

An Analysis on the Evolutionary Path of Scattered Clusters of Commercial Space around Sea Ports

Xiaoliang Xiong, Wan Shao, Huxiao Li

Wuhan Technology And Business University, Wuhan, Hubei China

345195568@qq.com

Keywords: Sea Ports, Commerce and Trade, Clusters, Evolution.

Abstract: The scattered villages and town communities around sea ports are the window of modern Chinese economic changes, and the changes in the economic spatial structure of the country's economic development reflect the spatial pattern of the country's economic development, -promoting the channel optimization of the rural economy and the optimization of the spatial structure of urban clusters. Based on the evolution trajectory of the economic space of sea ports, this paper studies the characteristics and systems of the evolution of the economic space of tea ports, and analyses the dynamic mechanism of the evolution of the economic space of tea ports, trying to demonstrate the spatial optimization principles of the sea ports and clusters from the system and structure aspects.

1. Introduction

Organizations of regional traffic function have a great influence on the formation and development of the town and city. In the ancient era of traffic shortage, clusters often become the first choice for the development of the market city. By virtue of the location advantage as the intersection of the river and sea, the port town has become an important local trade distribution centre with the flow of people and logistics, where all kinds of cultural collision and fusion give birth to the regional economic modernization transformation. In the context of rapid urbanization of towns and cities along the river, it is vital to realize the continuous renewal and evolution of the traditional commercial space forms of the towns.

2. The layout evolution of the economic space of seaports

In the late period of Chinese feudal society, with the continuous development of productivity, rural commodity markets of all sizes have sprung up. Rural commodity markets spread in all corners of Chinese geographical space, generating in the place of rich agriculture and by-products, human breeding or land and water transportation hub, collectively referred to as "grass markets", "bazaars". As the most basic evolution node, bazaars play a stable supporting role in Chinese economic space evolution. The bazaar is located in the vast hinterland between cities and becomes the basic node connecting cities at or above the county level. In ancient times, many squares have records of these bazaars. Due to different forms, scales, geographical locations and so on, the name of the bazaars has diversified as collection, field, country fair, market, shop, street, port and so on. As the basic scatters in the economic network, they also diverge in the course of evolution.

The first is the urbanization of rural space. Close to the city, the urbanization of this rural geographic space has been promoted by the radiation of urban development, which has actually been integrated into the city. The second is the evolution axis of infrastructure. Whether the construction of transportation infrastructure, the laying of energy infrastructure, or the extension of information infrastructure, are carried out in rural areas as the basic unit, greatly reducing the operation cost of economic space. The third is the regional evolution domain. After a long period of evolution, the division trend of regional type become more clear, related supporting policies increasingly become rich, the space planning system gradually has improved, and regional cooperation are gradually fine,

which make rural scatters become smoother and more connected, and solidify the evolution basis of the scatters of the rural economic space. The fourth is the three-dimensional evolution of the ocean. The integration of sea and land is one of the important parts of Chinese economic space evolution. The ocean promotes the economic space from the land to the sea, breaking through the limitations of land economic space, and forming an evolution pattern with more distinct level of mobility and tolerance.

After the Song Dynasty (A.D. 960-1279), the economic focus of Chinese traditional society has changed. the Yangtze River Valley instead of the Yellow River Valley became an important economic zone of the country. A large number of docks formed along the Yangtze River and the Han River. People in different regions gathered in all sizes of docks attracted by the shipping and transferring along the Yangtze River and the Han River. As a result, the urban society gradually formed a series of communities (groups) of closely related social relations. Guanyang Miscellaneous records: “There are four gatherings in the world, the north is Beijing, the south is Foshan, the east is Suzhou, and the west is Hankou. However, on the coast of East China, except for Suzhou, Wuhu, Yangzhou, Jiangning, Hangzhou are playing their own role in economic activities, the west city is only Hankou”. Due to the free transportation of Han River, goods from Henan province, Shanxi province, Shaanxi province, Gansu province and other regions are mostly distributed in Hankou, making it convenient for the connection of these areas.

As Zhang Xuecheng said [1], “At that time, all the goods from the other provinces for the ten cities and a state in Hubei are distributed in the town of Han. While the goods produced in Hubei for the other provinces, such as Wuchang tea for Shanxi province and Shaanxi province, rice from Jingzhou and Xiangyang for Suzhou and Huzhou. Chinese wood oil, Chinese ink are transported to Jiangsu province and Zhejiang province, while Chinese fir wood and tobaccos are delivered far to Beijing and Hebei province in the north. All these merchandises are distributed in Hankou”. At the same time, Wuhan’s access roads to various places are constantly expanded. Luxury goods, salt, iron and other special commodities are no longer the focus of the circulation in the whole country, while food, cotton, herbs, tea and other daily commodities are in circulation between different regions. The route crossing from Pingyao, Yanxian, Taigu, Zihongkou, through Lu’an, Jincheng, Qinghua, Kaifeng, Zhoukou, Hankou, Changsha to Guangzhou is one of the “Tea Horse Road” founded by merchants of Shanxi province and Shaanxi province. Brick tea and black tea of Southern China were transferred to Russia at that time, which demonstrated the impact of Wuhan’s economy, driven by businessmen from all over the country, spreading across most of China and then across Eurasia. Tea port, represented by the tea port of tea producing area, is a huge endogenous export demand market. The economic space evolution of the tea port has been influenced by not only the market forces, but also the government regulation. Under the dual impact of the market mechanism and government regulation, residents and tea trading groups of the sea port have become the micro-subject of the economic space evolution of tea port, whose behaviours are the basic driving force of the economic space evolution of tea port.

2. Evolution mechanism of tea port economic space

2.1 Demand-oriented market mechanisms

The economic space of tea port is the space product created by the economic activities of the rural residents, and it is the collective space asset of the rural residents. In the rural economic space, there are many subjects of spatial needs, such as rural residents, tea trading groups, rural organizations, and their respective needs are in constant evolution, which constitutes the internal driving force of the market mechanism to the evolution of tea port space.

2.1.1 Evolution of the economic space demand of rural residents

For rural residents, water fields, harbours and other land resources are the most basic space resources and engaged in all economic activities. The rural geographical space that can be used for living and producing is more limited. Due to the characteristics of dispersion and unity of the economic space demand of rural residents, the more complete the support of economic space, the more scarce. The spatial demand of rural residents is changing with the changing of economic development. The demand for economic space is small for rural residents at the beginning, and the demand type is relatively single. With the increasing demand for land resources as the development of commodity economy, tea sheds, tea houses, tea shops and the producing and trading activities of tea have been integrated into the daily life of the people in the tea port area. Geographical space, production space, consumption space, living space, public space, etc. intertwined with each other. Most of the tea houses are set up along the river or lake. The river or lake side is quiet and proper for gossip and enjoying singing performance, not disturbed by the noise of the street. Therefore tea house has become a good place to negotiate business for merchants. , The tea house becomes the ideal resting place for drivers of wheelbarrows after a busy day. The guests from afar came to the ancient town[2], and the host family also likes to invite guests to the tea house to enjoy leisure. With the continuous upgrading of regional space production technology, the increase of income expectations of rural residents and the enhancement of preference for economic space quality, the consumption of economic space of rural residents is also increasing, and there is a trend of increasing consumption demand and economic space cost parallelly.

2.1.2 Evolution of the economic space demand of the camp tea port group

“Merchants purchase tea in Wuyang, Sichuan province.” recorded in Wang Bao’s “Contracts for Servants” reflects the emergence of tea dealers in the West Han Dynasty (B.C. 202- A.D. 8) with the emergence of the tea commodity economy. In the later development, the economic space demand of tea merchants is mainly reflected in the production space and its ancillary space. The development of enterprises should rely on the progress and upgrading of technology, but also on the expansion of their economic space. According to the relevant literature records: “During Daoguang Reign (A.D. 1821-1850) of Qing Dynasty (A.D. 1644-1911), Jun Dafu, a Guangdong tea merchant, led Jiangxi mechanics to Wufeng Yuyangguan, Hubei province, to teach the art of black tea producing, and set up shops to purchase refined black tea and shipped to Guangzhou for export. In 1854, Gao Bingsan, Lin Zichen, in 1876, and Taihehe and other tea merchants (all from Guangdong province) successively reformed the black tea art in Hefeng County, Hubei province[3], which was refined in Wuxingping, Hubei province, and exported through Yuyangguan, which became the famous black tea market in western Hubei.”. With the continuous close economic relations between urban and rural areas, the economic space demand of tea merchants are growing diversified especially during the active trade period of tea export , due to the early start of Shanxi and Guangdong merchants, with large numbers, large scale, wide distribution, they have played a key role in the reconstruction of the economic space of Hubei tea port, leading to the development of a large number of tea trading groups in the limited economic space, which began to force intensive use of relatively scarce economic space. Space scarcity promotes the intensive development of the tea port industry, which has been pushed greatly by foreign firms and compradors from then on.

2.1.3 Evolution of economic space demand of merchant groups

After the middle of the Ming Dynasty(A.D. 1368-1644), the traditional policy of “Restraining Commerce” became weakened, and there was a group of spontaneous businessmen who were both “intimate” and loose founding merchant groups with blood and friendship as the link, with region as the focus, and the guild hall and the public office for their liaison and negotiation. In addition to its own direct economic space needs, such as business, account management, and administration, the focus of the merchant groups is to provide the economic space needs of public service for rural

residents and rural economy. Sacrifice is usually the most original and basic function of the guild hall and public office[4], which can also fight for the benefit of the members with the local government and brokers as well as provide temporary, burial or home burial and other charitable relief. Although the guild hall and public office are a loose group, they can make the main economic subjects of the economic space of tea port area form an interconnected network, which greatly enhance the correlation and improve the quality of economic space, resulting in significant improvement of efficiency of the limited economic geographic space. The demand space of the business organizations is essentially to serve the living space and production space of tea trading groups.

2.2 Spatial evolution under government regulation

The government's behaviour is the endogenous driving force of the evolution of the economic space of tea port. The government, as an action subject, is not only the main subject of adjusting economic space, but also the main subject of the activities of economic space.

On the one hand, the government, as the main subject of adjusting economic space, has the basic attributes of economic dealers, and in the administrative space under its jurisdiction, the local government will formulate a series of rules of spatial behaviour to regulate the behaviours of various subjects in the region. "Food Records of New Book of Tang Dynasty (A.D. 618-907)" records, after tea from original Sichuan, Jinzhou and Hunan, Fujian, East of Zhejiang and other places is nominated as exclusive tea, national vouchers are issued by the central government. All the merchants transfer tea to the main ports via these national licences, to participate in the national market of tea and horses. All these licenced tea trade will be purchased and taxed by the government uniformly. In each tea season, businessmen go to Ezhou and other Hubei areas to buy tea, and transport tea out of the country through the three main ports, that is, Jiangzhou and Jiujiang, Ezhou and Xiakou, Yuezhou and Baling along the middle of the Yangtze River. At the same time, the Yanglou Cave tea producing area, Puyi, Shitoukou and Chibiji also gradually formed a commercial dock with considerable scale. From the Song Dynasty until the Ming Dynasty, the government began to trade with the other ethnic groups at the frontier with tea from Hubei province and Hunan province. As "The Shaanxi merchants gathered in Xiangyang to purchase tea", the tea of Hubei province obtained unprecedented opportunities for development, and laid a foundation for the tea dealing at the frontiers. During the Kangxi Reign (A.D. 1622-1723) of the Qing Dynasty, the central government abolished the market of tea and horses, while released the folk trade market. The brick tea consumed in northwest of China are the black tea produced in Anhua, Hunan province and other places and shipped through Han River to Longjuzhai and then transferred to Jingyang County to be processed. As a result, tea of Hubei province becomes to prosper which originally mainly dealt at the frontiers. In the 1860s, with the opening of Hankou and the rise of foreign trade, tea of Hubei province can be transported directly along the Yangtze River and down to Hankou, and distributed to the world, no longer to be transferred through Shanghai until the October Revolution broke out. Throughout the history of tea trade, the development of the tea prices experienced from no tax to being taxed, which can be regarded as the epitome of the development of tea production and trade. The ruling class of various dynasties through various harsh tea policies and laws built a structural framework of the economic space of tea port, to stipulate the economic geographic space, economic production space, and economic living space generally.

On the other hand, the government, as the main subject of economic space activities, optimizes the economic space of sea ports through administrative acts such as demarcating jurisdictional boundaries and economic acts such as implementing the economic policies of the state. Watercourse, shipping and dock compose the skeleton of the historical evolution of the urban spatial structure of the cities along the rivers. For example, the early Wuhan blocks were built along the water, leading to numerous streets and alleys with the name of river, lake, bridge, ferry and embankment, such as Fruit Lake, Large Water Lane, Dike Street, Cruise River, Six-ferry Bridge, and Welcoming Point with a shape of mouth. Because the infrastructure such as watercourse, shipping and dock itself has the characteristics of long construction cycle, large investment scale, long service life and large

maintenance cost, which determines that the infrastructure development of the port economy space is the result of the balance between social demand of urban and rural areas and the supply capacity of government organizations. Historically, rivers in Wuhan have been changing. In order to benefit from the rivers and get rid of the disadvantages, people of the three towns of Wuhan according to local conditions widen river channels and build dams. Urban cities under shipping and transferring trade develop mainly along the river bank during the pre-industrial period forming the “fish-bone” street layout of Hankou in Ming and Qing Dynasties. After the opening-up of Hankou for foreign trade in 1861, Hankou and its regions alongside the Yangtze River were established as the five-nation concession area of Britain, Germany, Russia, France and Japan[5], which was planned and built according to the western urban planning theory, forming a pattern of the sea port economic value and the traditional city zone. The density, layout and supply capacity of these infrastructures not only support economic development, but also promote the benign development and moderate optimization of economic space.

3. The location selection of tea merchants

Tea merchants are the main subject of the economic space behaviour of tea port, and the location selection of their production is the micro-power of the evolution of the economic space of tea port. From the historical vertical evolution[6], the early tea port dealers are mostly labour-intensive enterprises. Tea port-making industry has experienced three forms of production, that is, home-based handicraft industry, handicraft workshop and modern mechanical industry. Tea merchants choose the optimal production location according to their own needs and internal and external constraints. Because the biggest impact on the total cost is the construction cost and transaction cost, so the early tea port merchants’ production location choice has no obvious market and raw material orientation. At that time, tea trade is also mainly finished in domestic market, with single main trade subject and simple trade process. With the further development of the economy, especially after the opening-up of Hankou, Western businessmen led by Britain and Russians flocked to engage in the large-scale foreign trade of tea. As a result, large-scale tea-making handicraft workshops and new trade circulation mechanisms appeared. More refined industries such as tea shops, tea stacks and foreign firms also emerged, and organizations such as the chamber of commerce closely related to the import and export trade also developed rapidly. The tea trading group of sea port involved in the modern capitalist world market system is no longer a rural enterprise in the strict sense. Some tea merchants expand the scale, improve the technology, and also move to towns and large cities in the location choice.

From the perspective of horizontal development, input of production factors, market size, transportation accessibility, ecological environment and other factors determine the location choice of tea port merchants. The market system is formed with primary market of origin, ports transferring market and end market of consumers, and the modern trade circulation mechanism is also formed with land and sea transportation. So that the tea trading group has all the elements from production, circulation to consumption. Hankou experienced prosperity for more than half a century after the opening-up due to the following reasons. On the one hand, Hankou enjoys convenient distribution market and transport conditions. On the other hand, the prosperous frontier market and the international market provide a broad sale market. In addition to serving as a supplier of raw materials and dumping area of commodities for foreign firms, it is more important for the tea area to accelerate the concentration of superior resources, promoting the development and evolution of tea organizations, and the refinement and professional development of social division of labour, as well as the rise of emerging towns and urbanization. At that time, although people’s ideas and social culture have changed, the domestic and foreign political instability, unequal economic treatment and backward production technology still inevitably hindered the development of tea of Hubei province after the 1820s. Consequently tea of Hubei province once declined. After the liberation of China, green tea and other tea products developed rapidly on the basis of traditional brick tea port. Revived tea trading area develops with large effect that is, reducing factor costs and friction costs caused by

information asymmetry. And the external supporting environment can also meet the preferences of tea merchants.

4. Conclusion

The transformation of regional economic modernization is not only caused by the progress of the apparent factors such as sea port economy, transportation technology and hinterland space, but especially by various attempts of state power and social forces. Wu Chengming, a famous scholar[7], has proposed that a perfect market economy must have the following four conditions: the soundness of the legal, monetary and credit system, the transformation of government finance, tax system and administration, the free passage of currency rent and the commercialization of agricultural products, as well as the free labour replacing serfs and the formation of the labor market. The interaction between the tea port or sea port and the hinterland should undoubtedly contain the construction and change of multiple dimensions not only on the technical level, but also on the institutional level. The key to the sustainable development of sea port lies in the reconciliation of the contradiction between traditional business functions and contemporary development. In the context of rapid urbanization of towns and cities along the river, it is the key to find new growth points that are in line with the traditional business functions and contemporary development for the sustainable development of sea ports. And it is vital to realize the dynamic inheritance and development of the traditional commercial culture of the towns and the continuous renewal and evolution of the traditional commercial space forms of the towns via the above growth points, which is also the key to the continuous evolution of the town or city of the sea port.

Acknowledgment

This research was financially supported by the Scientific Research Project of Hubei Education Department “Autonomy of Inland Tea Merchants and Evolution of Trade -- An Investigation based on Embeddedness of Tea Port Merchants’ Self-Organization”(B2019277).

References

- [1] Hubei Local Chronicles Commission, Records of Hubei Province, Wuhan: Hubei People’s Press,1992.
- [2] Di, Y.J., Yu, D.J., A Brief Introduction of the Historical Development of Hubei Brick Tea, Agricultural Archaeology, 2011, (02) 213-215.
- [3] Li, B.H., Liu, W., Historical Changes of Ancient Towns in Hubei Province, Wuhan : Wuhan Press, 2012.
- [4] Liu Y.Z., The Logical Evolution of Chinese Regional Development Strategy since the Reform and Opening-up. Economic Review Journal, 2018, (10) 36-42.
- [5] Peng, N.S., Ding, P.G., An Analysis of the Evolution of Modern Towns and Cities-A Contrast between Nanxun and Yanglou Cave, Jiangnan Tribune, 2004, (02) 66-71.
- [6] Wang, W., Wu, Z.Q., A Study of the Spatial Structure and the Collective Efficiency of Chinese City Clusters, Shanghai: Tongji University Press, 2018.
- [7] Zheng, C.D., Spatial Economics and the Regional Development of China: A Theoretical and Empirical Research, Beijing: Economic Science Press, 2014.