraded through the streets."<sup>112</sup> Zhou Xiangsheng died of cancer in 1974, two years before the end of the Cultural Revolution.

Even after the nationalization of Johnson Taxi and the political denunciation of its founder, beneath the surface there remained important continuities in the operations of the firm. Many of Johnson Taxi's old employees, including drivers, mechanics, and dispatchers were retained into the PRC. Moreover, because of the acute deficit of industry expertise, even some managers, including Zhou Xiangsheng's brother, Zhou Sanyuan, were kept on to manage the operations of the firm. The infrastructure that Zhou Xiangsheng built would also live on. Johnson's calling center and dispatching system would be inherited by the Shanghai Taxi Company and would become the industry standard.<sup>113</sup> Qiangsheng operators continued recording orders on written slips of paper in Zhou Xiangsheng's shorthand well into the 1980s, until the system was finally computerized.<sup>114</sup> After China's "Reform and Opening Up," the Shanghai Taxi Company was restructured as a public-owned joint-stock enterprise, and in 1992, in a nod to its founder, was renamed Qiangsheng.<sup>115</sup> Today, Qiangsheng remains the largest taxi operator in Shanghai, controlling about 25 percent of the taxi services market; in terms of its number of cars and drivers, it ranks among the largest taxi companies in the world.

## Conclusion

In this article, we have used the interwoven histories of an entrepreneur, a company, an industry, and a global city to explore the dynamic interplay between Chinese entrepreneurship and semi-colonial context. We began with the observation that while the relationship between entrepreneurship and context has attracted increased scholarly attention, the emphasis has been on how the latter shapes the former through "top-down processes." We can attribute this tendency, in part, to a biased focus on developed markets, where legal and economic institutions are often so powerful and their internal workings so opaque, that the influence of "top-down processes" completely obscures that of "bottom-up processes." This, we note, is where the study of semi-colonialism can provide a unique opportunity for identifying and theorizing the obverse processes. As we have shown, in semi-colonial Shanghai, we are presented with a city that was characterized by a multi-nodal power structure and underwent radical changes within the span of a lifetime. Competing governments, militaries, gangs, and multinational corporations all vied for control over the course of the early 20th century, and through their competition, they created multiple, overlapping, and sometimes contradictory institutional frameworks. In such a dynamic environment,

where the balance of power was constantly shifting and no one actor unilaterally defined the “rules of the game,” it is much easier to illuminate how entrepreneurship and context are mutually constitutive.

By leveraging these characteristics of semi-colonialism, we have attempted to explicate three generalizable mechanisms through which “bottom-up processes” reshape context. **First**, we identified how disenfranchised entrepreneurs are able to overcome institutional barriers and structural power asymmetries by initially operating in the informal sector. As the case of Zhou Xiangsheng shows, illicit transportation services were a gateway through which domestic entrepreneurs could enter the taxi business. The first-movers in Shanghai’s taxi industry were foreign-owned corporations that worked to structure the regulatory environment in their favor. Companies like Ford and Taylor, for example, pushed governments to outlaw cruising, a move explicitly designed to exclude smaller entrepreneurial entrants. However, in doing so, they inadvertently created a space in which informal taxi services flourished. In Shanghai, it was possible for an entrepreneur, with little more than a driver and a car, to launch “wild chicken” taxi services, generate profits, and build a fleet. For Zhou Xiangsheng and other domestic entrepreneurs, operating in the informal sector enabled them to accumulate capital and experience and ultimately build companies that were capable of competing in a foreign-dominated industry. Moreover, by providing “wild chicken” services, these entrepreneurs filled critical gaps in urban connectivity. They catered to a broader clientele than their formal counterparts and supplied transportation in underserved parts of the city.

**Secondly**, we examined the central role of entrepreneurial imagination in the transformation of urban infrastructure. Zhou Xiangsheng’s success in building Shanghai’s largest taxi service network was predicated not only on his novel recombination of existing technologies, but also on his ability to re-imagine Shanghai as an interconnected metropolis. Whereas his western competitors concentrated their business in the foreign concessions, Zhou saw the potential of expanding services to the outer territories and catering to an entirely new clientele. Moreover, while his rivals simply layered telephone ordering atop their existing services, Zhou imagined a telecommunications-based platform that would enable Shanghainese, at any time and from anywhere, to simply “call a cab, get a ride.” This platform streamlined the hailing process, while also making services more reliable; when users called in orders with Johnson, if no cars were presently available in the company’s network, dispatchers would directly connect users with cabs from other operators. This explains why, as we learned through interviews with elderly Shanghai residents, the phrase “calling 40000” became synonymous with ordering taxis in general. The existence of such a trans-municipal and (to a lesser extent) trans-network platform—one that harnessed telecommunications technologies to cut across Shanghai’s many divides—not only made it faster and more convenient to travel from one part of the city to another, but also strengthened the imaginary of Shanghai as a unified metropolis.

**Lastly**, we explored how, through the creative manipulation of symbols and sentiments, entrepreneurs can alter the cultural milieu in which they operate. As anti-imperial sentiments intensified among Chinese citizens in the lead up to the Second Sino-Japanese War, domestic entrepreneurs harnessed these passions to distinguish their products and services from those of their western counterparts and gain competitive market advantage. We saw how Zhou Xiangsheng cleverly co-opted the symbolic power of the number 40000 (an indirect reference to Sun Yatsen’s estimation of the Chinese population) to indelibly associate Johnson Taxi with China’s nation-building efforts; how he successfully ascribed to his company the quality of domesticity, even while its technological inputs were of foreign origin (the telecommunications technologies and

automobiles were all American and European imports); and how he encouraged Chinese citizens to be participants in the project of national self-strengthening by consuming “Chinese” taxi services. Through such acts of cultural innovation, Zhou shaped the politics of consumption and linked domestic taxi services to the shared imaginary of China as a strong and self-determining nation.

We hope that this article serves to demonstrate the efficacy of qualitative historical methods in the process of context theorizing. By focusing on how entrepreneurship interacts with its multi-layered context, while remaining sensitive to the contingent and path-dependent nature of change, we attempt to offer a more dynamic understanding of the relationship between entrepreneurship and context. As we show through the interwoven histories of an entrepreneur, a firm, an industry, and a semi-colonial city, context need not be understood as environmental factors that are outside of individuals’ reach, nor as something that already exists “out there” for entrepreneurs to be embedded within. Rather, it is something more local and malleable, that is always being constituted and transformed, at least in part, by entrepreneurial action.

## References

- Aldrich, Howard E. and Cliff, Jennifer. 2003. The Pervasive Effects of Family on Entrepreneurship: Toward a Family Embeddedness Perspective. *Journal of Business Venturing*, 18: 573–596.
- Aldrich, Howerd, E. 2009. “Lost in space, out of time: How and why we should study organizations comparatively.” In B. King, T. Felin, & D. Whetten (Eds.), *Studying differences between organizations: Comparative approaches to organizational research* (Vol. 26). Bingley, UK: Emerald.
- Bainian Shanghai, 2006. “Chuzuche dawang Zhou Xiangsheng,” Shanghai: Shanghai Wenguang Xinwen Chuanmei Jituan.
- Baumol, William J. 1990. “Entrepreneurship: Productive, unproductive and destructive.” *Journal of Political Economy*, 98(3): 893–921.
- Bamberger, Peter. 2008. “Beyond Contextualization: Using Context Theories to Narrow the Micro-Macro Gap in Management Research.” *Academy of Management Journal* 51(5): 839–46.
- Barlow, Tani. 1993. “Colonialism’s Career in Postwar China Studies,” *Positions: East Asia Cultures Critique* 1(1): 224–67.
- Boettke, Pete, and Coyne, Chris. 2009. “Context Matters: Institutions and Entrepreneurship.” *Foundations and Trends in Entrepreneurship*, 5(3), 135–209.
- Cappelli, Peter & Sherer, Peter. 1991. The missing role of context in OB: The need for a meso-level approach. *Research in organizational behavior*. 55–110.
- Chou, Chih-Ping. 2013. *English Writings of Hu Shib: Chinese Philosophy and Intellectual History* (Volume 2). Berlin, Heidelberg: Springer Berlin Heidelberg.
- Clegg, S., 2016. The East India Company: the first modern multinational? In: Dörrenbächer, C., Geppert, M. (Eds.), *Multinational Corporations and Organization Theory: Post Millennium Perspectives Research in the Sociology of Organizations*. Emerald Publishing, Bingley
- Coble, Parks. 1980. *The Shanghai Capitalists and the Nationalist Government, 1927-1937*. Cambridge, Mass.: Harvard University Press.
- . 2003. *Chinese Capitalists in Japan’s New Order: The Occupied Lower Yangzi, 1937-1945*. University of California Press.
- Cochran, Sherman. 2000. *Encountering Chinese Networks: Western, Japanese and Chinese Corporations in China, 1880-1937*. Berkeley, Calif.: University of California Press.
- Connell, C.M., 2006. Entrepreneurial enterprise and ‘image’ in the nineteenth-century trading firm: shaping the legal environment for business. *Bus. Hist.* 48 (20), 193–219.
- Cornet, Christine. 2004. “The Bumpy End of the French Concession and French Influence in Shanghai, 1937-1946,” in *In the Shadow of the Rising Sun: Shanghai Under Japanese Occupation*, Christian Henriot and Wen-hsin Yeh ed., Berkeley, Calif.: University of California, 257–276.
- Dillon, Nara, and Jean Oi. 2008. *At the Crossroads of Empires: Middlemen, Social Networks and State-building in Republican Shanghai*. Stanford, Calif.: Stanford University Press.

- Dikötter, Frank. 2006. *Exotic Commodities: Modern Objects and Everyday Life in China*. New York: Columbia University Press.
- Fairbank, John King. 1964 (1953). *Trade and Diplomacy on the China Coast: The Opening of Treaty Ports, 1842-1854*. Cambridge, Mass.: Harvard University Press.
- Feldman, Maryann, Johanna Francis, and Janet Bercovitz. 2005. "Creating a Cluster While Building a Firm: Entrepreneurs and the Formation of Industrial Clusters." *Regional Studies*, 39(1), 129–141
- Fogel, Joshua. 2010. "Recent Boom in Shanghai Studies." *Journal of the History of Ideas*, 71(2): 313–333.
- Gephart, Robert. P. 2004. "Qualitative research and the Academy of Management Journal." *Academy of Management Journal*, 47: 454–462.
- Gerth, Karl. 2003. *China Made: Consumer Culture and the Creation of the Nation*. Cambridge, Mass.: Harvard University Press.
- George, Jennifer M. and Gareth R. Jones. 1997. "Organizational Spontaneity in Context." *Human Performance*, 10(2)153-170.
- Giersch, C. Patterson. 2020. *Corporate Conquests: Business, the State, and the Origins of Ethnic Inequality in Southwest China*. Stanford, Calif.: Stanford University Press.
- Goodman, Bryna. 2000. "Improvisations on a Semicolonial Theme, or, How to Read a Celebration of Transnational Urban Community," *The Journal of Asian Studies* 59/4.
- Hansen, Per and Wadhwani Daniel. 2014. Can Business History and Anthropology Learn from Each Other? in *Opinions: Business History and Anthropology*. *Journal of Business Anthropology*, 3(1), 15.
- Henriot, C. 1993. *Shanghai, 1927-1937: Municipal power, locality, and modernization*. Berkeley: University of California Press.
- Hess, Martin. 2004. "Spatial" Relationships? Towards a Reconceptualization of Embeddedness." *Progress in Human Geography*, 28(2), 165–186.
- Hsü, Immanuel Chung-yueh. *The Rise of Modern China*. New York: Oxford University Press, 1990.
- Jones, G. and C. Pitelis. 2015. "Entrepreneurial Imagination and a Demand and Supply-Side Perspective on MNE and Cross-Border Organisation." *Journal of International Management* 21(4): 309-321.
- Kim, Nancy. 2012. "Privatizing the Network: Private Contributions and Road Infrastructure in Late Imperial China (1500–1900)," In *Highways, Byways, and Road Systems in the Pre-Modern World*. Oxford, UK: Wiley-Blackwell, 66-89.
- Kirzner, Israel M. 1978. *Competition and Entrepreneurship*. Chicago: University Chicago Press.

- Kozlowski, S. J., & Klein, K. J. 2000. A multilevel approach to theory and research in organizations: Contextual, temporal and emergent processes. In K. J. Klein & S. J. Kozlowski (Eds.), *Multilevel theory, research, and methods in organizations: Foundations, extensions and new directions*: 3-90. San Francisco: Jossey-Bass.
- Köll, Elisabeth. 2019. *Railroads and the Transformation of China*. Cambridge, Mass.: Harvard University Press.
- Li, Jie. 2015. *Shanghai Homes: Palimpsests of Private Life*. Global Chinese Culture. New York: Columbia University Press.
- Liang, Yao, "Nationalism on Their Own Terms: The National Products Movement and the Coca-Cola Protest in Shanghai, 1945–1949," *Modern Asian Studies* 51, no. 5 (2017): 1439–68.
- Lu, Hanchao. 1999. *Beyond the Neon Lights: Everyday Shanghai in the Early Twentieth Century*. Berkeley, Calif.: University of California Press.
- Macpherson, Kerrie. 1987. *A Wilderness of Marshes: The Origins of Public Health in Shanghai, 1843-1893*. New York: Oxford University Press.
- Mbembe, Achille, and Janet Roitman. 1995. "Figures of the Subject in Times of Crises." *Public Culture* 7 (2): 323–352.
- Mitchell, Ronald K., Brock Smith, Kristie W. Seawright, and Eric A. Morse. 2000. Cross-cultural Cognitions and the Venture Creation Decision. *Academy of Management Journal*, 43(5), 974–993.
- Osterhammel, Jürgen. 1986. "Semicolonialism and Informal Empire in Twentieth-Century China: Towards a Framework of Analysis," in *Imperialism and After: Continuities and Discontinuities*, edited by Wolfgang J. Mommsen and Jürgen Osterhammel. London; Boston.
- Perry, Elizabeth. 1993. *Shanghai on Strike: The Politics of Chinese Labor*. Stanford, Calif.: Stanford University Press.
- Popp, Andrew, and Holt, Robin. 2013. "The Presence of Entrepreneurial Opportunity." *Business History: Entrepreneurship: Contexts, Opportunities and Processes* 55 (1): 9-28.
- Reinhardt, Anne. 2018. *Navigating Semi-Colonialism: Shipping, Sovereignty, and Nation-Building in China, 1860–1937*. Cambridge, Mass.: Harvard University Press.
- Rindova, Violina, Daved Barry, and David J. Ketchen. 2009. "Entrepreneurship as Emancipation." *The Academy of Management review* 34(3): 477–491.
- Shih Shu-mei. 2001. *The Lure of the Modern*. Berkeley: University of California Press.
- Strand, David. 1989. *Rickshaw Beijing: City People and Politics in the 1920s*. Berkeley: University of California Press.
- Tuchman, Barbara W. 1970. *Stilwell and the American Experience in China, 1911-45*. New York: Macmillan.

- Ucbasaran, D., P. Westhead, and M. Wright. 2001. "The Focus of Entrepreneurial Research: Contextual and Process Issues." *Entrepreneurship: Theory & Practice*, 25(4): 57–00.
- Welter, Friederike. 2011. "Contextualizing Entrepreneurship— Conceptual Challenges and Ways Forward." *Entrepreneurship Theory and Practice*, 35(1): 165-184.
- Williamson, Oliver E. 2000. "The New Institutional Economics: Taking Stock, Looking Ahead." *Journal of Economic Literature*, 38(3): 595-613.
- Wilkins, Mira. 1986. "The Impacts of American Multinational Enterprise," in John King Fairbank and Ernest R. May, eds., *America's China Trade in Historical Perspective: The Chinese and American Performance*. Cambridge, Mass.: Harvard University Press.
- Wu, Shellen Xiao. 2015. *Empires of Coal: Fueling China's Entry into the Modern World Order, 1860-1920*. Stanford, Calif.: Stanford University Press.
- Yang Taoyu. 2019. Redefining Semi-Colonialism: A Historiographical Essay on British Colonial Presence in China. *Journal of Colonialism & Colonial History*, 20(3), 0.
- Yao Liang. 2017. "Nationalism on Their Own Terms: The National Products Movement and the Coca-Cola Protest in Shanghai, 1945–1949," *Modern Asian Studies*, 51(5): 1439–68.
- Zhou Huiding. 2012. "Wo de Fuqin Zhou Xiangsheng yu Xiangsheng Chuzu Qiche Gongsi," edited by Xing Jianrong. *Shanghai Dangan Xinxiwang*. Accessed 2/13/2021. [http://www.archives.sh.cn/shjy/hsrw/201203/t20120313\\_6148.html](http://www.archives.sh.cn/shjy/hsrw/201203/t20120313_6148.html).

---

<sup>1</sup> For how context shapes the productivity of entrepreneurship, see Baumol, 'Entrepreneurship'; for how context shapes profit opportunities, see Kirzner, 'Competition and Entrepreneurship'; for how context shapes decision-making, see Mitchell et al. 'Cross-cultural cognitions and the venture creation decision' and Aldrich and Cliff, 'The pervasive effects of family on entrepreneurship'.

<sup>2</sup> Rindova, Barry, and Ketchen, 'Entrepreneurship as Emancipation'.

<sup>3</sup> Welter, 'Contextualizing Entrepreneurship'.

<sup>4</sup> For notable exceptions, see Boettke and Coyne, 'Context matters'; Feldman, Francis, and Bercovitz, 'Creating a cluster while building a firm'.

<sup>5</sup> Ucbasaran, Westhead, and Wright, "The Focus of Entrepreneurial Research: Contextual and Process Issues," 67; Cappelli and Sherer, "The Missing Role of Context in OB," cited in George, Jennifer M, and Jones, Gareth R. 'Organizational Spontaneity in Context.'

<sup>6</sup> Hansen and Wadhvani, 'Can Business History and Anthropology Learn from Each Other?', 56.

<sup>7</sup> Bamberger, 'Beyond Contextualization,' 839.

<sup>8</sup> Bamberger, 'Beyond Contextualization,' 844.

<sup>9</sup> Gephart, 'Qualitative research and the Academy of Management Journal,' 455; Bamberger, 'Beyond Contextualization,' 175; Aldrich, 'Lost in space, out of time.'

<sup>10</sup> While scholars have made tentative steps in this direction by examining how foreign multinationals such as Jardine Matheson and the East India Company influenced the social, economic, and political environments of cross-border business by, for example, lobbying the British government to wage war against the Qing Empire, almost no attention has been paid to the role of domestic entrepreneurship in shaping context. See for example, Clegg, 'The East India Company: the first modern multinational?'; Connell, 'Entrepreneurial enterprise and 'image' in the nineteenth-century trading firm'.

<sup>11</sup> Aldrich, 'Lost in space, out of time.'

<sup>12</sup> Strand, *Rickshaw Beijing*; Perry, *Shanghai on Strike*; Lu, *Beyond the Neon Lights*.

<sup>13</sup> Excerpts of the aforementioned documents were compiled by the Shanghai Taxi Company History Group on 12 Oct 1989 in their "Guanyu Xiangsheng Qiche Gongsi chuangjian shijian de kaozheng qingkuang de baogao" (Report on Research into the Conditions of the Founding of the Xiangsheng Taxi Company). The titles and dates of the original documents are as follows: Guo Shuxun, "Xiangsheng Qiche de qijia he fazhan," (The Founding and Development of Johnson Taxi), 1963; Zhou Sanyuan, "Zhou Xiangsheng qingkuang," (Details of Zhou Xiangsheng), 1968; "Guanyu Xiangsheng Gongsi jingying guanli fangmian de yixie qingkuang," (Some Details about the Operation and Management of Johnson Taxi), 1979.

<sup>14</sup> A similar usage was popularized in sinological scholarship by Jürgen Osterhammel who argued that the framework of semi-colonialism can be used "to make sense of a historical process in which 'feudalism' obviously disintegrated, but no significant transition to capitalism took place." See Osterhammel, 'Semicolonialism and Informal Empire', 276.

<sup>15</sup> Fairbank, *Trade and Diplomacy on the China Coast*.

<sup>16</sup> See Fogel, 'Recent Boom in Shanghai Studies'.

<sup>17</sup> See Shih Shu-mei, 'The Lure of the Modern', 34; Tani Barlow, 'Colonialism's Career in Postwar China Studies'; Bryna Goodman, 'Improvisations on a Semicolonial Theme.' See also Yang Taoyu's 'Redefining Semi-Colonialism,' where Yang argues that the framework of "semi-colonialism" helps explain the mutual constitutiveness of British colonial rule as well as draw productive comparisons between the historical experiences of China and India.

<sup>18</sup> See for example the recent work of Anne Reinhart, Elisabeth Köll, and Shellen Wu who have respectively explored how semi-colonialism shaped the development of steamship networks, railways, and mining operations in China. Reinhart, *Navigating Semi-Colonialism*; Köll, *Railroads and the Transformation of China*; Wu, *Empires of Coal*.

<sup>19</sup> As historian Immanuel Hsu wrote, "Because [these treaties] were not negotiated by nations treating each other as equals, but were imposed on China after a war, and because they encroached upon China's sovereign rights, they have been dubbed 'unequal treaties,' which reduced China to semi-colonial status." See Hsü, *The Rise of Modern China*.

<sup>20</sup> Cochran, *Encountering Chinese Networks*.

<sup>21</sup> Wilkins, 'The Impacts of American Multinational Enterprise'.

<sup>22</sup> Köll, *Railroads and the Transformation of China*, 20.

<sup>23</sup> Osterhammel, 'Semicolonialism and Informal Empire in Twentieth-Century China,' 300.

<sup>24</sup> In 1943 all Western powers officially renounced their treaty rights in Shanghai and returned their concessions to the government of Wang Jingwei. However, the effects of extraterritorial governance would continue to linger well into the PRC. See Cornet, 'The Bumpy End of the French Concession and French Influence in Shanghai, 1937-1946.'

<sup>25</sup> The Shanghai Municipal Council (*gongbu ju*) was formed in 1854. Until 1928, the organization prohibited Chinese from becoming members.

---

<sup>26</sup> Henriot, 'Shanghai, 1927-1937'.

<sup>27</sup> In 1926, there were four French advisors, four other foreign advisors, and three Chinese advisors on French Council. See Cornet, 'The Bumpy End of the French Concession and French Influence in Shanghai, 1937-1946'.

<sup>28</sup> In the 20th century the Shanghai Municipal Council began acquiring and merging utilities to unify services. See Tsing Tai Chow, 1950, "A Suggested Redevelopment Scheme for the City of Shanghai," Master of Architecture Thesis, University of Southern California.

<sup>29</sup> Dillon and Oi, *At the Crossroads of Empires*.

<sup>30</sup> For modern sewage systems and waterworks, see MacPherson, *A Wilderness of Marshes*; For the function of night soil men, see Li, *Shanghai Homes*, 151.

<sup>31</sup> More recent scholarship has emphasized the pragmatism and self-interest of China's "National Products Movement." For example, in his study of Coca-Cola and the anti-foreign-goods protests of the 1940s, Yao Liang shows how Chinese beverage entrepreneurs used anti-foreign advertising as a tool to gain market advantage, even though their competitor, the domestic bottler of Coca Cola, was a Chinese-owned firm. In his most recent book, Parks Coble similarly revealed that during World War II, many Chinese entrepreneurs tacitly cooperated with both with the Japanese puppet government in Shanghai and the national government in Chongqing at the same time. See Yao, 'Nationalism on Their Own Terms'; Coble, *Chinese Capitalists in Japan's New Order*.

<sup>32</sup> This quote is from Zheng Guanying's seminal work *Words of Warning to a Prosperous Age* (盛世危言); quoted in Coble, *The Shanghai Capitalists and the Nationalist Government*, 27.

<sup>33</sup> Gerth, *China Made*.

<sup>34</sup> "Zhou Xiangsheng (1895-1974)," *Shanghai Gongyong Shiye Zhi*, 2003, <http://www.shtong.gov.cn/newsite/node2/node2245/node4516/node55036/node60615/node60617/userobject1ai49100.html>; Zhou Huiding, 'Wo de Fuqin Zhou Xiangsheng'.

<sup>35</sup> "The New Astor House Building," *The North China Herald and Supreme Court & Consular Gazette*, 20 Jan 1911; Brooke Astor, *Patchwork Child: Early Memories* (New York: Random House, 1993).

<sup>36</sup> Shanghai Shi Danganguan. 2008. *Shanghai Dangan shiliao yanjiu*, vol. 5, Shanghai: Shanghai Sanlian Shudian, 160.

<sup>37</sup> Zhou Huiding, 'Wo de fuqin Zhou Xiangsheng'.

<sup>38</sup> "Taxicabs in Shanghai," *The North China Herald and Supreme Court & Consular Gazette*, 12 Apr 1911.

<sup>39</sup> Shanghai Gonglu Yunshu Weiyuanhui, *Shanghai Gonglu Yunshu Shi* (Shanghai: Shanghai Shehui Kexueyuan Chubanshe, 1988), 59.

<sup>40</sup> There are conflicting and incredulous accounts about the source of Zhou's initial capital. According to the memoir of Zhou's son, part of the money was a gift from two rickshaw pullers, who found a large sum of Russian rubles on the street. Another popular narrative suggests that the capital consisted mostly of Zhou's gambling winnings. While we can only speculate about the real origins of these funds, there is at least strong evidence that Zhou later developed ties with leading figures in Shanghai's underworld, most notably Du Yuesheng of the Green Gang. According to local legend, Zhou became part of Du's inner circle and provided transportation services for all of Du's family events. In exchange Du provided protection for Zhou's taxi business. See "Reports on the Founding of Johnson Taxi," based on oral history given by Zhou Xiangsheng, Qiangsheng Corporate Archives; Zhou Huiding, 'Wo de Fuqin'; *Bainian Shanghai*, 'Chuzuche dawang'.

<sup>41</sup> Shanghaishi chuzu qiche gongsishi zhizu, *Guanyu Xiangsheng Qiche Gongsi chuangujian shitongde kaozheng qingkuangde baogao*, Qiangsheng Qiche Gongsi Danganguan, Shanghai, China, 12 Oct 1989.

<sup>42</sup> "Lishi julunxia de chemafei de jinzhuan," *Shenbao*, no. 23289, 30 Dec 1938.

<sup>43</sup> Zhou Huiding, 'Wo de Fuqin Zhou Xiangsheng'.

<sup>44</sup> Shanghaishi chuzu qiche gongsi dangshi bianxie zuzhi, *Shanghai chuzi qiche renliche gongren yundong shi* (Beijing: Zhonggong Dangshi Chubanshe, 1991).

<sup>45</sup> 'Wild Chicken Cars' Still, Ply Nanking Streets: Taxi Situation In Capital City Is Analyzed', *The China Press*, 03 Jul 1937.

<sup>46</sup> 'Wild Chicken Taxis Prove Canton Menace', *The China Press*, 07 Sep 1933.

<sup>47</sup> Elizabeth Perry and Lu Hanchao have shown how the rickshaw business increasingly became dominated by informal brokers, gangsters, and illicit entrepreneurs. By the 1930s, the number of illicit rickshaws outnumbering licensed public rickshaws two-to-one. See Perry, *Shanghai on Strike*; Lu, *Beyond the Neon Lights*.

<sup>48</sup> *Taitai Wansui*, written by Zhang Ailing and directed by Hu Shang (Shanghai: Wenhua Film Company, 1947), 35mm.

<sup>49</sup> 'Motor-Cars', *The North China Herald and Supreme Court & Consular Gazette*, 09 Jan 1901; 'The Tribulations of the Shanghai Bus Company', *The China Weekly Review*, 27 Aug 1932.

<sup>50</sup> For centuries China had boasted an expansive and efficient network of paved roads across its empire. But by the 19th century roadways had, as a result of civil war, budget constraints, and general neglect, fallen into systemic disrepair. Recognizing the problem that this posed for Chinese economic development, Sun Yat-sen, in the third volume of his seminal trilogy, *A Strategy for Nation-Building* (建国方略), advocated for the immediate creation of 100,000 miles of

---

railways and 1,000,000 of paved roads. See Kim, 'Privatizing the Network,' 67; 'Inadequate Means Of Travel Hindrance To Welfare Of Nation,' *The North China Herald and Supreme Court & Consular Gazette*, 10 Oct 1933.

<sup>51</sup> Tsing Tai Chow, 'A Suggested Redevelopment Scheme', 12.

<sup>52</sup> 'City-Wall Demolition Scheme', *The North China Herald and Supreme Court & Consular Gazette*, 17 Aug 1912.

<sup>53</sup> Charles Steele, 'Shanghai Boasts a Thousand Cars: American Makers Well Represented in International Settlement', *Automobile Topics* (New York), 09 Sep 1916.

<sup>54</sup> As one commentator noted, the adoption of cars was "seriously hampered due to confinement to the ports and larger cities of the interior where passable highways are found." It was only in the 1920s that there were concerted efforts to implement national road building projects; the total length of roadways grew from 1,158 kilometers in 1921, to 13,611 in 1923, to 30,550 in 1928, to 98,161 in 1933. See Andrew Zee. "China's Road Building Pushed to Double Pace in the Last Few Months," *The China Press* (1925-1938) Shanghai, 01 Jul 1934, 13; John W. Kingsnorth. 1921. "The Motor Industry in China," *Millard's Review of the Far East (1919-1921) Shanghai*, 05 Mar 1921, 12.

<sup>55</sup> Arnold Wright, *Twentieth Century Impressions of Hongkong, Shanghai, and Other Treaty Ports of China: Their History, People, Commerce, Industries, and Resources* (London: Lloyd's Greater Britain Publishing Company, 1908), 495-496.

<sup>56</sup> Dikötter, *Exotic Commodities*, 149.

<sup>57</sup> 'Display Ad 2 – no Title', *The China Press*, 09 Aug 1935.

<sup>58</sup> Report on 'Forging Public-Private Partnership', 25 Jun 1951, Shanghai Archives, Number: 13169-1-8-22.

<sup>59</sup> In early June 1931, the exchange rate between the US gold standard dollar and the "Shanghai dollar" was roughly 1: 4.7. This would imply a total value of \$106,000 USD in 1936. If we convert this figure in terms of present day purchasing power, Johnson's founding capital was equivalent to \$1.6 million USD. See 'Shanghai Dollar Makes 'Face' among Fellows with Spectacular Value Gain', *The China Press*, 24 Jun 1931.

<sup>60</sup> Zhou Huiding, 'Wo de Fuqin Zhou Xiangsheng'.

<sup>61</sup> Chen Weiguo and Ren Liangcheng ed., *Zhongguo jindai mingren gupiao jianzang lu* (Shanghai: Shanghai Daxue Chubanshe, 2012), 233.

<sup>62</sup> *Shanghai chuzu jiaotong shi* vol. 1 (Shanghai: Shanghaishi chuzu qiche gongsi bianshizu, 1986), 3-31.

<sup>63</sup> *Bainian Shanghai*, 'Chuzuche dawang Zhou Xiangsheng'.

<sup>64</sup> 'Ford Hire Begins 'City-Wide Chatter'', *The China Press*, 11 Mar 1933.

<sup>65</sup> 'Johnson Garage Head Orders 30,000 Gadgets of Own Make', *The China Press*, 01 Jul 1934.

<sup>66</sup> *Shanghai chuzu jiaotong shi*, 3-36.

<sup>67</sup> *Shanghai chuzu jiaotong shi*, 3-36.

<sup>68</sup> 'Zu qiche xuyong yingwen qianzi', *Shenbao*, no. 20909, 21 Jun 1931.

<sup>69</sup> 'Gongbuju Foujue Xiaoxing Chuzuqiche', *Shenbao*, 20 Nov 1936.

<sup>70</sup> 'Call '40000' Now A Byword with Shanghai', *The China Press*, 22 Apr 1934.

<sup>71</sup> *Shanghai chuzu jiaotong shi*, 3-31.

<sup>72</sup> 'NYC Taxi and Ride-Share App Monitor', Morgan Stanley Research, 11 Jul 2016. Accessed 26 Sep 2020, [https://www.nyc taxi news.com/morgan\\_stanley\\_report\\_7\\_2016.pdf](https://www.nyc taxi news.com/morgan_stanley_report_7_2016.pdf).

<sup>73</sup> Strand, *Rickshaw Beijing*, 24.

<sup>74</sup> See Chou, *English Writings of Hu Shih: Chinese Philosophy and Intellectual History*, 30.

<sup>75</sup> John W. Kingsnorth. 1921. "The Motor Industry in China," *Millard's Review of the Far East (1919-1921) Shanghai*, 05 Mar 1921, 12.

<sup>76</sup> Yuan, Muzhi, directed. *Scenes of City Life* (都市风光), Diantong Company Studio, 1935.

<sup>77</sup> The Automobile Club negotiated with Standard Oil, Goodrich, and other firms to secure subsidized supplies of gasoline and tires as well as specialized insurance policies for their rate-paying members. The association also advocated for the construction of highways and the creation of public parking spaces, lobbied for the adoption of car-friendly traffic regulations, and advised the Shanghai Municipal Council on the issuance of licenses and the appropriate taxation of hire-cars. See 'Automobile Club of China: Annual Meeting', *The North China Herald and Supreme Court & Consular Gazette*, 19 Apr 1907, 161; 'Automobile Club of China: A Successful Gymkhana', *The North China Herald and Supreme Court & Consular Gazette*, 17 Apr 1909, 138; 'Automobile Club of China', *The North China Herald and Supreme Court & Consular Gazette*, 03 Apr 1915, 30; 'Automobile Club of China', *The North China Herald and Supreme Court & Consular Gazette*, 25 Apr 1925, 127.

<sup>78</sup> 'Shanghai News: School for Training Chauffeurs,' *The North China Herald and Supreme Court & Consular Gazette*, 08 Feb 1919, 845.

<sup>79</sup> "Automobile School," *The North China Herald and Supreme Court & Consular Gazette*, 1 Mar 1919.

<sup>80</sup> "Automobile Club of China: Training of Chauffeurs in Shanghai," *The North China Herald and Supreme Court & Consular Gazette*, 29 Mar 1919, 857.

- <sup>81</sup> 'Shanghai News: School for Training Chauffeurs', *The North China Herald and Supreme Court & Consular Gazette*, 08 Feb 1919, 845.
- <sup>82</sup> This potential for upward mobility was of great concern to many Western car owners, who viewed their drivers more as bonded serfs than employees. As one car owner wrote in a revealing op-ed: "Take it that I send my driver to the school at a cost of \$50; he turns out in a month's time with a swollen head and an idea that he will then be worth a further \$5 per month, and if I refuse to pay his wages, he would probably find that he could get the increase elsewhere, so that I would have paid \$50 to perfect his knowledge and lose him almost immediately." See "Automobile School," *The North China Herald and Supreme Court & Consular Gazette*, 01 Mar 1919.
- <sup>83</sup> Zhongyang Qiche Xuexiao, founded by Chinese national Yu Lexing. And the principal and manager were all Chinese nationals. *Shanghai Chuzu Jiaotong Shi*.
- <sup>84</sup> 'Hire Car Owners Association', *The North China Herald and Supreme Court & Consular Gazette*, 23 June 1928.
- <sup>85</sup> Although the majority of founding SHCOA companies were Chinese, both the founding president and treasure were American businessmen. *Shanghai Chuzu Jiaotong Shi*, 3-7.
- <sup>86</sup> This association was sanctioned by Shanghai Municipal Social Bureau (上海市社会局, 1928-1949). 'Chuzu qicheye gonghui kai chengli dahui', *Shenbao* (1872-1949), no. 20832, 03 April 1931; *Shanghai Chuzu Jiaotong Shi*, page 3-7.
- <sup>87</sup> Tuchman, *Stilwell and the American Experience in China*.
- <sup>88</sup> *Bainian Shanghai*, 'Chuzuche dawang'.
- <sup>89</sup> 'No More Taxis to Northern Areas', *The North China Herald and Supreme Court & Consular Gazette*, 22 March 1939.
- <sup>90</sup> 'Bainian Qiangsheng', Shanghai Qiangsheng Holding Co. LTD., 2013.
- <sup>91</sup> *Si* is the number four and *wan* is 10,000 in the Chinese counting system.
- <sup>92</sup> Mbembe and Roitman, 'Figures of the Subject in Times of Crises,' 335.
- <sup>93</sup> *Shanghai chuzu jiaotong shi*, 3-20.
- <sup>94</sup> "Zhou Xiangsheng (1895-1974)," *Shanghai Gongyong Shiye Zhi*, 2003, <http://www.shtong.gov.cn/newsite/node2/node2245/node4516/node55036/node60615/node60617/userobject1ai49100.html>.
- <sup>95</sup> *Bainian Shanghai*, 'Chuzuche dawang'.
- <sup>96</sup> 'Call '40000' Now A Byword with Shanghai', *The China Press*, 22 April 1934.
- <sup>97</sup> Interview with a local Shanghaiese resident, Dec 2018.
- <sup>98</sup> '80-Cent Hire Car Charge is Said Profitless', *The China Press*, 24 Aug 1935.
- <sup>99</sup> The International Settlement remained outside of Japanese control until Japan's attack on Pearl Harbor in 1941, when the British and American troops stationed there surrendered after being taken completely by surprise. Because the French Vichy government considered itself neutral in the control, the French Concession was allowed to remain under the control of the French. See Cornet, 'The Bumpy End of the French Concession and French Influence in Shanghai, 1937-1946.'
- <sup>100</sup> Shanghai Public Infrastructure 1840-1986 (*Shanghai Gongyong Shiye*). 1987. Chapter Four "Shanghai Hiring Transportation," 53.
- <sup>101</sup> 'Chuzu qiche po tie qizhi', *Shenbao*, no. 23732, 31 Mar 1940; 'Ta Tao' Taxi Tax News to S. M. Council', *The China Press*, 21 Apr 1938.
- <sup>102</sup> 'Baby Taxi Service', *The North China Herald and Supreme Court & Consular Gazette*, 15 Jun 1938.
- <sup>103</sup> '3 Groups Voice Opposition to Midget Taxis: Bic Car Operators, Ricscha Owners and Pullers Protest', *The China Press*, 26 Jun 1937.
- <sup>104</sup> 'Taxi Fares: A Company Explains', *The North China Herald and Supreme Court & Consular Gazette*, 15 Jan 1941.
- <sup>105</sup> 'Bainian Qiangsheng', Shanghai Qiangsheng Holding Co. LTD., 2013.
- <sup>106</sup> 'Zhongguo Lianye Qiche Gufen Youxian Gongsi choubeichu gonggao', *Shenbao*, no. 24585, 28 Aug 1942; 'Shanghai gonggong zujie gongbujie bugao', *Shenbao*, no. 24624, 09 Oct 1942.
- <sup>107</sup> '40000 Chuzu sanlun keche qishi', *Shenbao*, no. 24639, 24 Oct 1942.
- <sup>108</sup> *Bainian Shanghai*, 'Chuzuche dawang', Zhou Huiding 'Wo de Fuqin Zhou Xiangsheng'.
- <sup>109</sup> Zhou Huiding, 'Wo de Fuqin Zhou Xiangsheng'.
- <sup>110</sup> 'Jiefangqian Siying Qiye,' (Private Enterprises before the Founding of PRC), *Shanghai Gongyong Shiye zhi*, <http://www.shtong.gov.cn/Newsite/node2/node2245/node4516/node55032/node55130/node55140/userobject1ai42418.html>.
- <sup>111</sup> "Guoying Qiye Xuanjie" (State-owned Enterprises), *Shanghai Gongyong Shiye zhi*, <http://www.shtong.gov.cn/Newsite/node2/node2245/node4516/node55032/node55130/node55140/userobject1ai42419.html>.
- <sup>112</sup> Zhou Huiding, 'Wo de Fuqin Zhou Xiangsheng'.

---

<sup>113</sup> Zhou Xiangsheng's younger brother Zhou Sanyuan, who was acting chairman of the company, was removed from his position because of his capitalist status. But he was soon brought back when the government realized that running a large taxi operation takes real managerial expertise.

<sup>114</sup> Shanghai Jiushi, "Rang Wo Zhibo Sigeling' De Qianshijinsheng," *Shanghai Jiushi Co. LTD.* 28 Nov 2018.

<sup>115</sup> "Gufenzhi Qiye," (Shareholding Companies), *Shanghai Gongyong Shiyezhi*,  
<http://www.shtong.gov.cn/Newsite/node2/node2245/node4516/node55032/node55130/node55140/userobject1ai42422.html>