


# State Dominance in Urban Redevelopment: Beyond Gentrification in Urban China

Urban Affairs Review

1–28

© The Author(s) 2015 

Reprints and permissions:  
sagepub.com/journalsPermissions.nav

DOI: 10.1177/1078087415612930

uar.sagepub.com



Fulong Wu<sup>1</sup>

## Abstract

This article will revisit Smith's seminal argument that gentrification is a global urban strategy. The article pays attention to the role of the state and displacement during the process of redevelopment. Through an in-depth study of a dilapidated neighborhood with concentrated migrant population in Shanghai, it is revealed that state control is behind the deterioration of the neighborhood prior to its redevelopment. Inadequate services and poor housing conditions are undeniable. Informal development has been quickly realigned by state dominance. The self-building neighborhood is eventually replaced by state-sanctioned development projects. The article echoes the debate over displacement in the West and suggests that recent urban redevelopment in China has gone beyond both the sporadic middle-class return to the city and residential changes backed up by state actions, revealing hegemonic power of the state over spatial production. Through urban redevelopment, the state attempts to regularize informal areas into new production spaces for its revenue maximization.

## Keywords

urban redevelopment, informal development, gentrification, neoliberalization, the state, Shanghai

---

<sup>1</sup>University College London, London, UK

## Corresponding Author:

Fulong Wu, Bartlett School of Planning, University College London, Central House, 14 Upper Woburn Place, London WC1H 0NN, UK.

Email: fulong.wu@ucl.ac.uk

## Introduction

Urban redevelopment has been extensively studied under the notion of gentrification (Lees, Slater, and Wily 2008). The standard definition of gentrification describes the process as residential changes from a lower-income to middle-class neighborhood without considering the change outside residential uses. Recent studies on gentrification expand the temporality and geographical contexts (Lees 2012) and include displacement and dispossession as part of gentrification processes (Lees, Shin, and López-Morales 2015). This means that while market-driven pressures were responsible for much of the transition, the dynamics may involve state actions at various times and places. In other words, gentrification may not necessarily rely on the market. This expansion of scope is helpful to understand the exact meaning of gentrification in the Global South (Harris 2008) through a comparative perspective (Robinson 2011). Regarding the periodization of gentrification, Smith (2002) suggested that gentrification has changed from the sporadic, middle-class-led return to the city to a more private market-driven and state-facilitated growth model. He argued that gentrification is becoming a global urban strategy because gentrification “initially emerged as a sporadic, quaint, and local anomaly in the housing markets of some command-center cities, [and] is now thoroughly generalized as an urban strategy that takes over from liberal urban policy” (Smith 2002, p. 427). Developing further his revanchist urbanism, Smith (2002, p. 427) emphasized the role of the state in promoting gentrification, suggesting that

much as the neoliberal state becomes a consummate agent of—rather than a regulator of—the market, the new revanchist urbanism that replaces liberal urban policy in cities of the advanced capitalist world increasingly expresses the impulses of capitalist production rather than social reproduction.

The argument implies a possible change from residential to nonresidential uses. His argument contains fairly complex messages. He insisted that gentrification was class-based and class-making. Although he associated the phenomenon with neoliberalism, he did not dismiss the role of the state. On the contrary, he suggested the specific revanchist role of the state was seen in the process of gentrification. He emphasized the change from residential upgrading to other uses that have higher exchange values. He even speculated that such a phenomenon was becoming global, and was adopted intentionally as a “strategy.” With this statement, he significantly extended the concept of gentrification beyond spontaneous residential changes observed by Ruth Glass in the 1960s in London. Even though he still used the word “gentrification,” the substance of his concept includes residential changes that include displacement as an essential feature.

Recent studies on gentrification in the West further suggest the evolution of gentrification, which can be divided into different waves (Hackworth 2002; Lees, Slater, and Wyly 2008; van Gent 2013). Gentrification, thus, should be viewed in the context of changing approaches to urban changes. Earlier urban renewal programs under the Keynesian welfare state have been criticized for their detrimental impact on inner city neighborhoods. In the United States, the demolition project initiated by the state was condemned as the “federal bulldozer” (Jacobs 1961). In the United Kingdom, large-scale social housing estates were regarded as a failure (Power 1993). Although there have been debates over whether a new wave of gentrification leads to social mixing in inner urban areas (Bridge, Butler, and Lees 2011; Butler 2007), critical scholarship emphasizes displacement as an essential outcome of gentrification (Newman and Wyly 2006; Slater 2006; Smith 2002; Wacquant 2008; Watt 2008; Wyly et al. 2010). However, Lees (2008) suggested that new policies of social mixing based on gentrification are not evidence-based and may have more detrimental effects on the communities they are designed to help.

In the Global South, urban redevelopment is often associated with slum clearance policy (Gilbert 2007). But renewal programs are criticized for their one size fits all approach (Irazabal 2009), which tries to promote owner-occupied property rights. There is a significant degree of informality in the Global South (Roy 2005; Weinstein and Ren 2009; F. Wu, Zhang, and Webster 2013). Comparing gentrification in London and Mumbai, Harris (2008, p. 2423) pointed out that gentrification in Mumbai is due to “a powerful nexus of politicians, builders and developers exploiting and profiting from Mumbai’s poorly implemented and monitored land use policies and planning controls.” Therefore, redevelopment in Mumbai is not an outcome of the spread of gentrification to the Global South. Regarding Mumbai, Doshi (2013) argued that the perspective of accumulation by displacement would be more appropriate than gentrification because urban redevelopment and eviction cause not only class-based displacement but also dispossession along gender and ethno-religious dimensions. Comparing Mumbai and Shanghai, Weinstein and Ren (2009) found an institutional difference in urban redevelopment. Large-scale renewal programs in Shanghai resulted in widespread residential displacement. But populist politics and electoral contests produced a “relatively more protective” regime for low-income houses (Weinstein and Ren 2009, p. 411). However, in both cases, urban renewal compromised the housing rights of the urban poor.

Just like the complex structure of property rights in the Global South (Doshi 2013; Roy 2005), the property right system in China is far from a standard market economy. China operates on a divided urban and rural land-use system.

This proves to be a major obstacle to a market-centered process of gentrification. The urban land is owned by the state but its use rights are sold in a competitive land market, while the rural land is collectively owned by farmers who also have the use right of their housing plots. The transfer from rural land to urban land can only be made through state land acquisition. In a sense, the ownership of rural land, even when it is physically located inside the city due to urban expansion, is subject to the constraint of development rights, which means market-centered gentrification from rural to urban land is not possible. Within urban land, although it is possible in theory for higher-income residents to purchase properties in old urban areas and renovate them, practically this has to be achieved through large-scale urban redevelopment. Increasingly, the intervention of the state means that this process is combined with economic restructuring, leading to the conversion from residential to more profitable office and commercial uses.

China's urban redevelopment provides an opportunity to reveal the role of the state and consequential displacement. Walker and Buck (2007) argued that China experienced a "neoliberal shift." The change has led to a more market-oriented approach to urban redevelopment. He and Wu (2009) suggested that urban redevelopment in China emerged in the forefront of neoliberalization and created neoliberal urbanism. However, they recognized that neoliberal governance was created by state rescaling, and, thus, the central and local states had different positions toward urban redevelopment, which actually created tensions between the central and local governments. The central government is more concerned about social stability, while local governments, driven by the mechanism of land incentives, are more aggressive and entrepreneurial. Shin (2009) noted that Beijing as an entrepreneurial local state promoted urban redevelopment. In Shanghai, the Xintiandi redevelopment project was driven by private capital and the developer from Hong Kong to convert a low-end neighborhood into mixed-use upper-market housing (He and Wu 2005; Ren 2008; Yang and Chang 2007). Because of the critical role of the state, for example, in legitimizing a market-driven redevelopment approach to develop Shanghai as a global city, gentrification projects in China are arguably "state-sponsored" (He 2007). Although urban redevelopment improved housing conditions in central and inner urban areas, which is regarded as a positive change (S.-M. Li and Song 2009), urban demolition and land grabbing led to social conflict (He 2012; He et al. 2009; Hsing 2010; Shao 2012). Urban redevelopment occurred not only in inner urban neighborhoods but also in newly emerged informal settlements converted from rural villages in peri-urban areas (He et al. 2009; Tian 2008). Urban redevelopment is a way to eliminate informality through state-initiated projects (F. Wu, Zhang, and Webster 2013). Given the significant role of the

state in redevelopment, the notion of “property-led regeneration” (He and Wu 2005) becomes questionable.

Regarding the argument that gentrification is now being adopted as a global urban strategy (Smith 2002), this study draws an intensive case study of a dilapidated neighborhood in Shanghai, which was converted from a peri-urban rural village and became a thriving place for rural migrants, and was demolished in early 2013. The study uses 16 semistructured interviews, spanning from May 2010 to June 2013. The initial 15 interviews were conducted in the period from May to August 2010, and 1 interview was made in June 2013 in district planning office. Each one lasted 30 minutes to two hours, including a meeting with the cadres of the residents’ committee and focus group meetings with the local district planning office in conjunction with a taskforce organized by the Shanghai municipal planning bureau. Repeated visits were made in the following years, which allowed us to observe the demolition process from the beginning to the stage of near completion. Informal contacts with the neighborhood were attempted through using barbershops and chatting with landlords when attempting to find rental rooms there. Interviewees included officers from the municipal planning bureau (two), planners from the design institute (four), district planning officers (two), cadres of residents’ committee (four), and landlords and renters (four). In addition, the project conducted a questionnaire survey of 100 resident families in Gaojiabang as part of a larger multicity survey (see Z. Li and Wu 2013). Policy materials, including the district government work report and the policy for compensation in housing demolition and acquisition, were collected. A quick scrutiny of the neighborhood conceptual plan was made in the government office, but we did not manage to retain a copy. We also organized two workshops in Shanghai which local planners and neighborhood cadres were asked to attend and present their viewpoints about neighborhood redevelopment. These workshops were intended to serve as focus group meetings. The policy documents collected include the documents prepared by district planning offices for the Shanghai Municipal Planning Bureau’s taskforce for urban village redevelopment, the document for compensation standard in Gaojiabang and Qiaojiatang by the district planning office, and a training manual prepared by the Shanghai Municipal Planning Bureau for second industrial land investigation.

The purpose of this research, therefore, is to provide an in-depth study to address the role of the state in urban redevelopment and its consequential outcomes for Chinese cities. Although there are extensive neighborhood-level studies, the intention here is not to discuss residential segregation and neighborhood changes but rather to trace and chronicle the development of neighborhoods to detect the historical conditions and the “logic” that leads to

demolition and redevelopment. The rest of the article is organized as follows. “The Stages of Urban Redevelopment in China” section reviews the stages of urban redevelopment in China. “Locating the Case of Urban Redevelopment in Shanghai” section provides the historical and geographical context of the case study. “The Dynamics of Urban Deterioration” section examines the reasons why the neighborhood entered an irreversible trajectory of deterioration. “The Process of Urban Redevelopment” section investigates the process of urban redevelopment. “State Dominance in Urban Redevelopment” section examines state dominance in redevelopment processes. “Social Implications of State-Dominated Redevelopment” section provides a detailed account of the consequence of urban redevelopment. “Conclusion” section concludes the study.

## **The Stages of Urban Redevelopment in China**

Chinese central and inner city areas became dilapidated after years of constrained “non-productive investment” in the built environment under state socialism (Leaf 1995). In the 1990s, redevelopment programs were launched to renovate and refurbish dilapidated housing. In Shanghai, a “365 urban renewal program” was initiated to renovate 3.65 million square meters of old lane housing. In Beijing, the initial redevelopment program was called “Old and Dilapidated Housing Redevelopment Program” (ODHRP) (Fang and Zhang 2003; Shin 2009). In Guangzhou, urban renewal in the 1990s was led by the municipal government in conjunction with infrastructure development (He 2012). These programs, though they introduced some market mechanisms, progressed slowly because the housing and land markets were underdeveloped until 1998, when the state initiated a more radical market reorientation of housing policy.

The new policies in the 2000s adopted a more market-oriented approach, introducing “property developers” into the renewal process. The new phase was referred to as “property-led redevelopment” (Turok 1992) by researchers on Chinese cities (He 2012; Shin 2009; Yang and Chang 2007), as the demolition and redevelopment policy targeted deriving capital from property development to fund urban renewal projects. In Shanghai, for example, the changes were from on-site relocation to off-site relocation, from in-kind compensation to monetary compensation, and from a household size-based compensation method to a floor area-based compensation method, and the process of demolition and relocation has been gradually marketized. In short, urban redevelopment was facilitated by the “commodification” of housing and property rights redistribution (He et al. 2009; F. Wu, Xu, and Yeh 2007), as the redevelopment process favored property developers and neglected the

interests of affected residents. Because the work of demolition was contracted out to developers, there was a tendency to reduce the cost of compensation in demolition (F. Wu 2004), which triggered widespread contests over urban demolition (Hsing 2010). This resulted in tighter policies on demolition, which required the demolition work to be separated from actual property developers and undertaken by licensed specialized demolition companies on government contracts.

However, a new round of urban redevelopment has been promoted by the organization of mega-events, such as 2008 Beijing Olympic Games, 2010 Shanghai World Expo, and 2010 Guangzhou Asian Games, in Chinese large metropolises (He 2012; Shin 2013; F. Wu, Zhang, and Webster 2013). This new round of urban redevelopment is driven by more intense intercity competition and place branding, economic restructuring, and the making of “global cities” (He 2012). The redevelopment, therefore, has a more ambitious aim than improving housing conditions and the extraction of land revenue (Tao et al. 2010), which is adopted as a means to promote economic restructuring, for example, by reducing the proportion of manufacturing industries and promoting the tertiary sector and producer services. Redevelopment is seen as an approach to adjusting land uses in industrial development zones, and the removal of the remaining villages inside the city, which are known as “urban villages” (*chengzhongcun*). These are a special type of urban neighborhood produced by the unique institutions of residential household registration (*hukou*) and land ownership (Liu et al. 2010; F. Wu, Zhang, and Webster 2013), and are in essence informal settlements with migrant population who do not have local registration status. The villagers own their housing plots (*zhaijidi*) but have lost their farmland. However, during land requisition, they may have retained some farmland to be used by the village as collective assets for the village economy (Tian 2008). These neighborhoods are characterized by unstable land rights and a mixture of rural and urban society (Liu et al. 2010). In Beijing, a new round of village redevelopment was initiated in 2010 to remove about 50 urban villages from the city. In Shanghai, land policies encourage the concentration of industrial development in parks, whereas for existing industrial parks, a second phase redevelopment has been initiated. In Guangdong province, a new renewal policy known as *sanjiu gaizao* is targeted at redeveloping old urban areas, old factories, and old villages. Property development remains an interest for the government, but the objective is now broadened to target increasing the size of gross domestic product (GDP) and promoting high value-added economies. The “hidden” agenda behind urban redevelopment is to make room for economic development under the tightened land policy which currently restrains local governments’ acquisition of farmland in rural areas through centrally allocated land quotas. Redeveloped



village and factory lands are outside the land development quota and, hence, can be recycled to accommodate new uses.

Table 1 presents a simplified periodization of urban redevelopment in China. It should be noted that the shift of policy focus has been more gradual in some cities and interest in property remains a central objective rather than having been replaced by the tertiary economy. The periodization is punctuated by major historical conditions and events such as joining the World Trade Organization (WTO) and the 2008 global financial crisis. Policy aims have shifted from being more focused on housing, to property-related upscale housing, and, finally, to the economic sphere, in an interesting parallel to what Smith (2002) called the change from social reproduction to global production strategy. Although the state has always been prominent in redevelopment, we have seen changes from state workplace capital mobilization to real estate capital, and to more state-backed or state-owned development corporations in making space for growth. The outcome is expanded from renewed estates and peri-urban housing estates for relocated households to newly developed suburban upscale commodity housing and to mixed-use complexes featured by superblocks in the city. In contrast to the earlier diversity under so-called “property-led redevelopment,” we now see more production centers, declining population in central areas, and the re-economizing of central areas as places for production and distribution. Urban redevelopment led not only to the relocation of original households but also to the relocation of rural migrants. Neighborhoods with concentrations of rural migrants are disappearing after demolition and returning to green space and new office space for the new global city. Ironically, to pacify conflict over relocation, the policy has become more flexible in terms of location choice and more generous in compensation to property owners. This urban redevelopment is creating a new “housing class,” which owns multiple properties from which the owners enjoy asset appreciation and rental incomes. Throughout, displacement is a prominent feature (He 2012; Shin 2009), but now there is a subtle difference. In places with migrant tenants, many original owners have already moved out, so urban demolition has had less impact on them. In contrast, migrant tenants are not able to claim compensation and, thus, are displaced without exception.

## Locating the Case of Urban Redevelopment in Shanghai

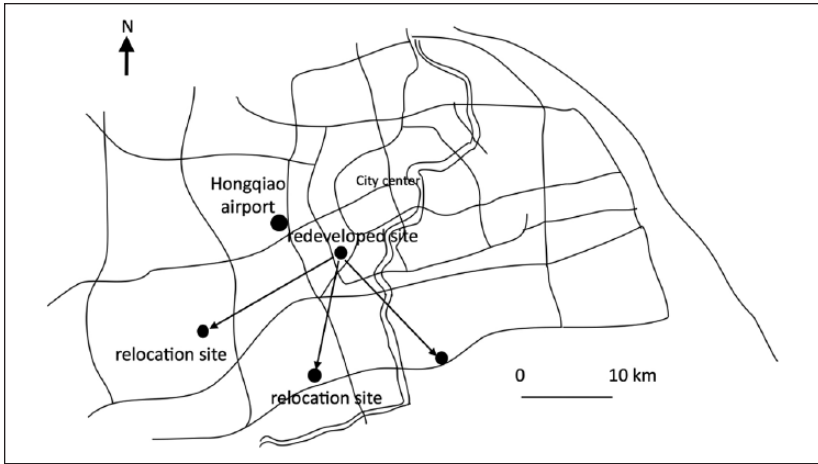
In this study, a dilapidated but thriving neighborhood located in one of four central districts, Xuhui district in Shanghai, was chosen for the case study (Figure 1). The neighborhood is fairly representative in the sense that it is just one of many neighborhoods informally developed. The case shows some



**Table 1.** Periodization of Chinese Urban Redevelopment.

Periodization	Historical Conditions	Policy Aims <sup>a</sup>	Approaches and Dominant Actors	Products	Impacts
1979–1997	Economic reform in 1979	Dilapidated housing renovation	Capital mobilization by state work-units Subsidized housing purchase by employers	Local government funded housing renewal Relocated housing estates in suburbs	Sporadic upgrading Modest improvement
1998–2008	Asian financial crisis in 1997 WTO membership in 2001	Housing renewal + Land revenue generation	Property developers Entrepreneurial local states	Commodity housing estates and condominium Suburban new towns	Residential relocation Suburbanization Displacement of inner urban residents
2009–present	Global financial crisis in 2008	Urban spatial order Land revenue generation + Economic restructuring	Property developers Entrepreneurial local states State-backed investment platforms and corporations	High-tech parks New mix use complex (office, shopping, for example, shopping malls) Large-scale superblocks Master-planned estates	Suburbanization Displacement of inner urban residents Urban restructuring Displacement of migrant tenants

Note. <sup>a</sup>For new policy aims, these are noted with “+.” WTO = World Trade Organization.



**Figure 1.** The location of Gaojiabang and sites of relocated housing projects.

difference between Shanghai and other cities in Southern China. But it reveals some essential features of state dominance, with varying degrees. Although the case is slightly more complicated owing to its history of development and bankruptcy of state-owned enterprises, the experience of this neighborhood can be generalized into the understanding of other neighborhoods in China because it represents a new trend of neighborhood changes and land development during economic restructuring. The neighborhood shared similarities with other inner urban dilapidated areas (He and Wu 2005, 2009). But this neighborhood is more representative as the location of this neighborhood is in the peri-urban area but not in the suburbs, which are a long distance from the city center. It is also a migrant neighborhood, which is quite well known to Xuhui district and local media. Another reason to choose this neighborhood is because the Shanghai government has adopted a new redevelopment strategy since 2010 to target these remaining informal neighborhoods. In the 1980s, this neighborhood was at the peri-urban area or literally the boundary of the urban built-up area. Now, the place has become a mature urban area and is surrounded by well-developed urban streets. The main entrance is at Caobao Road and is very small and hidden away from the attention of pedestrians on the main road. Inside the gate is a densely populated residential area with many small shops, restaurants, and stores. According to the local officer, there were about 3,000 migrant tenants, and the registered urban population (excluding migrants) was 1,373 people. But only 20% of this local registered population still lived in the place; the rest have moved out to other places but still owned properties there (interview, a resident committee cadre, June 2010).

In terms of size, Gaojiabang occupies about 4 hectares (about 60 mu, 15 mu = 1 hectare) of land and is adjacent to another dilapidated neighborhood called Qiaojiatang (interview, a member of residents' committee, June 2010). The two areas are literally indistinguishable, with a total area of 100 mu of underdeveloped urban villages in this area. The block is defined by Caobao Road, Tianlin Road, Guilin Road, and Cangwu Road. There are several factories nearby, some derelict. Before the 1980s, Gaojiabang village was at the edge of Shanghai. Initially, some of the agricultural land of the village was acquired by the Shanghai Electronic Meters Factory. In 1980, Shanghai Jinxin TV Factory received approval from the government to develop a joint production line with a Japanese investor and, thus, acquired the remaining 60 mu of land from the village. In return, the factory recruited 99 rural laborers. In 1984, the second phase of construction absorbed 20 more rural laborers. But in 1992, the color television industry in Shanghai began to experience difficulties because of increasing competition from other production lines in Fujian province and Beijing. Eventually, the factory went bankrupt, and in 2002, it was sold to Shanghai Broadcast and Television Corporation (SBTC). The remaining 40 mu of agricultural land were finally acquired by SBTC's television research institute project.

Gaojiabang was also at the boundary between urban and rural jurisdictions, and, hence, suffered from complicated administrative changes. In 1997, the agricultural production team of Gaojiabang was temporarily under the jurisdiction of Hongmei town of the suburban district of Minhang (not the current Xuhui district). In 2002, the town was converted into an urban administrative unit of "subdistrict office" (*jiedao*), while the production unit of Gaojiabang remained as a rural administrative unit within the subdistrict. About half of the rural laborers were absorbed by industrial development according to the regulation of the time, that is, two rural laborers were entitled to be recruited for every 1 mu of land acquired (interview, "street officer," June 2010). During this temporary management (*tuoguan*) under the suburban town, the control of housing reconstruction was relatively lax, because Gaojiabang was situated at the border of urban and suburban districts and experienced a management vacuum. The expansion of farmers' housing plots was approved, and building permits were issued by the town, which laid down the initial base of the subsequent rental economy.

In the 1980s and 1990s, some farmers sold their houses to employees of small enterprises in Shanghai, including factories, such as Shanghai Carpet Factory, Shanghai Plant of Electric Resistance, and Shanghai Panel Plant, which could not provide enterprise housing to their employees. As a result, the composition of landlords in the area is more complicated than in a typical migrant village because, in this case, urban households also live there. This also created an odd situation in which urban residents owned "private housing" on

top of collective land ownership. This also created difficulties for later demolition compensation because for urban residents who do not own land, the government compensates only the construction cost of the housing rather than the whole package of land acquisition. After 2002, the process of the bankruptcy of state industries speeded up, and workers were laid off. The rural laborers who had been recruited into the enterprises suffered most and returned to Gaojiabang. Around that time, the Caohejin Economic and Technological Development Zone (ETDZ) was set up and a large new supermarket was opened, which recruited about 1,000 workers (interview, June 2010). The demand for private rental housing increased because of the opening of the new supermarket, and many Gaojiabang residents began to subdivide their spare space and rent out rooms. In their experience, the smaller and, hence, cheaper the space was, the more popular with tenants (interview, a landlord, August 2010).

After the bankruptcy of the enterprises, the acquired farmland was under the trust of Caohejin ETDZ (nicknamed “Cao developer”). The “Cao developer,” however, is not a level of government. It is a development corporation. Compared with other development zones, the Cao developer operated in a more “entrepreneurial” way than other quasi-government organizations that were managed by the development management committee, *guanweihui*. Because of this quasi-public corporative nature, its development approach is incremental, that is, it does not develop land in large quantities. Rather than acquiring the whole area to develop, it usually acquires part of the area and starts development through phases. The Cao developer has never managed to acquire the whole site of the village, although the former agricultural land acquired by the state industrial development was transferred to its control. The village area, thus, remained and experienced spontaneous densification over the years. Along with the development of the nearby area and increasing demand for rental space, while large-scale redevelopment was prohibited by the complexity of property rights and self-building was restricted by the stronger planning control in Shanghai, private rental housing was further subdivided into smaller units with deteriorating housing conditions. More specifically, the Cao developer lacked the capacity to acquire the village because of the high cost of compensation under an increasing population density, while other developers would not have found the redevelopment of the remaining residential part profitable without acquiring the adjacent sites of factories.

Through exploring the specificity of the temporality and geographic context of Gaojiabang, the trajectory of neighborhood change toward an informal rental place is much more understandable. The neighborhood, like other urban villages, became undevelopable due to both the restriction on informal building and formal development. This actually meant that only the state

would be able to initiate redevelopment projects, because incremental gentrification was extremely difficult. Although the obstacles prohibiting gentrification in Gaojiabang are fairly specific to the case, these issues are by no means unique in the neighborhood. The division between formal state-sanctioned urban land and informal collectively owned rural land is a common feature of Chinese land-use system. The system prohibits the transaction of rural land into urban uses without the state formal permission, which lays down the mechanism that formalization rather than gentrification is a major process of urbanization. The process of formalization means that the state is a key driver of the process, resembling the role of a “consummate agent” of the market (Smith 2002), which has been neglected in neoliberal market economies.

## The Dynamics of Urban Deterioration

Gaojiabang has not experienced much spontaneous redevelopment. The scale of this rental economy is still modest. Average housing space was 150 square meters, typically as two floors and a “half” floor (for storage) with a site space of 28 square meters, plus 30 to 40 square meters of front and back garden for raising chickens and ducks (interview, former production team leader, June 2010). The space normally generates a rental income of 5,000 to 6,000 Yuan per month; for those who have extra space and a good location, this could be as high as 20,000 Yuan per month. There are several reasons, attributable to the deterioration of the living environment and the lack of spontaneous redevelopment. First, the lack of redevelopment is due to the strong capacity of local governance to implement development control. Shanghai operates relatively strict planning controls. The redevelopment of village housing requires the approval of a local planning office. Illegal construction is stopped and demolished (interview, a district planner, September 2010). It was reported by the director of Xuhui District government that in 2012, the district evicted illegal buildings of 55,000 square meters (Government Work Report in District Peoples’ Congress, January 9, 2013).

Second, during land acquisition, the village governance structure was dismantled, because the collectively owned farmland became state owned. Although villagers still owned their residential plots (*zhaijidi*), the land was de facto privately occupied (as housing sites) and there was no collective asset under the control of the neighborhood; hence, it was impossible to develop large-scale collective economies (e.g., to rent out premises to factories and warehouses). In general, even before land acquisition, farmers in the rural areas of Shanghai were less organized into traditional family and clan structures. This is quite different from villages in Southern China, which

often have very strong family and clan organizations (Tian 2008; Zhao and Webster 2011). Rather, in Shanghai and nearby Southern Jiangsu, the collective economy was based on the village cadres who led the “agricultural production team” rather than the clan head. The former were often more easily absorbed into the process of state industrialization and became state employees. And indeed this was the case. In the land acquisition process, because state employment was regarded as advantageous, it was therefore taken first by village cadres who changed their status. The result was the dismantling of rural society and, hence, a lack of local collective bargaining power or resistance to land acquisition.

Third, the land titles of nearby areas are no longer held by the village, although sitting households still hold *de facto* ownership of their housing plots. This is different from the practice of “retained collective land” in Southern China (Tian 2008), which expands village collective assets to form a larger rental economy. This pragmatic practice in Southern China has expanded village capacity even after land acquisition. That is, thanks to this additional resource, urban villages in Southern China maintain their collective capacities (Zhao and Webster 2011). In contrast, Gaojiabang had been “urbanized” prior to redevelopment and does not have collective land assets for extra income.

Fourth, the quality of the buildings in Gaojiabang is low, built using coal cinder bricks in the early 1980s. It is, thus, physically impossible to extend the buildings to four or five floors as in other cities in Southern China, and many old buildings are now deteriorating into dilapidated housing. This physical limitation constrained the development of large-scale rental economy of the neighborhood. As a result, the ratio of migrant population to local is rather modest; the migrant population is only three times the registered local population. This is quite different from the predominant migrant population in Beijing and Guangzhou. Compared with the latter, the condition of rental housing is extremely appalling.

Fifth, the place has a long history of been threatened by imminent redevelopment, because SBTC and other developers started feasibility investigations long ago, although eventually no development happened. There were rumors that the place would soon be evicted and redeveloped. All these rumors damaged the confidence of local households to renovate their properties. Although rental income is handsome, expectations from redevelopment compensation are more attractive, and as a result, local landlords generally look forward to redevelopment opportunities rather than investing in and expanding the rental economy. This explains why this area deteriorated. Because of limited rental housing, landlords generally welcome redevelopment.

In sum, the deterioration of physical conditions and the lack of collective resources of this migrant neighborhood paved the way for large-scale redevelopment by the state. The deterioration before redevelopment is similar to the depressed rent and neighborhood decline as a prelude to gentrification in Western market economies (Smith 2002).

## The Process of Urban Redevelopment

The redevelopment plan of Gaojiabang started in 2007. On September 30, 2007, Shanghai Xuhui District Bureau of Housing and Land Management issued a permit for housing demolition to a state-owned enterprise that specializes in urban demolition, Guangqi Demolition and Relocation Ltd, to carry out the demolition work for Gaojiabang and adjacent Qiaoqiatang. The permit was valid for one year. However, the work was not completed as planned. The permit was then renewed for another year to the end of September 2009. When the initial fieldwork was conducted in May 2010, the demolition work had not started. The cost of demolition was a heavy burden under the current policy in Shanghai. In 2011, the district government again proposed the redevelopment project along with other urban renewal projects for the “second-class alleyways” in the 12th Five-Year Plan, and allocated 2 billion Yuan of public funds to its redevelopment. As planned, the land of Gaojiabang would be acquired after demolition and returned to the assets of the Land Development Center of Xuhui District for land banking. There was no immediate plan to release it to the land auction market. In fact, the plan was for the district government to demolish the neighborhood using public funds and generate a vacant space together with the adjacent derelict factories to create sites for service economies.

Compensation can be either monetary or an “ownership swap” (*chanquan tiaohuan*), that is, the government acquires the ownership of housing at Gaojiabang while the owners receive the compensation of housing at a different location. The compensation is calculated according to the following formula: The amount of compensation = (The reconstruction cost of the house per square meter + The baseline land premium at the demolition area + Price subsidy per square meter) × Housing construction floor space (interview, a district planner, June 2013). It is specified by the Xuhui district government that in this area, the baseline land premium is 5,900 Yuan per square meter, and the price subsidy is 1,770 Yuan per square meter. Because the housing condition of Gaojiabang is quite poor, the cost of reconstruction is generally low.

To facilitate rehousing, the district government prepares rehousing projects at different locations (see Figure 1 for the location of these rehousing



estates). Here, a simple calculation is used to show how difficult it would be to purchase rehousing in the same area. For example, assuming the reconstruction cost of demolished housing was 2,500 Yuan per square meter, and the demolished house was generally small at 120 square meters, the total cost of compensation would be 10,170 Yuan per square meter (interview, a district planner, June 2013). According to the information listed by the real estate agents in the district, the market price for nearby rehousing is 16,000 Yuan per square meter (the price is lower than properties in the housing market because rehousing projects are only for relocated households at a discount price). This means the same house would have to be scaled down to 76 square meters. However, for owners to rent properties, it would be preferable to have more housing space in cheaper locations. Still, the provision of rehousing means a greatly discounted price (interview, a district planner, June 2013) because the average sale price in the housing market of secondary commodity housing in Xuhui district is 36,946 Yuan per square meter while in the similar location of Tianlin, the market price reaches 29,978 Yuan per square meter (this was estimated through the Shanghai real estate evaluation network). In fact, without the rehousing project, the residents of Gaojiabang would be unable to afford any housing in a nearby location, because the compensation and purchase prices differ by three times.

It is interesting at this point to compare Gaojiabang with the redevelopment of villages in other cities. The local governments of Chinese cities are keen to redevelop unplanned neighborhoods (Shin 2009; F. Wu, Zhang, and Webster 2013). The official discourse presents urban redevelopment as a progressive project to “modernize” the city (Zhang 2006). However, there are different motivations in various cities and situations. The reasons for promoting urban redevelopment could include the following: to create a better image of the city, to demonstrate progress and “achievement in office,” to generate land revenue through real estate development, to use vacant space for other more economically profitable uses such as creative industries and commercial uses, and, finally, to facilitate economic restructuring. In Beijing, the village of Tangjialing was demolished because the place was known for concentration of the “ant tribe,” referring to new university graduates or nonlocal population who had difficulty buying houses and, thus, lived in rental apartments (F. Wu, Zhang, and Webster 2013). For Gaojiabang, the motivation for redevelopment was the latter. Other “scrape lands” constrained by limited size or in awkward locations could be demolished and converted into public green space, affordable housing projects, or educational and science uses (Wang, Lin, and Ning 2013). The district government presented this kind of noncommercial development as a new way to use public finance to improve the living conditions of (urban) residents (interview, a district planner, June

2013). Therefore, redevelopment goes beyond short-term land income during property-led redevelopment.

## **State Dominance in Urban Redevelopment**

The role of the Chinese state in economic development is widely noted. For example, the government of Shanghai has played a significant role in developing the city toward being a global city. This article focuses on the role of the state in urban redevelopment, especially transforming informal urban villages into industrial and office uses during economic restructuring. More specifically, this section develops two related arguments: Stringent control over housing extension has led to housing deterioration, and the “right to the city” (Shin 2013; Slater 2006) is constrained and based on property ownership, which has made it possible for the state to maintain its dominance. The first argument reflects the consequences of state dominance in urban redevelopment, whereas the second reflects the nature of using the market in the interest of state power. By demonstrating the prominent role of the state in the formation, demolition, and creation of new urban spaces, the article engages with the premises of gentrification research about neoliberal urbanism and urban redevelopment in the Global South as a way to remove informality (F. Wu, Zhang, and Webster 2013).

### *Stringent Control Leading to Housing Deterioration*

Although neighborhoods of rental housing for migrants are usually described as dilapidated, poor, and chaotic, housing conditions in migrant enclaves vary from city to city. Homeowners may not live in these neighborhoods, especially when conditions are really poor. Very often housing space has been extended to gain extra space for rental or subdivided further into smaller units without a formal approval plan. This informal feature of house building means that tenure may be insecure because the housing may be subject to demolition. Although, when compared with “commodity housing” developed through the real estate market, housing in old urban areas and migrant-concentrated villages has quite low quality, conditions in Shanghai are much worse than in Guangzhou (He 2012; Z. Li and Wu 2013; F. Wu, Zhang, and Webster 2013) or Beijing (Shin 2009; S. Zheng et al. 2009). In general, village housing units are much smaller. S. Zheng et al. (2009) found that the average living space in urban villages in Beijing was 8 square meters per capita, much lower than the average of 27 square meters in the whole city of Beijing. In a recent survey of Shanghai (Wang, Lin, and Ning 2013), the average per capita housing space in Shanghai’s urban villages was 7.9 square

meters, far below the average of 17.5 square meters in Shanghai 2010 (Shanghai Statistical Bureau 2011).

For Guangzhou and other cities in the Pearl River Delta, and to a lesser extent Beijing, self-built housing on village land is more tolerated (Hsing 2010), resulting in the evolution of the village housing market to suit different demands for rental housing. In Guangzhou, low-income young graduates may live in urban villages as their stepping stone or initial step on the housing ladder. In Beijing, large private housing compounds are developed to accommodate “white-collar” workers, as these are often called “white-collar apartments” (*bailin gongyu*), and some may even have security swipe-cards to provide a good secure living environment. Ironically, more stringent control over self-extension and intolerance toward left-over villages in Shanghai do not lead to a better living environment but rather to poorer housing conditions because there is a lack of space for migrants, resulting in the subdivision of housing units rather than extended rooms or purpose-built housing. As for landlords, they want to maximize rental income but are constrained by redevelopment restrictions, so they are reluctant to invest in the improvement of housing quality and tend to subdivide housing into smaller rooms. According to the landlords interviewed (interview, August 2010), smaller units (for rent in the range of 400–500 Yuan per room) are usually easier to rent. This is partially due to the low affordability of migrant tenants and their strong preference to save on housing costs (W. Wu 2002). S. Zheng et al. (2009, p. 425) observed that migrants’ small space consumption “is a function not only of low income but also of a reluctance to spend their earnings in the city,” and that “migrant workers consider the city as a place to work rather than a home in which to live.” Because of the constraint of informal housing supply, the rent per square meter in Shanghai is the highest among the three cities. As a survival strategy, rural migrants respond to higher rents by reducing their space requirements and choosing smaller units in Shanghai.

### *The “Right to the City” Based on Property Ownership*

Gaojiabang is not a squatter area, and, hence, its homeowners have legal property ownership of the housing in the neighborhood. Rural migrants cannot squat in this place through self-building and have to pay rent for small and subdivided rooms in a house. Rights are, therefore, well defined on the basis of property ownership. There is no ambiguity over who owns individual houses and properties. Property rights, however, are constrained by the Chinese land management system, which divides urban and rural lands (Zhu 2013). Although individual properties may have a certificate of ownership under rural housing, they are not allowed to be transacted in the secondary

urban housing market because they were built upon rural land rather than state-sanctioned land with a land deed. The endorsement of development, thus, represents state power in urban redevelopment. The ownership of housing is recognized and compensated during housing demolition. But tenancy is not subject to compensation in demolition.

Shanghai demolished and compensated thoroughly in the initial process of land acquisition, and, hence, original residents had far fewer remaining properties for claiming additional rights for their uses. In other places, however, housing extension is allowed by the state as compensation for the loss of agricultural land. In fact, there has been a standard practice in Guangdong province to “return” acquired agricultural land (which is in fact to return the development quota) to villagers to allow them to develop the land as “construction land” (Tian 2008). This so-called “economic retained land” (*jingji fanhuan yongdi*) laid the foundation for the housing rental economy in Southern China as well as village-owned collective enterprises, and is in essence in-kind compensation of “development rights” to villagers for the land they owned.

In all rural areas, land for housing has been allocated according to family size. On these allocated housing plots (known as *zhaijidi*), villagers are allowed to build their houses but usually within a space limit (Tian 2008; Zhu 2013). The tenure of this housing space is generally “secured,” and there is no ambiguity over ownership. But since the 1980s, many places have stopped allocating land for housing because of the shortage of agricultural land. Along with growing family members, marriage, and the arrival of new generations, housing demand is increasing. The government has had to allow villagers to build more housing space through self-extension to meet their housing needs. But in reality, farmers built far more space than was legally allowed to gain more rent. For assigned housing plots, villagers strove to develop as much as possible, up to the boundary of their plots. Some even managed to extend into the space upward over the street. This practice in Southern China was almost unseen in Shanghai. Shanghai has controlled not only self-building more tightly but also the overall size of rebuilding under specified limits. Any extra space above the limit is regarded as illegal and is subject to demolition. For this extra space, there is a certain degree of insecurity. But more insecurity comes from tenancy in rented properties, because the tenancy is not counted in the processes of demolition and redevelopment (Chung 2013). Although Chinese rural migrants are attracted by the development of globalizing Shanghai and allowed to be physically present in underdeveloped villages, such as Gaojiabang, their influence over the course of urban redevelopment is entirely absent due to the lack of property ownership. Chung (2013) revealed the relatively more advantageous position of local villagers compared with

rural migrants and their negotiation with the state for their right to the city. Such a situation of negotiation is absent in more dilapidated places in Shanghai where the right to the city is defined in the clearer terms of property rights. However, villagers and migrants are not necessarily antagonistic to each other; as Shin (2013) showed, a cross-class alliance may be able to go beyond property rights activism.

## Social Implications of State-Dominated Redevelopment

The informal neighborhood has been transformed by large-scale urban redevelopment. Irregularly shaped, organically developed, and informally built spaces are quickly replaced by modern high-rises. The process of redevelopment follows the principle of “modernization” (Zhang 2006), aiming to create a more orderly built environment. The formation of urban villages reflects the absence of state social provision to rural migrants (He 2012; He and Wu 2009; Zhu 2013), similar to “non-intervention” in the West (van Gent 2013) (hence, “neoliberal”). However, the state maintains tough regulations in its control over the right of redevelopment. As predicted by Smith (2002), in contrast to the neoliberal approach in social reproduction, the state dominates in the process of redevelopment for globally oriented production.

In Gaojiabang, the development corporation controlled the adjacent derelict factory land as state assets, while the residential area was under private rental housing. The local state now uses its public funds to acquire the land outside its control; later the land will be handed over to the development corporation. Interestingly, the land is not released to the land auction market, as the strategy is to maximize future tax rather than land income. Despite different motivations, urban redevelopment has recently speeded up in Chinese cities. Redevelopment projects now go beyond the simple urban renewal and renovation of dilapidated housing but rather have wider objectives of urban regeneration. All have eliminated the habitat of migrants and poor tenants (He 2012; Shin 2009; F. Wu, Zhang, and Webster 2013). When we talked to a migrant tenant in the residual Gaojiabang, who is moving about (a brief conversation in front of rental housing, April 2013) with her corenters, she said,

We have to go. This place is convenient, but we only lived here temporarily. In fact, I worked in a factory in the suburbs before, and quit to come here for a better wage nearby. It's lovelier here—inside the city. But I have to go back outside now. Maybe I could still ride my bike [to come to the city] but am not sure whether I could do this, as it's a long way. Everything in Shanghai is *changing so rapidly* for us—we just don't know where we will be tomorrow. (emphasis added)

In contrast to the creation of superficial diversity, mock heritages, traditional housing styles, iconic buildings, and culture, leisure, and recreation activities through redevelopment (He and Wu 2005; Ren 2008; Yang and Chang 2007; J. Zheng 2011), the development of “ordinary” neighborhoods outside the global urban cores (Robinson 2006), such as Gaojiabang, shows the attempt to eliminate informal settlements to impose a formal spatial order (F. Wu, Zhang, and Webster 2013). This has been achieved through more formal urban redevelopment processes, which seized informal rental rights and converted them into state properties.

Displacement has a severe impact on rural migrants. They are attracted to the city because of the development of the globally connected economy, but at the same time, they are also excluded from the city because they do not manage to gain the “right to the city”; they are treated purely as a labor force and lack influence over the course of urban development and redevelopment. Their living space is the most vulnerable, compared with industrial working-class communities (Slater 2006; Wyly et al. 2010). For rural migrants, their future faces some uncertainty after urban demolition. The first possibility might be to return to the countryside, as the cost of living in the globalizing metropolis is rising and exceeds their affordability. The second possibility might be relocation to other urban neighborhoods and gradual assimilation into urban life. This scenario might take a generation to complete its upward mobility. Informal neighborhoods disappeared due to urban demolition. The third possibility might be relocating to another urban village in a further away place. They would be connected with the urban economy but their residential forms would remain segregated. These possibilities depend upon the pace of urban redevelopment as well as on the degree of tolerance toward migrants’ neighborhoods. Migrant tenants might experience all these transient possibilities. In this study, the creation, disappearance, and transience of urbanism are discussed in the process of urban redevelopment in Shanghai. Shanghai’s case is not unique, as demolition and displacement have been constant themes across Chinese urbanization in many cities. In the early 1990s, Zhang (2001) described the demolition of Zhejiangcun in Beijing. Urban demolition has become widespread since then in many other cities (He 2012; Shao 2012; Shin 2013; F. Wu, Zhang, and Webster 2013).

## Conclusion

Gaojiabang represents an intriguing case of urban redevelopment in Shanghai. Although the case has its specific historical and geographical contexts, it represents a new trend of urban redevelopment in China. It reveals the second shift to foster economic restructuring through developing informal low-end

neighborhoods in the aftermath of the global financial crisis in 2008. Studies of urban redevelopment in China extensively documented the first shift from the renewal of dilapidated neighborhoods to property-led development in the aftermath of the Asian financial crisis (He 2007, 2012; He and Wu 2005, 2009; Shin 2009; Yang and Chang 2007; J. Zheng 2011). These redevelopments were driven by property projects that aimed to generate land revenues for the local government (He and Wu 2009; Hsing 2010; Shin 2009; Tao et al. 2010; Zhu 2013). They share some similarities with gentrification because of housing upgrading for the new rich and the creative and middle classes (He 2012; He and Wu 2009; J. Zheng 2011). Although revenue generation is still a policy objective, the new development objective shown by this case emphasizes new high value-added economies and production (see Table 1), which echoes Smith's (2002, p. 427) prediction of "a global urban strategy" that focuses on "capitalist production rather than social reproduction." The notion of "beyond gentrification" here has a double meaning: First, it is beyond the sporadic market-based residential changes. The concept of gentrification has been extended recently to include a stronger role of nonmarket forces (Lees, Shin, and López-Morales 2015). Second, not to deny that residential upgrading, including "new built gentrification," is still occurring in China, the dominant trend is the land-use and ownership conversions from informal and low-income settlements to state supported industrial or commercial development projects, that is, a shift from consumption to production as predicted by Smith.

The redevelopment of this migrant neighborhood represents an essential dimension of urban transformation beyond gentrification. This transition is quite representative in Shanghai in a period of economic restructuring and may indicate the trend in other Chinese cities in the future (He 2012; F. Wu, Zhang, and Webster 2013). The neighborhood was inhabited mostly by rural migrants who did not work in industry. They worked in informal and low-end services as shop assistants, cleaners, waitresses, security guards and porters for warehouses, and small workshop trainees. There was a sense of community because these tenants could identify themselves with the place. Local governance is dominated by the state with a consolidated residents' committee in the neighborhood. The redevelopment of Gaojiabang can hardly be described as a process of gentrification (Lees 2012; Lees, Slater, and Wyly 2008), because there are no middle-class newcomers to replace the existing residents (Bridge, Butler, and Lees 2011; Watt 2008), and the redeveloped plots do not have any residential use. The redevelopment, thus, triggers a process of land-use conversion from residential to office and industrial uses.

Rather than gentrification, the dominant process of urban restructuring is the formalization of informal settlements in Chinese cities (F. Wu, Zhang,



and Webster 2013). Gaojiabang was once a thriving neighborhood with many small restaurants, street markets, small groceries, and barbershops; the place saw densification along with the arrival of migrant tenants. But the neighborhood suffocated from a lack of investment in services and infrastructure. The living conditions of this migrant neighborhood were far from satisfactory. The place did not provide basic facilities, such as sewage discharge and toilets within apartments, and was threatened by fire hazard because of wooden boards, narrow alleyways, and cluttered electric wires. The neglect by state policies is more often thought of as the cause of neighborhood decline. But in the case of informal neighborhoods in Chinese cities, it was due to state dominance in urban development. Stringent control over self-building meant that landlords could not extend their buildings to accommodate migrant tenants, nor were they willing to improve services. They had to subdivide houses into smaller rooms to maximize rent before the eventual demolition. The control led to the increased subdivision of units, over-crowding, and eventual deterioration of living conditions. The enforcement of controlling redevelopment rights prevents local residents from capturing the benefit of redevelopment. Although the regulation claims to control overdevelopment, the policy was not simply intended to be “development control” of land conversion but rather maintains the monopolistic position of the state in the urban land market. The seeming beneficial policy of land-use regulation can be harmful to the poor like tough regulations shown in many policy analyses. The original village governance in this case was dismantled through recruiting village leaders into state-owned enterprises, leading to the absence of collective resistance toward urban redevelopment. The informal neighborhood was ephemeral and disappeared after redevelopment. In terms of landscape, the irregularly shaped streets were replaced by larger planned plots and super-blocks defined by wider grid roads, as seen in other old neighborhoods under modernization (Zhang 2006). Informal private homeownership and private rental were replaced by state-sanctioned formal corporate-owned properties. Governance was further strengthened by conversion from the quasi-governmental residents’ committee to large state development corporations.

The redevelopment of Gaojiabang, thus, reveals some important characteristics of urban change in globalizing Shanghai: the dominance of the state and (state) capital over everyday urbanism during the course of postindustrial transition. To become a global city (Chen 2009), the (im-)migrant neighborhoods have been squeezed out to give space to service industries and new production activities such as research and development. To be globally competitive and economically efficient, the postindustrial development of Shanghai has been organized by the state and operated by state-backed corporations (e.g., state-owned enterprises for demolition, the state land-banking center, and the

development corporations of industrial parks). In essence, Gaojiabang is not a housing improvement project, nor is it an image-making project. It is not even a profit-making real estate project of the type that is familiar to students of Chinese cities (He and Wu 2009), which may clear land and sell it in a land auction market for local land revenue (Tao et al. 2010). According to a district planning officer (interview, June 2013), “the redevelopment of Gaojiabang belongs to the secondary redevelopment of industrial parks (*gongyeyuan erci gaizhao*),” as the primary development refers to failed industrialization in the early years of the open door to global capital, in which factories were bankrupted under the impact of foreign investment. Gaojiabang, together with nearby derelict factories, was reclaimed by the local state to support the transition toward a postindustrial globalizing metropolis.

In his seminal discussion of gentrification in New York, Smith (2002, p. 427) suggested that “sporadic and quaint gentrification” under the liberal urban policy has been replaced by revanchist urbanism, which purposely uses gentrification as a global urban strategy. In doing so, he argued that the neoliberal state becomes a consummate agent of the market and that “investment of productive capital holds definitive precedence” (Smith 2002, p. 427). From an in-depth study of Shanghai’s informal neighborhood, this article confirms his prediction that a global urban strategy has indeed been used by the state to promote globalization and economic upgrading. Displacement is an essential outcome of this process. The new approach of redevelopment represents a phase departure from piecemeal developer-centered residential conversions (He and Wu 2005; Ren 2008; Yang and Chang 2007), which resembled property-led redevelopment in the West (Turok 1992). However, spontaneous market-driven redevelopment activities have been realigned under state dominance, because of public contests during enforced demolition and the imperative of economic restructuring exceeding profit making in property developments. In the case of informal settlements, unregulated self-building by small landlords is soon replaced by state-sanctioned land projects, in a mega urban project approach. Thus, urban redevelopment may provide a valuable angle to better understand the nature of “neoliberal urbanism” in China (He and Wu 2009; Walker and Buck 2007). Regarding the role of the state, the term “neoliberal urbanism” (van Gent 2013) might be misleading as a way of characterizing a more liberal and market-centered approach. Although the state used the market mechanism in redevelopment, state dominance is a salient feature of urban redevelopment and requires rethinking as to whether the notion of “neoliberal urbanism” is appropriate in China (He and Wu 2009). Various actors are disguised as market agents, but they actually represent the state, for example, using public finance to secure bank loans (district government), specializing in demolition and land clearance (state-owned company),

representing the landlord during redevelopment (land development center), and, finally, controlling the asset as part of an investment portfolio (development corporation of the industrial park). Although Smith focused on the role of the state in revanchist and punitive policies, Chinese redevelopment is orchestrated by the state. Like significant differences observed in the Global South (Harris 2008; Lees 2012; Lees, Shin, and López-Morales 2015), what we see in Chinese urban redevelopment stretches the concept of gentrification. Gentrification in its classical sense is only one type of geography of urban redevelopment and residential transformation. Seeing Shanghai as a city within the world of cities (Robinson 2011), its state-dominated urban redevelopment may prompt us to rethink the term *gentrification* as having originated from specific economic and residential changes in the West (Wu forthcoming). Although consequential expansion of the term includes capital reinvestment in urban spaces, Chinese neighborhood changes show multiple facets of spatial transformation, including upgrading, conversion, and formalization.

### Acknowledgment

The author would like to thank Professor Yuemin Ning and Dr. Mingfeng Wang for helping the fieldwork in Shanghai.

### Declaration of Conflicting Interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

### Funding

The author(s) disclosed receipt of the following financial support for the research, authorship, and/or publication of this article: This research is supported by the United Kingdom's Economic and Social Research Council (ESRC)/Department for International Development (DFID) project (RES-167-25-0448) and the Ministry of Education of People's Republic of China project at Modern City Research Center at East China Normal University (11JJD840015).

### References

- Bridge, Gary, Tim Butler, and Loretta Lees, eds. 2011. *Mixed Communities: Gentrification by Stealth?* Bristol: Policy Press.
- Butler, Tim. 2007. "For Gentrification?" *Environment and Planning A* 39 (1): 62–181.
- Chen, Xiangmin, ed. 2009. *Shanghai Rising: State Power and Local Transformation in a Global Megacity*. Minneapolis: Univ. of Minnesota Press.
- Chung, Him. 2013. "The Spatial Dimension of Negotiated Power Relations and Social Justice in the Redevelopment of Villages-in-the-City in China." *Environment and Planning A* 45 (10): 2459–76.

- Doshi, Sapana. 2013. "The Politics of the Evicted: Redevelopment, Subjectivity, and Difference in Mumbai's Slum Frontier." *Antipode* 45 (4): 844–65.
- Fang, Ke, and Yan Zhang. 2003. "Plan and Market Mismatch: Urban Redevelopment in Beijing During a Period of Transition." *Asia Pacific Viewpoint* 44 (2): 149–62.
- Gilbert, Alan. 2007. "The Return of the Slum: Does Language Matter?" *International Journal of Urban and Regional Research* 31 (4): 697–713.
- Hackworth, Jason. 2002. "Post-recession Gentrification in New York City." *Urban Affairs Review* 37:815–43.
- Harris, Andrew. 2008. "From London to Mumbai and Back Again: Gentrification and Public Policy in Comparative Perspective." *Urban Studies* 45 (12): 2407–28.
- He, Shenjing. 2007. "State-Sponsored Gentrification Under Market Transition: The Case of Shanghai." *Urban Affairs Review* 43 (2): 171–98.
- He, Shenjing. 2012. "Two Waves of Gentrification and Emerging Rights Issues in Guangzhou, China." *Environment and Planning A* 44 (12): 2817–33.
- He, Shenjing, Yuting Liu, Chris Webster, and Fulong Wu. 2009. "Property Rights Redistribution, Entitlement Failure and the Impoverishment of Landless Farmers in China." *Urban Studies* 46 (9): 1925–49.
- He, Shenjing, and Fulong Wu. 2005. "Property-Led Redevelopment in Post-reform China: A Case Study of Xintiandi Redevelopment Project in Shanghai." *Journal of Urban Affairs* 27 (1): 1–23.
- He, Shenjing, and Fulong Wu. 2009. "China's Emerging Neoliberal Urbanism: Perspectives from Urban Redevelopment." *Antipode* 41 (2): 282–304.
- Hsing, You-Tien. 2010. *The Great Urban Transformation: Politics of Land and Property in China*. Oxford: Oxford Univ. Press.
- Irazabal, Clara. 2009. "One Size Does Not Fit All: Land Markets and Property Rights for the Construction of the Just City." *International Journal of Urban and Regional Research* 33 (2): 558–63.
- Jacobs, Jane. 1961. *The Death and Life of Great American Cities*. New York: Random House.
- Leaf, Michael. 1995. "Inner City Redevelopment in China." *Cities* 12 (3): 149–62.
- Lees, Loretta. 2008. "Gentrification and Social Mixing: Towards an Inclusive Urban Renaissance?" *Urban Studies* 45 (12): 2449–70.
- Lees, Loretta. 2012. "The Geography of Gentrification: Thinking Through Comparative Urbanism." *Progress in Human Geography* 36:155–71.
- Lees, Loretta, Hyun Bang Shin, and Ernesto López-Morales, eds. 2015. *Global Gentrifications: Uneven Development and Displacement*. Bristol: Policy Press.
- Lees, Loretta, Tom Slater, and Elvin Wyly. 2008. *Gentrification*. New York: Routledge.
- Li, Si-Ming, and Yuling Song. 2009. "Redevelopment, Displacement, Housing Conditions, and Residential Satisfaction: A Study of Shanghai." *Environment and Planning A* 41 (5): 1090–1108.
- Li, Zhigang, and Fulong Wu. 2013. "Residential Satisfaction in China's Informal Settlements: A Case Study of Beijing, Shanghai, and Guangzhou." *Urban Geography* 34 (7): 923–49.
- Liu, Yuting, Shenjing He, Fulong Wu, and Chris Webster. 2010. "Urban Villages Under China's Rapid Urbanization: Unregulated Assets and Transitional Neighbourhoods." *Habitat International* 34 (2): 135–44.

- Newman, Kathe, and Elvin K. Wyly. 2006. "The Right to Stay Put, Revisited: Gentrification and Resistance to Displacement in New York City." *Urban Studies* 43:23–57.
- Power, Anne. 1993. *Hovels to Highrise: State Housing in Europe Since 1850*. London: Routledge.
- Ren, Xuefei. 2008. "Forward to the Past: Historical Preservation in Globalizing Shanghai." *Cities & Community* 7 (1): 23–43.
- Robinson, Jennifer. 2006. *Ordinary Cities: Between Modernity and Development*. Abingdon: Routledge.
- Robinson, Jennifer. 2011. "Cities in a World of Cities: The Comparative Gesture." *International Journal of Urban and Regional Research* 35 (1): 1–23.
- Roy, Ananya. 2005. "Urban Informality: Towards an Epistemology of Planning." *Journal of the American Planning Association* 71 (2): 147–58.
- Shanghai Statistical Bureau. 2011. *Shanghai Statistical Yearbook 2011*. Shanghai: Shanghai Statistical Press.
- Shao, Qin. 2012. *Shanghai Gone: Domicide and Defiance in a Chinese Megacity*. Lanham: Rowman & Littlefield.
- Shin, Hyun Bang. 2009. "Residential Redevelopment and Entrepreneurial Local State: The Implications of Beijing's Shifting Emphasis on Urban Redevelopment Policies." *Urban Studies* 46:2815–39.
- Shin, Hyun Bang. 2013. "The Right to the City and Critical Reflections on China's Property Rights Activism." *Antipode* 45 (5): 1167–89.
- Slater, Tom. 2006. "The Eviction of Critical Perspectives from Gentrification Research." *International Journal of Urban and Regional Research* 30:737–57.
- Smith, Neil. 2002. "New Globalism, New Urbanism: Gentrification As Global Urban Strategy." *Antipode* 34 (3): 427–50.
- Tao, Ran, Fubing Su, Mingxing Liu, and Guangzhong Cao. 2010. "Land Leasing and Local Public Finance in China's Regional Development: Evidence from Prefecture-Level Cities." *Urban Studies* 47 (10): 2217–36.
- Tian, Li. 2008. "The Chengzhongcun Land Market in China: Boon or Bane? A Perspective on Property Rights." *International Journal of Urban and Regional Research* 32 (2): 282–304.
- Turok, Ivan. 1992. "Property-Led Urban Regeneration: Panacea or Placebo?" *Environment and Planning A* 24:361–79.
- van Gent, W. P. C. 2013. "Neoliberalization, Housing Institutions and Variegated Gentrification: How the 'Third Wave' Broke in Amsterdam." *International Journal of Urban and Regional Research* 37 (2): 503–22.
- Wacquant, Loic. 2008. "Relocating Gentrification: The Working Class, Science and the State in Recent Urban Research." *International Journal of Urban and Regional Research* 32 (1): 198–205.
- Walker, Richard, and Daniel Buck. 2007. "The Chinese Road: Cities in the Transition to Capitalism." *New Left Review* 46:39–66.
- Wang, Mingfeng, Xiaoling Lin, and Yuemin Ning. 2013. "Shanghai's Urban Villages: Migrants, Temporary Residence and Urban Redevelopment." In *Rural Migrants in Urban China: Enclaves and Transient Urbanism*, edited by Fulong Wu, Fangzhu Zhang, and Chris Webster, 164–81. Abingdon: Routledge.

- Watt, Paul. 2008. "The Only Class in Town? Gentrification and the Middle-Class Colonization of the City and the Urban Imagination." *International Journal of Urban and Regional Research* 32:206–11.
- Weinstein, Lisa, and Xuefei Ren. 2009. "The Changing Right to the City: Urban Renewal and Housing Rights in Globalizing Shanghai and Mumbai." *City & Community* 8 (4): 407–32.
- Wu, Fulong. 2004. "Residential Relocation Under Market-Oriented Redevelopment: The Process and Outcomes in Urban China." *Geoforum* 35:453–70.
- Wu, Fulong. forthcoming. "Emerging Chinese Cities: Implications for Global Urban Studies." *Professional Geographer*.
- Wu, Fulong, Jiang Xu, and Anthony Gar-On Yeh. 2007. *Urban Development in Post-reform China: State, Market and Space*. New York: Routledge.
- Wu, Fulong, Fangzhu Zhang, and Chris Webster. 2013. "Informality and the Development and Demolition of Urban Villages in the Chinese Peri-Urban Area." *Urban Studies* 50 (10): 1919–34.
- Wu, Weiping. 2002. "Migrant Housing in Urban China: Choices and Constraints." *Urban Affairs Review* 38 (1): 90–119.
- Wyly, Elvin, Kathe Newman, Alex Schafran, and Elizabeth Lee. 2010. "Displacing New York." *Environment and Planning A* 42 (11): 2602–23.
- Yang, You-Ren, and Chih-Hui Chang. 2007. "An Urban Regeneration Regime in China: A Case Study of Urban Redevelopment in Shanghai's Taipingqiao." *Urban Studies* 44 (9): 1809–26.
- Zhang, Li. 2001. *Strangers in the City: Reconfiguration of Space, Power, and Social Networks Within China's Floating Population*. Stanford: Stanford Univ. Press.
- Zhang, Li. 2006. "Contesting Spatial Modernity in Late-Socialist China." *Current Anthropology* 47 (3): 461–84.
- Zhao, Yanjing, and Chris Webster. 2011. "Land Dispossession and Enrichment in China's Suburban Villages." *Urban Studies* 48 (3): 529–51.
- Zheng, Jane. 2011. "'Creative Industry Clusters' and the 'Entrepreneurial City' of Shanghai." *Urban Studies* 48 (16): 3561–82.
- Zheng, Siqi, Fenjie Long, Cindy C. Fan, and Yizheng Gu. 2009. "Urban Villages in China: A 2008 Survey of Migrant Settlements in Beijing." *Eurasian Geography and Economics* 50 (4): 425–46.
- Zhu, Jieming. 2013. "Governance over Land Development During Rapid Urbanization Under Institutional Uncertainty, with Reference to Periurbanization in Guangzhou Metropolitan Region, China." *Environment and Planning C* 31 (2): 257–75.

## Author Biography

**Fulong Wu** is Bartlett Professor of Planning in the Bartlett School of Planning at University College London (UCL). His research includes China's urban development and planning and its social and sustainable challenges. His most recent book is titled *Planning for Growth: Urban and Regional Planning in China*, published by Routledge in 2015.