

*[Please note: this is a draft version for comments only. The paper is under review]*

**Informality and ‘slum clearance’: the development and demolition of urbanized villages in the Chinese peri-urban area**

Fulong Wu, Fangzhu Zhang, and Chris Webster

School of City and Regional Planning, Cardiff University, Cardiff, CF10 3WA, UK

Email: [WuF@cardiff.ac.uk](mailto:WuF@cardiff.ac.uk)

**Abstract**

The emergence of Chinese urbanized villages (*chengzhongcun*) has recently attracted both research and policy attention. Current studies mainly describe the characteristics of these villages. The official media continue to present these villages as ‘chaotic dilapidated places’, and government policy is to eliminate them through village redevelopment. The central question is why these urbanized villages are treated as if they were ‘slums’. Reflecting on recent research on urban informality, we argue that the emergence of these villages reflects an informality created by under-provided migrant housing, and the redevelopment of them is an attempt to constrain this informality into a governable space in the struggle for urban space. Echoing Gilbert’s (2007) critique of the language of slum in slogans such as ‘Cities without Slums’, we argue that the redevelopment of urbanized villages probes into the dynamics of Chinese urbanization.

## Introduction

China has experienced rapid urbanization in the last three decades. Its urbanization rate increased from about 19 per cent in 1979 to 46.6 per cent in 2008 (CNSB, 2009). Large-scale rural to urban migration is mainly concentrated in the large cities in the coastal region (Fan, 2008), or more precisely in the peri-urban areas of these metropolises (W Wu, 2008). Nevertheless, many scholars have observed that China has largely avoided the wide spread of slums found in other developing countries (Wang et al., 2009). On this ground, the trajectory of Chinese urbanization seems to be different from emerging informality in the Global South (Roy, 2005) or the ‘planet of slum’ in a world of globalizing capitalism (Davis, 2006). On the other hand, Chinese local governments strive to demolish migrant places, namely ‘urbanized villages’ (*chengzhongcun*) where migrants concentrate, as if these villages were slums. The UN-Habitat report (2003: 106) suggests that 19 per cent of households worldwide are in squatter housing (including those paying rent) and that the figure in China is 9 per cent (p. 107). The report also suggests that nationwide 5 per cent are ‘squatters without rent paying’. Although the figure is lower than the world average and is significantly lower than the average figure of 45 per cent in Asia, the report said that squatter housing accounts for a significant proportion of housing tenure. As for urban population specifically, according to the most recent UN-Habitat report (2010: 66), the figure for urban slum population is much higher, as “in proportional terms, China’s urban slum population fell from 37.3 per cent in the year 2000 to an estimated 28.2 per cent in 2010,” which suggests at least 28 per cent of urban residents living in slums in 2010. It can be seen that these figures vary significantly, depending on how the definition of ‘slum’ is applied to Chinese cities. The Chinese situation presents a

complicated picture. On the one hand, Chinese cities could be regarded as ‘cities without slums’, because through slum improvement 22 per cent of the population was “lifted out of slum conditions from 2000 to 2010” (UN-Habitat, 2010: 66). On the other hand, still nearly one-third of urban dwellers are in slums despite the strong intervention of government.

Despite extensive studies on China’s rural to urban migration, only recently has there been an emerging literature on the habitat of migrant places (Tian, 2008; Wang et al., 2009 and 2010; Liu et al., 2010). Earlier studies on migrants and their concentration largely focused on their social structure and exclusion (Solinger, 1999; Zhang, 2001) rather than specifically on their living space. From studies of migrant housing, it is understood that rural migrants tend to live in peri-urban areas due to the constraint of private rental space inside the city (F. Wu, 2004; W. Wu, 2008). In some cities such as Shanghai, rural migrants tend to be more dispersed in different housing categories (including old municipal housing), while in others such as Guangzhou and Shenzhen they are concentrated in urbanized villages (Tian, 2008).

The key question for this research is to ask why Chinese urbanised villages are treated like slums and are subject to demolition. We ask this question in a more than technical way. Rather, we try to challenge the current practices of village redevelopment which assume that these villages are slums and should be eliminated. Through three case studies in Beijing, Shanghai and Guangzhou, we hope to reflect on the issue of ‘urban informality’ (Roy and AlSayyad, 2004) and ask to what extent Chinese urbanization can be regarded as a process of informalization as observed in other developing

countries, and what can the current practices of village redevelopment tell us about contention and struggle over urban spaces.

In the following section, the literature of informal settlements and informality is reviewed. Then in section 3 the current understanding of Chinese urbanized villages is summarized. Section 4 examines in detail three cases of village redevelopment. This is followed by section 5 which compares these cases in terms of motivation and rationale of village redevelopment. In conclusion, the implications for informality research are critically considered.

## **2. Informal settlements in the developing world**

There have been extensive studies on informal settlements in the field of development studies (Gilbert and Gugler, 1992; Gilbert, 1992; 2007; UN-Habitat, 2003, 2007; see Kiddle 2010 for a review of international housing policy, Jenkins et al., 2007). The studies mostly cover Latin America (Gilbert, 1992), South Asian (Nijman, 2010), and Africa (Huchzermeyer, 2003). Relatively few studies have been done on East Asian cities (with exceptions, see Smart, 2006).

Theoretically, interest in ‘slums’ has recently resurfaced. According to UN-Habitat (2007), in 2007, the total urban population in the world exceeded the rural population, indicating that we have passed a significant threshold into an ‘urban age’. However, the future growth of the urban population continues to be mainly located in developing countries, or more precisely in their slums. It is estimated that by 2020 the world slum population will reach 1.4 billion (UN-Habitat, 2006; 2007). According to

Davis (2006), the prevalence of slums signifies an essential condition of a redundant labour force under globalization and advanced capitalism. The rising concern over slums is echoed by a series of policies such as '*Cities Without Slums*' initiated in 1999, which aimed at constraining escalating slums. For example, Target 11 of the Millennium Development Goals (MDG) was to improve the lives of at least 100 million slum dwellers by 2020 (UN-Habitat, 2006). As a result of high-level campaigns by international development agencies, the language of 'slum' is again becoming widely used (Gilbert, 2007). Nevertheless, Gilbert (2007) warns that the use of 'slum' in a slogan such as '*Cities without Slums*' often contains a negative connotation and may legitimate slum elimination rather than enabling service provision.

Despite extensive research on slums, the exact meaning of 'slum' remains undefined and problematic. According to the UN-Habitat's (2003: 12) campaign for *Cities without Slums*, the official and *operational* definition of a slum is:

An area that combines, to varying extents, the following characteristics (restricted to the physical and legal characteristics of the settlement):  
inadequate access to safe water, inadequate access to sanitation and other infrastructures; poor structural quality of housing, over-crowding and insecure residential status.

From the above definition, it can be seen that the focus is primarily placed on the physical conditions of the slum – dilapidated housing without proper basic services – and secondly on insecurity of residential tenure. It suggests that a slum lacks basic

infrastructure and is informally built (e.g. self-built), and that slum dwellers do not have recognized legal property rights (e.g. as squatters on public land). Recent research has gone beyond the physical conditions of slums and begun to understand the nature of informality in terms of deregulation, which is essentially created by contemporary capitalism (AlSayyad, 2004; Roy and AlSayyad, 2004). For example, Roy (2009) regards informality as an exception in the Global South and argues that the new informality should be the essential feature of the 21st-century metropolis. This understanding of informality as the norm rather than the exception prompts us to rethink the legitimacy of the policy of eliminating informality as a backward phenomenon of 'Third World' underdevelopment in the name of modernizing these cities into more formally governed metropolises.

Moreover, the aspects of informality and legality are related but not necessarily the same. Informally built housing may not be illegal, and legality is often defined by the changing institutions of land, which can either grant or deny certain aspects of property rights to the occupants. In the case of Chinese urbanized migrant villages, rental housing is spontaneously built and thus presents a high level of informality (i.e. they are not built according to a formal residential plan as are modern residential areas in other urban places). But housing extension is allowed by the state as compensation for the loss of agricultural land (e.g. compensation through 'retained land' for village development because land has been acquired by the state). In rural areas, land for housing is also allocated to farming households according to their family size. On these land plots, self-help housing can be built, within a limit of space (see later discussion). But since the 1980s many places have stopped allocating land for housing because of the shortage of agricultural land. Along with growth in family members

and new generations, housing need is largely met by self-extension. This re-building is not necessarily illegal if the overall size of the house is under a specified amount of space. However, farming households may aim to develop as much as possible to benefit from the rental economy. The extra space may be deemed illegal. Although these two aspects of informality and legality are indistinguishable in the literature, the distinction is important in the Chinese context.

International housing policy towards low-income informal settlements has changed over the years under the influence of two instances of important research. The research by Turner (1968; 1972) based on his fieldwork in Peru regards squatter settlements as 'self-help housing', which provides affordable housing to the poor. Depending upon the informal labour market, the poor cannot afford to travel long distances and have to live near their informal jobs to reduce transport costs and time. This understanding of the positive function of squatter housing led to the change of the earlier policy of demolition and slum resettlement to a policy of *in situ* squatter upgrading in the 1970s and 1980s (Pugh, 2000). The second influential research was conducted by de Soto (2000), who disclosed the importance of tenure security, especially the legality of property rights. He argued that the poor in the developing world possess valuable assets that cannot be transacted because of the lack of legal property rights. The policy implication of his research would be advocacy of the legalization of land titles or land titling programmes, which have been supported by international development agencies such as the World Bank and other researchers (e.g. van Gelder, 2007; Mooya and Cloete, 2007). However, criticism doubts the importance of formal titling, as house sales are common without formal title (Gilbert, 2002), as are the social practices of recognizing *de facto* property rights (Varley, 2002;

Musembi, 2007). For example, Varley (2002) warns that the way legalization can incorporate informal housing into the formal market may disrupt community life and lead to forced relocation during the process of gentrification. Payne (2004) advocates the benefits of perceived tenure security. Criticism opened up a debate over the importance of perceived security of tenure, i.e. *de facto* rights vs. *de jure* titles (Kiddle, 2010), and the issue is 'context sensitive' (Irazabal, 2009). Over the issue of tenure legality, recent research highlights that perhaps both support for and criticism of de Soto's argument created an artificial separation of these two aspects. For example, van Gelder (2009) finds that tenure legality and perceived tenure security are closely related, and both enhance housing improvement, while there was no relation between tenure legality and access to credit.

These theoretical positions, derived from the context of Latin America and Africa, may not be readily applicable to Chinese urbanized villages. First, Chinese urbanized villages are not places for 'self-help housing', because these places are not squatter areas. Entrance to these places, though at low cost, is the ability to pay the rent.

Villages for private rental housing were not developed by the current dwellers. Rather, they are developed solely for rental. Second, the issue of legalization may not be directly relevant, because villagers do possess their titles, albeit constrained ones.

These titles are constrained by a peculiar Chinese land institution, namely the property right that cannot be transacted in the urban housing market. In this sense, the title is a limited one. The literature of urban informality shows that outside the formal property rights regime there is a complex structure of property rights in the informal settlements. The issue of slum clearance very often represents the change in,

adjustment of and struggle for these property rights, although the purpose of slum clearance may intend to give titling to slum dwellers.

### **3. Urbanized migrant villages as Chinese informal settlements**

Urbanized villages originated from the unique Chinese dual land use system. Rural land is collectively owned, while urban land is state owned. The land use rights of urban land can be leased through the competitive land market. However, the municipality monopolizes the supply of leased land in the primary land market (Yeh and Wu, 1996; Lin and Ho, 2005). During rapid urban expansion, former rural villages were encircled by urban built-up areas, becoming literally ‘villages in the city’. According to the 1988 Land Administration Law, which was later updated in 1998, compensation for land acquisition consists of compensation for land, relocation cost, and property compensation. Land compensation is calculated as six to ten times the average annual output of the farmland in the previous three years, and relocation compensation is based on the size of the affected household (Tian, 2008; Zhao and Webster, 2011). To save the cost of land acquisition, the original site of a village is not acquired by the state or development projects and thus remains in collective ownership, while the agricultural land of the villages is converted into state ownership. This land acquisition process forms the dual land use in peri-urban areas.

Related to the dual land use system are fragmented urban planning and development control. The formal urban plan only covers state land. Development control in rural areas is rather lax, depending upon the capacity of local government. This means

farming households in rural areas can build and extend their houses with minimal formal state intervention. In southern China, there was a practice to return acquired agricultural land to farmers who gave up their farmland. This meant that the farmers could change the land use from agricultural use to other non-agricultural uses.

However, these non-agricultural uses, because of the collective ownership of rural land, are subject to little development control. The returned land normally accounts for 8 to 12 per cent of acquired land (Tian, 2008). The retained land is called 'economic development land' (*jingji fazhan yongdi*), and it is left to village collectives to decide its use. This further expands the stock of land outside the state's formal development regime.

Left outside the formal regime of state development, urbanized villages spontaneously developed themselves into high building densities. Each household tried to maximize the use of its assigned housing plot, building up to the boundary and thus leaving very narrow spaces between buildings. Therefore, urbanized villages are characterized by high building coverage, some up to 90 per cent of the land. The services and infrastructure of these villages are under-developed. In more developed southern China, villagers' committees may provide some basic coordination for development. In most cases, urbanized villages are outside the formal provision of municipal services.

Because of underdeveloped infrastructure, the spontaneous extension of buildings, and an informal and under-regulated built environment, urbanized villages are described in the official media as 'chaotic places', 'cancer of the city', and 'anomalies' of modern society. They bear negative images and are often stigmatized.

Researchers have also noted the dilapidated nature of the built environment (Zhang et al., 2003; Tian, 2008; Wang et al., 2009). These discourses constantly mention several issues: potential fire hazards, the concentration of criminals and higher crime rates inside urbanized villages, and filthy and unhealthy living conditions. Other studies have begun to examine the quality of housing in these places. Wang (2000) described the poor quality of housing in these villages. Liu and Wu (2006) categorized urbanized villages as one of the three types of low-income poverty-stricken neighbourhoods. On the other hand, a growing number of researchers have begun to recognize the positive roles of urbanized villages under rapid urbanization; for example, they provide affordable housing to rural migrants and an initial environment with people from the same origin (Ma and Xiang, 1998; Zhang, 2001; Zhang et al., 2003; Chan et al., 2003; Song et al., 2008; Wang et al., 2009). The emergence of private rental housing in urbanized villages is a result of the constrained supply of housing to millions of rural migrants who are subject to severe discrimination and disadvantages in housing (F. Wu, 2004; Song et al., 2008; Liu and He, 2010). Liu and He (2010), for example, describe urbanized villages as marginalized neighbourhoods because they are developed through a ‘marginalized development mode’ because the city government adopts a highly urban-biased development approach and neglects investment in leftover villages, causing infrastructure deficiencies and a disordered physical environment. The management of these villages also has an inferior status, because they are maintained mainly by villagers’ committees. In reality, shareholding companies rather than government take on the responsibility to provide basic social services. The rental economy provides crucial income to landless farmers who would otherwise suffer from poverty and deprivation (He et al., 2009). Wang et al. (2009) observed that because of the practice of returning land to farmers urbanized villages

also have an important function in manufacturing. Small enterprises and workshops located in these villages, usually on collective land, provide employment to local villagers as well as migrant workers.

Although there are some general observations of living conditions in urbanized villages, the exact quality of housing and facilities has not been systematically researched. According to Zheng et al. (2009), 95 per cent of rental units in Beijing's urban villages are without bathroom / toilets and 92 per cent are without kitchens. However, 99 per cent have electricity. Zheng et al. (2009) also find that the average living space is 8 square metres, much lower than the average in Beijing which is 27 square metres. They find 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" (p. 425). Earlier studies in migrant housing (e.g. W. Wu, 2002) also identified the cost saving behaviour of migrants. From general observation in various cities, drinking water does not seem to be a problem, while very few rental rooms have self-contained toilets and public toilets are the norm. In more mature urbanized villages, there is even cheap internet connection at a price of 40 to 50 Yuan per month (field observation in Guangzhou, 2010). Apart from these general observations, no systematic information about infrastructure and facilities is available.

Although the Chinese government does not explicitly call urbanized villages 'slums', the policy generally treats these places as slums through demolition and redevelopment. From the discourse of 'slum', we can see the state's effort to reinsert a governable space. Informal villages are thus converted into state-controlled, state-

regulated, and state-sponsored developments. At the core of the struggle over urban space is the Chinese model of land development (Lin, 2007; Hsing, 2006, Tao et al., 2011). Li et al. (2010) suggest that the development of urbanized villages is an outcome of farmers capturing the differentiated rent gap between urbanized and rural land. However, their property rights are constrained because village properties are not allowed to be sold in the urban housing market. To the city government, urbanized villages, especially those occupying central locations, provide an opportunity of expanding land revenue through acquiring village land at a lower price and selling it in the urban land market at a higher price. This is, however, fiercely resisted by villagers, and thus the struggle over urbanized villages continues.

Despite a growing recent literature on urbanized villages in China (e.g. Tian, 2008; Zheng et al., 2009; Li et al., 2010; Wang et al., 2009; Liu et al., 2010), most research focuses on the formation and the role of village housing in Chinese urbanization. Few studies have been conducted on the redevelopment of urbanized villages and redevelopment approaches (see for example Zhao and Webster, 2011). This paper will examine in detail the different approaches to village redevelopment. Developing from the literature of Chinese urbanized villages, we ask to what extent are urbanized villages informal settlements. These places show several aspects of informal practice. First, in terms of land ownership, they are not state owned. On the other hand, neither are they private land, and the properties developed on the land do not have a sellable property right in the formal (commodity) housing market. Second, housing in urbanized villages is spontaneously developed, outside the formal regime of land development. The development receives a lower degree of state intervention and lacks formal development control. Third, these places are not served by the formal

provision of municipal services. They are either reliant on farmer landlords or rural collectives. In this case, the infrastructure is under-provided because individual households tend to maximize the use of space. These informal practices have not been discussed so far with the reference to informality in the Global South.

#### **4. Three migrant villages in Chinese cities**

The original research presented in this paper was conducted from May to September 2010 as part of a larger study of peri-urban informal settlements in Chinese cities. The core of this study was face-to-face semi-structured interviews which sought to investigate the formation, composition and redevelopment practices of these informal settlements. In the three cities (Beijing, Shanghai and Guangzhou), we selected four to five villages to conduct case studies. In each city, we conducted about 15 interviews, ranging from 30 minutes to 2 hours. In the city of Shanghai, the investigation was facilitated by focus group meetings in local district planning offices, in conjunction with separate research organised by the municipal planning bureau. These three cases are mostly intensively researched through multiple interviews, including government officials, local planners, private developers, villager cadres or leaders, and selected tenants. These three villages are selected because they generate wide media attention (such as Tangjialing in Beijing and Liede in Guangzhou), or for being an archetypical project for citywide policy formulation (such as Liede in Guangzhou). Some are representative of similar areas in the city but with a larger scale (such as Gaojiabang in Shanghai). We supplemented the fieldwork by collecting some internal documents for village planning and government policy. Partly this was

possible because our collaborators were involved in the initial consultancy work or led an initial investigation (including a small-scale questionnaire survey) independent from and prior to our research.

### *Tangjialing in Beijing: an enclave of the 'ant tribe'*

Tangjialing is located in the town of Xibeiwang outside the northwest fifth ring road of Beijing. It is near to the aerospace town of Dengzhuangzi, which is at the periphery of the city. Before 2000 the area still presented a typical rural landscape. From the year 2000, the Zhongguancun Science Park extended to this area. Across the road from Tangjialing is the Shangdi IT industrial base and Zhongguancun Software Park. Near to the west of Tangjialing, a private college, the China Software Management College, was set up. The students became the first tenants of Tangjialing. Villagers began to extend their houses from two floors to four or five floors to provide private rental housing. Spontaneous construction started in 2000. In 2005, the villagers' committee began to control the speed of extension. Many households received a notice from the villagers' committee requiring them to stop further extension. However, rampant private housing development occurred in 2006 and 2007, including the development of housing on former collective land (more than self-built spontaneous construction on individual housing plots). The villagers even rent out land for private developers to build large-scale standard rental apartments into a residential compound which is managed commercially by private companies. These apartments are often called 'student apartments' or later 'white-collar apartments'.

Many tenants work in the IT sector, and sometime call themselves ‘IT migrants’ to suggest that their working and living conditions are no better than those of rural migrants who work in manufacturing industries. This low-income white-collar group became known as the Chinese ‘ant tribe’ (*yizu*). The publication of the book *China’s Ant Tribe* in 2009 brought to wide attention the living conditions of non-traditional low-income migrants. Tangjialing as the major residential area has received much media attention.

The rent in Tangjialing ranges from 300 Yuan per month for a low quality room around 10 square metres to 700 Yuan per month for a relatively better quality 20 square metre studio with kitchen and toilet. Surprisingly, most rental housing has an internet connection. Because the rental housing market is competitive, landlords are quite innovative in improving their housing conditions. For example, the corridors of the second floor upwards use transparent panels to allow the light to pass through to the lower floor, which improves lighting on the lower floor. Seeing this kind of practical innovation, it was commented by one planning professional that, “this is really marvellous; we could not do this because we simply do not know what the tenants need” (personal communication, July 2010). Another innovation is the provision of a small shuttle bus by the large landlord to connect residents with the bus station at the entrance of Tangjialing. Shuttle buses are really convenient for tenants and thus become a selling point for some residential compounds such as Dongjia Compound. Others plan to follow, as one landlord told us of his plan to buy a small van to do the same, which was only suspended when he heard of the plan for demolition of nearby compounds (interview, July 2010). Most tenants seem satisfied, as one young couple suggested to us, when they were preparing the check-out

procedure with the landlord and leaving because of the forthcoming demolition, “Could you please ask the government not to demolish this place? We are quite happy to live here, and now we have to find another place and don’t know whether we might have the same kind of customised buildings to live” (personal communication, July 2010).

In March 2010, the redevelopment project of Tangjialing officially started. Instead of using the words ‘demolition and relocation’ (*chai qian*), the new phrase for redevelopment in Beijing now uses ‘vacating’ (*teng tui*), implying that for landlords and local villagers this is temporarily vacating the old house and that after the project finishes they would return to the original place. This reduces resistance to demolition, which has become quite contentious in China. In June 2010, the vacating process began (see Figure 1) and the project of building Tangjialing New Town was approved by the municipal development and reform commission, with a floor space of 260,000 square metres.

[Insert Figure 1 about here]

In Oct 2010, the Land Administrative Centre announced that two land plots were ready for auction in the land market. On 18 November 2010, the land administrative centre of Beijing announced that after the bids of 15 developers, the developers of Vanke (one of the largest private developers in China) and Wukuang (a subsidiary of a large SOE belonging to the central government) had won the bids for two plots, with 3.744 billion Yuan and 1.483 billion Yuan respectively. In total, 5.2 billion was bid for Tangjialing New Town redevelopment, which will build 29 residential high-rises

there. However, the place will be gentrified: according to a landlord who operates a large residential compound, “the rent after redevelopment must exceed 1,600 Yuan” (personal communication, July 2010).

*Gaojiabang in Shanghai: a hidden enclave of informal housing*

Gaojiabang is hidden away from a prosperous street in the district of Xuhui, one of the well-developed central districts of Shanghai. The entrance to this village, which was urbanized long ago in the 1980s, is extremely modest, unexpectedly leading to a high-density, congested residential area of low-quality housing but with bustling narrow streets full of small shops and stores. The registered population is 1,373 people but the migrant population reaches about 3,000. About 20 per cent of local residents still live there (interview, ‘street officer’, June 2010). The area of Gaojiabang is about 60 *mu* (1 hectare = 15 *mu*). Including nearby dilapidated neighbourhood of Qiaojiatang, which occupies 40 *mu*, there are about 100 *mu* of underdeveloped urbanized villages in this area.

The development of Gaojiabang is associated with the rise and fall of Shanghai’s colour TV industry. Before the 1980s, the place was at the edge of the built-up area of Shanghai. The agricultural land was acquired by the Shanghai Electronic Meters Factory. In 1980, Shanghai Jinxin TV Factory received approval from the central government to develop a joint production line with Japanese investors and thus acquired 60 *mu* of land from the village and recruited 99 rural labourers into the industry. In 1984, the second phase of construction absorbed 20 more rural labourers.

But from 1992 the colour television industry began to experience difficulties because of increasing competition from other production lines in Fujian province and Beijing. Eventually the factory became bankrupt and in 2002 it was sold to Shanghai Broadcast and Television Corporation (SBTC). The remaining 40 *mu* of agricultural land were acquired by SBTC's television research institute project. In 1997, the agricultural production team of Gaojiabang was temporarily under the jurisdiction of the Hongmei town of the suburban district of Minhang. In 2002, the town was converted into the urban administrative unit of 'sub-district office' (*jiedao*), while the production unit of Gangjiabang remained as a rural administrative unit within the subdistrict. About half of the rural labourers were absorbed by industrial development according to the regulation of the time, i.e. two rural labourers were entitled to be recruited for every one *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, as Gaojiabang was situated at the border of urban and suburban districts and experienced a management vacuum. The expansion of farmers' housing plots (*zaijidi*) was approved and building permits were issued, which laid down the initial base of the subsequent rental economy.

In the 1980s and 1990s, some farmers sold their houses to employees in small enterprises, including factories such as Shanghai Carpet Factory, Shanghai Plant of Electric Resistance, and Shanghai Panel Plant, which could not provide public (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 here. Since 2002 the bankruptcy of state industries has speeded up, and workers were laid off. The rural labourers who were 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. The demand for private rental housing increased, and many Gaojiabang residents began to subdivide their spare space to rent it out. From their experience, the smaller and hence cheaper the space is, the more popular with tenants (personal communication, landlord, August 2010).

After the bankruptcy, the factory land became the asset of Caohejin ETDZ (nicknamed, 'Cao developer'). The 'Cao developer', however, is different from other development zones in Shanghai in the sense that it is more like a development corporation rather than a quasi-government institution (usually in the form of development management committee, *guanweihui*). Because of this commercial nature, it has to adopt an incremental land development approach. Rather than acquiring the whole area, it usually acquires part of the area and starts development through different phases. The 'Cao developer' has never managed to acquire the site of a village. The area thus experienced spontaneous densification over the years. Along with the development of the nearby area and increasing demand for rental space, while at the same time large-scale redevelopment was prohibited by the complexity of property rights and development control, private rental housing was further subdivided into smaller units, with deteriorating housing conditions.

However, while the rental economy is developed, the scale of this rental economy is still smaller than in Guangzhou or other cities in southern China. This 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 would be stopped and demolished (personal communication with a district planner in Zhabei, September 2010). The case of Gaojiabang shows the trajectory of informal settlement formation in Shanghai, which is largely due to the exclusion of self-help development, while at the same time market reform failed to extend formal market redevelopment into the place.

*Liede in Guangzhou: an 'erected' village through massive redevelopment*

Liede is located in the new city centre of Guangzhou. The central location means that this village is exceptional in terms of its accessibility and importance to the image of the city which is convened by the municipal government of Guangzhou. It is inside the new central business district of Guangzhou, known as the 'Pearl River New Town'. The village is a long established one, with a total population of 7,800 people (about 3,000 households) in 2010 and a migrant population of 8,000 in 2008. The village occupies an area of 337,000 square metres – 33.7 hectares. The total building floor space is 653,000 square metres, among which 595,000 square metres have property deeds, while 58,000 square metres have no deeds, accounting for 8.9 per cent (internal documents for the draft plan of the area, obtained through a collaborator in 2009). The redevelopment of Liede started in 2002, but substantial reconstruction only began in May 2007. Its redevelopment pioneered a new approach to village redevelopment in Guangdong province, and was thus an experiment leading to the

formulation of so-called redevelopment policies of ‘three olds’ (old village, old factory and old urban areas) (*san jiu gai zhao*).

Before the redevelopment project of Liede, village redevelopment in Guangzhou was deadlocked. Under the office of Lin Shusheng, the former mayor of Guangzhou, private developers were excluded from village redevelopment (Tian, 2008). The municipal government monopolized land supply by acquiring village land. Only land leased from the municipal government was allowed to be used by private property developers to develop commodity housing. This helped the municipal government to capture the differentiated land rent. However, none of the 139 migrant villages in Guangzhou experienced substantial redevelopment, because the relocation and redevelopment cost was very high. The cost of developing a single village usually requires a couple of billion Yuan (interview, manager of a major development corporation in Guangzhou, September 2010). The municipal government made virtually no progress in the redevelopment of villages in the 1990s. The bargaining power of local villagers is strong in southern China because of the clan organization that exists there. To gain more compensation as well as rental income, villagers extended or even reconstructed their residential buildings based on their housing plots. Some village buildings could be as high as ten to fifteen floors. The municipal government later announced that the upper limit for legal space was 480 square metres (interview, district planner, August 2010). Space constructed in excess of this limit is not recognized for compensation, or at most compensated only with the construction cost rather than the value of floor space. But in the case of the Liede redevelopment, this restriction was relaxed (interview, municipal land administration bureau, August 2010).

In the new phase of redevelopment starting in 2008, there has been no citywide uniform policy. Instead, individual villages negotiated policies with the municipal government, under so-called 'one village, one policy' (*yi cun y ice*). What is unique for the Liede redevelopment policy is that villagers were fully compensated according to a 1:1 compensation ratio, i.e. the compensated space is equivalent to the space demolished. Even for non-certified floor space, villagers could get back 10 per cent of the floor space as compensation. This greatly smoothed the redevelopment process. Some villagers could thus get as much as seven units there (interview, district planner, September 2010). This level of compensation was made possible only because the plot ratio of the area had been raised from 2.4 to 5.2 in re-housing area, well exceeding the norm of residential development in Guangzhou.

The model of Liede redevelopment represents a significant departure from the policy of the central government, namely that after 2003 all commercial development should be built on state-leased land, through open land leasing of tender, bid and auction (*zhao pai, gua*) under the new consolidated land management (Xu and Yeh, 2009). Essentially, this practice waived the land leasing premium to developers, breaking the basic mechanism of land development in Chinese cities. As such, properties developed under collective assets could not obtain their property deeds, becoming non-certified properties. That is, the new assets were 'small property rights' which could not be sold directly in the urban market. The price of these properties, if sold illegally, would be lower than the commodity housing developed on the site by the developer. Because of the remaining collective assets, the newly redeveloped village is nicknamed an 'erected village' (personal communication, university researcher,

August 2010). The villagers are extremely happy about the outcome of redevelopment. On the day of the opening of the new re-housing buildings to residents, the villagers' committee decided to arrange a banquet of 808 tables to celebrate the success (sina.com.cn news on 28 Nov 2010).

Overall, as a result of redevelopment, the urban landscape has been dramatically modernized. Irregular, organically and informally built space has disappeared. The new built environment is magnificent in scale but with more standard high-rises. The redevelopment thus shows a modernist approach to urban redevelopment, which has not been realised by the government welfare programme, but rather through a rapidly growing land market.

## **5. Comparison and discussion**

These three cases present a complicated picture of village redevelopment. First, in terms of the role of private developers, the more regularized Shanghai model virtually prohibits under-the-table deals between villagers and developers. The private developer has to find the land through the competitive form of land market. In densely populated neighbourhoods such as Gaojiabang, the compensation cost plus the restraint of the plot ratio plus other determinative factors, such as complicated property rights and smaller sizes, irregular boundaries of land parcels, or an unfavourable location near or under high voltage electric lines and pylons, deter the commitment of private capital to the redevelopment of these residually urbanized villages. In Guangzhou the new policy dramatically changed and opened up the channel of private capital for village redevelopment. The essential characteristic of

such a policy is to replace market informality with market formality, while the state is a facilitator to such a process (for example, by recognizing the role of village collectives, allowing commercial development outside the competitive land market, and permitting higher plot ratios). In Beijing, development is still the formation of state-regulated and larger developers (including state-owned enterprises under the central government) participating in the land market. But villagers are more generously compensated compared with the situation in Shanghai, because the government in the PRD usually takes a more pragmatic approach to governance because of a historically relatively weaker capacity in governance. To some extent, this difference also reflects the fact that the rental economy is more developed in Beijing, and small private developers already have a greater presence in the villages than in Shanghai. The three approaches in terms of the relationship between the (local) state, villagers, and private developers can be illustrated in Figure 2.

[Insert Figure 2 about here]

Second, the motivation for redevelopment varies from case to case, depending upon the local context. There are various reasons why the government aims to redevelop villages, usually in a more comprehensive way, which include the provision of decent housing and improvement of the living environment, often presented in the official discourse. Other unstated motivations are creating a better image for the city and achievement in office, generating land revenue through redevelopment, creating space for other more profitable uses or uses that could enhance urban competitiveness, and facilitating the restructuring of economic structure from a labour-intensive, low value-added economy to a higher value-added economy. For example, the latter is behind

the motivation of the large-scale illegal building demolition campaign initiated by the Shenzhen municipal government in 2004, which hopes to force the updating of economic structure by removing low-cost housing and the habitat for the ‘low-quality’ labour force. These motivations are not necessarily mutually exclusive and could be present in different cases. The dominant motivation can vary, depending upon which requirements are the more urgent. For example, in the Tangjialing case, the wide media coverage of the ‘ant tribe’ and their miserable housing conditions by the novel *Chinese Ant Tribe* led to the discourse of problematic, informally built villages. This raised the urgency of village redevelopment for constructing a harmonious society, which prioritized the promulgation of the new Tangjialing plan. However, different from the Liede model of Guangzhou, the municipal government still controls the process of land leasing, although it promises to invest the profit in (more formal) affordable housing programmes. In the Liede case, the urgency lay more in the need to improve the key area near the Asian Games site in 2010. The municipal government permitted not only a higher plot ratio but also a coalition between the village collective and developers. Surprisingly, generating land revenue does not seem to have been the motivation in this case. The municipal government of Guangzhou not only gave up the land leasing fees but also allowed a vast amount of commercial space to flow into the supply. However, the case of Liede is truly exceptional, because it is contingent on both history and location. The redevelopment is only possible because it is inside the new CBD, and only a small percentage of residents are entitled to compensation. The tenants are not considered at all, as in most village redevelopment, and they are simply pushed further away from the city to outer areas or into an environmentally poorer and under-serviced place (Interview, Beijing, August 2010).

Despite these differences, the commonality of these cases is the replacement of informality with formal developed property rights. This does not necessarily mean that the government is responsible for funding. Rather, the redevelopment seeks to use formal property rights that can be transacted in the commodity housing market to fund the clearance programme.

## **6. Conclusion**

The paper analyses village redevelopment through three case studies in Beijing, Shanghai and Guangzhou. First and foremost, this research demonstrates the diversity of Chinese urbanized villages. The conditions of these villages vary significantly. They are not all 'slums'. The villages in Guangzhou and Beijing have relatively good quality rental housing. Some are self-built, based on existing villagers' residential buildings, while others are purposely built and customized to suit the needs of low-income workers in both blue- and white-collar occupations. The residual villages in Shanghai, however, present a picture of dilapidated areas with near-slum conditions. According to the UN and development agents' definition (UNCHS, 2001; UN-Habitat, 2003), some of these areas lack proper municipal services, have poor structural quality of housing, are overcrowded, and have insecure residential status. Thus they can be technically categorized as 'slums', while others may have decent living conditions, even with cheap internet connections, indoor toilets and adequate hygienic and service facilities in the place, and cannot be comfortably classified as slums.

Nevertheless, there is one common feature for these villages: they are all self-built and spontaneously formulated on non-state land. In other words, they all present a high degree of ‘informality’ (Roy and AlSayyad, 2004) that is outside formal state planning or formally organized real estate development in a land-leasing market in China. They expose the fissure in the dual urban–rural land system, which presents a significant challenge to the formal process of urban development and governance. Recently, migrant villages in Guangzhou and Beijing have begun to be subjected to large-scale demolition and redevelopment. Inevitably, these places are being modernized and ‘gentrified’ with upgraded properties and rent appreciation, eventually leading to a more ‘governable urban space’ without informality. This property-led approach is made possible only by the current buoyant property market. The redevelopment of migrant villages in China shows a Chinese version of ‘slum clearance’ in the 21<sup>st</sup> century. Even though the underlying motivation for wholesale redevelopment might not be profit-making for the municipal government, which is often characterized as ‘government-led, village-centred, and property-funded’ (interview, officer in agricultural research centre in Beijing, August 2010), and the aim is to achieve a ‘win-win outcome of urban modernization’ (interview, district planner in Guangzhou, September 2010), the rationale is significantly different from the UN-Habitat initiative – ‘Cities without Slums’ (UN-Habitat 2003, 2006, 2007). The original intention of UN-Habitat is to emphasize the provision of social services and the improvement of basic living conditions for squatters and poor tenants, while the Chinese version, as in other developing countries (Gilbert, 2007), might mean slum elimination. The Chinese practice further exposes the danger of using the language of the ‘slum’, as warned by Gilbert (2007): in this case it is not even the ‘language’ but rather the mentality of treating these migrant places as ‘inferior spaces’

in the aftermath of deregulation and emerging informality. Informality thus needs to be cleared through a formal development regime, regardless of the quality of these properties. The near-slum conditions are created by the specific historical and institutional context of urban–rural land dualism in China. Therefore it is more than a technical question to ask whether Chinese migrant villages are ‘slums’. Indeed, this question should be raised politically to challenge the creation of dilapidated migrant places in the first instance, as well as their subsequent demolition through aggressive market-driven gentrification.

## References

- AlSayyad, N. 2004. Urban informality as a 'new' way of life. In *Urban informality: transnational perspectives from the Middle East, Latin America, and South Asia*, eds. A. Roy and N. AlSayyad, 7-32. Oxford: Lexington Books.
- Chan, R. C. K., Y. M. Yao, and S. X. B. Zhao. 2003. Self-help housing strategy for temporary population in Guangzhou *Habitat International* 27:19-35.
- China National Statistics Bureau (CNSB). 2009. *China Statistical Yearbook 2008*. Beijing: China Statistical Press.
- Davis, M. 2006. *Planet of slums*. London: Verso.
- De Soto, H. 2000. *The mystery of capital: why capitalism triumphs in the west and fails everywhere else*. New York: Basic Books.
- Fan, C. C. 2008. *China on the Move: Migration, the State, and the Household*. Abingdon, OX: Routledge.
- Gilbert, A. 1992. Third world cities: housing, infrastructure and servicing. *Urban Studies* 29:435-460.

- . 2002. On the mystery of capital and the myths of Hernando de Soto: what difference does legal title make? *International Development Planning Review* 24 (1):1-19.
- . 2007. The return of the slum: does language matter? *International Journal of Urban and Regional Research* 31 (4):697-713.
- Gilbert, A. G., and J. Gugler. 1992. *Cities, poverty and development: urbanization in the Third World*. Oxford: Oxford University Press.
- He, S., Y. Liu, C. Webster, and F. Wu. 2009. Property rights redistribution, entitlement failure and the impoverishment of landless farmers in China. *Urban Studies* 46 (9):1925-1949.
- Hsing, Y.-T. 2006. Land and territorial politics in urban China. *China Quarterly* 187:1-18.
- Huchzermeyer, M. 2003. A legacy of control? The capital subsidy for housing, and informal settlement intervention in South Africa. *International Journal of Urban and Regional Research* 27 (3):591-612.
- Irazabal, C. 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):558-563.
- Jenkins, P., H. Smith, and Y. P. Wang. 2007. *Planning and housing in the rapidly urbanising world*. London: Routledge.
- Kiddle, G. L. 2010. Key theory and evolving debates in international housing policy: from legalisation to perceived security of tenure approaches. *Geography Compass* 4 (7):881-892.
- Li, X., X. Xu, and Z. Li. 2010. Land property rights and urbanization in China. *The China Review* 10 (1):11-38.

- Lin, G. C. S. 2007. Reproducing spaces of Chinese urbanization: new city-based and land-centered urban transformation. *Urban Studies* 44 (9):1827-1855.
- Lin, G. C. S., and S. Ho. 2005. The state, land system, and land development processes in contemporary China. *Annals of the Association of American Geographers* 95 (2):411-436.
- Liu, Y., and S. He. 2010. Chinese urban villages as marginalized neighbourhoods under rapid urbanization. In *Marginalization in urban China: comparative perspectives*, eds. F. Wu and C. Webster, 177-200. Basingstoke, UK: Palgrave Macmillan.
- Liu, Y., S. He, F. Wu, and C. Webster. 2010. Urban villages under China's rapid urbanization: unregulated assets and transitional neighbourhoods. *Habitat International* 34:135-144.
- Liu, Y., and F. Wu. 2006. Urban poverty neighbourhoods: typology and spatial concentration under China's market transition, a case study of Nanjing. *Geoforum* 37 (4):610-626.
- Ma, L. J. C., and B. Xiang. 1998. Native place, migration and the emergence of peasant enclaves in Beijing. *The China Quarterly* 155:546-581.
- Mooya, M. M., and C. E. Cloete. 2007. Informal urban property markets and poverty alleviation: a conceptual framework. *Urban Studies* 44 (1):147-165.
- Musembi, C. N. 2007. De Soto and land relations in rural Africa: breathing life into dead theories about property rights. *Third World Quarterly* 28 (8):1457-1478.
- Nijman, J. 2010. A study of space in Mumbai's slums. *Tijdschrift voor Economische en Sociale Geografie* 101 (1):4-17.
- Pawson, H., and G. Bramley. 2000. Understanding recent trends in residential mobility in council housing in England. *Urban Studies* 37 (8):1231-1259.

- Payne, G. 2004. Land tenure and property rights: an introduction. *Habitat International* 28:167-179.
- Pugh, C. 2000. Squatter settlements: their sustainability, architectural contributions, and socio-economic roles. *Cities* 17 (5):325-337.
- Roy, A. 2005. Urban informality: towards an epistemology of planning. *Journal of the American Planning Association* 71 (2):147-158.
- . 2009. The 21st-century metropolis: new geographies of theory. *Regional Studies* 43 (6):819-830.
- Roy, A., and N. AlSayyad, eds. 2004. *Urban informality: transnational perspectives from the Middle East, Latin America, and South Asia*. Oxford: Lexington Books.
- Smart, A. 2006. *The Shek Kip Mei Myth: Squatters, fires and colonial rule in Hong Kong*. Hong Kong: Hong Kong University Press.
- Solinger, D. J. 1999. *Contesting citizenship in urban China: Peasant migrants, the state, and the logic of the market*. Berkeley: University of California Press.
- Song, Y., Y. Zenou, and C. Ding. 2008. Let's not throw the baby out with the bath water: the role of urban villages in housing rural migrants in China. *Urban Studies* 45 (2):313-330.
- Tao, R., F. Su, M. Liu, and G. Cao. 2011. Land leasing and local public finance in China's regional development: evidence from prefecture-level cities. *Urban Studies* (in press).
- Tian, L. 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.

- Turner, J. 1976. *Housing by people: towards autonomy in building environments*.  
London: Boyars.
- Turner, J. F. C. 1968. Housing priorities, settlement patterns, and urban development in modernizing countries. *American Institute of Planners Journal* 10 (10):354-363.
- UN-Habitat. 2003. *The Challenge of Slums: Global Report on Human Settlements*  
London: Earthscan Publication Limited.
- . 2006. *State of the world's cities 2006/7: the Millennium Development Goals and urban sustainability: 30 years of shaping the habitat agenda*. London: Earthscan.
- . 2007. *Global report on human settlements 2007: enhancing urban safety and security*. London: Earthscan.
- . 2010. *State of the world's cities 2010/2011: bridging the urban divide*.  
London: Earthscan.
- UNCHS (United Nations Centre for Human Settlements) (Habitat). 2001. *Cities in a globalizing world: global report on human settlements 2001*. London: Earthscan.
- van Gelder, J. 2007. Feeling and thinking: quantifying the relationship between perceived tenure security and housing improvement in an informal neighbourhood in Buenos Aires. *Habitat International* 31:219-231.
- van Gelder, J.-I. 2009. Legal tenure security, perceived tenure security and housing improvement in Buenos Aires: an attempt towards integration. *International Journal of Urban and Regional Research* 33 (1):126-146.
- Varley, A. 2002. Private or public: debating the meaning of tenure legalization. *International Journal of Urban and Regional Research* 26 (3):449-461.

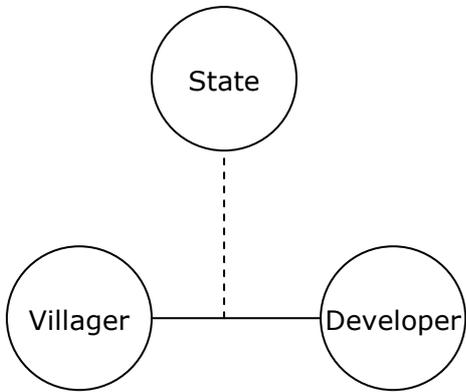
- Wang, Y. P. 2000. Housing reform and its impacts on the urban poor. *Housing Studies* 15 (6):845-864.
- Wang, Y. P., Y. Wang, and J. Wu. 2009. Urbanization and informal development in China: urban villages in Shenzhen. *International Journal of Urban and Regional Research* 33 (4):957-973.
- . 2010. Private rental housing in 'urban villages' in Shenzhen: problems or solutions? In *Marginalization in urban China: comparative perspectives*, eds. F. Wu and C. Webster, 153-174. Basingstoke: Palgrave Macmillan.
- Wu, F. 2004. Urban poverty and marginalization under market transition: the case of Chinese cities. *International Journal of Urban and Regional Research* 28 (2):401-423.
- Wu, W. 2002. Migrant housing in urban China: choices and constraints. *Urban Affairs Review* 38 (1):90-119.
- . 2008. Migrant settlement and spatial distribution in metropolitan Shanghai. *The Professional Geographer* 60 (1):101-120.
- Xu, J., and A. G.-O. Yeh. 2009. Decoding urban land governance: state reconstruction in contemporary Chinese cities. *Urban Studies* 46 (3):559-581.
- Yeh, A. G. O., and F. Wu. 1996. The new land development process and urban development in Chinese cities. *International Journal of Urban and Regional Research* 20 (2):330-353.
- Zhang, L. 2001. *Strangers in the city: reconfiguration of space, power, and social networks within China's floating population*. Stanford: Stanford University Press.

- Zhang, L., S. X. B. Zhao, and J. P. Tian. 2003. Self-help in housing and Chengzhongcun in China's urbanization. *International Journal of Urban and Regional Research* 27 (4):912-937.
- Zhao, Y. and C. Webster. 2011. Land dispossession and enrichment in China's suburban villages. *Urban Studies* 48 (3): 529-551.
- Zheng, S., F. Long, C. C. Fan, and Y. Gu. 2009. Urban villages in China: A 2008 survey of migrant settlements in Beijing. *Eurasian Geography and Economics* 50 (4):425-446.

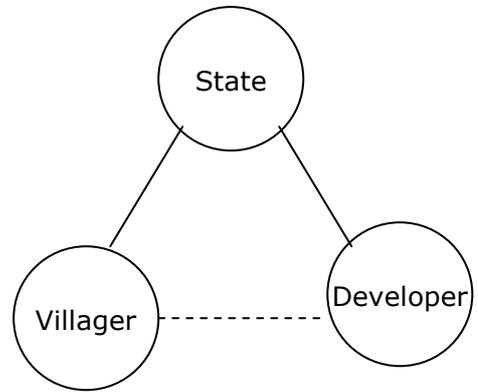


Figure 1 The demolition of Tangjialing (authors' photograph, low resolution picture for review)

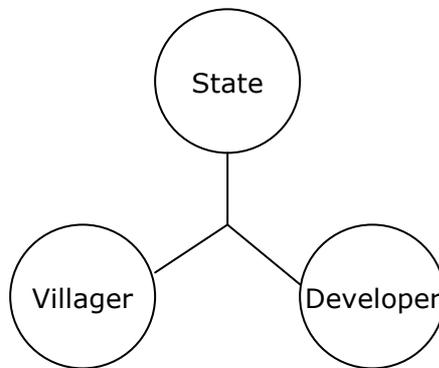
Figure 2 Different redevelopment approaches in the Chinese cities.



1. Guangzhou



2. Shanghai



3. Beijing