INTERPRETING GENTRIFICATION IN CHINA: THE RISING CONSUMER
SOCIETY AND INEQUALITY IN THE STATE-FACILITATED REDEVELOPMENT
OF THE CENTRAL CITY OF CHENGDU

by

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Abstract

Currently, scholars are debating the epistemological limits of the concept of gentrification as a representation of global urban experiences. The thesis addresses this global debate from the perspective of Chinese urbanisation. In China, socio-spatial upgrading and displacement, which normally define a gentrification process, are most likely prompted by state-facilitated urban redevelopment. The dissertation questions why and how state action attracts middle-class newcomers to the inner city and penalises or reconciles working-class residents. With the research focused on urban China, the thesis also contributes to conceptual and methodological issues on gentrification research on a global scale. A meso-level approach is taken to trace the gentrification process through both structural tendencies and grounded empirical processes in the inner city of Chengdu from 2000 to 2010. Analysis at the two scales in conjunction accomplishes an examination of the existence of gentrification and the explanation of regularities within it. In Chengdu, the state's mobilisation in developmental strategies concentrating on the built environment allows the case study to make new claims for gentrification knowledge for non-Western cities. Mixed methods, including statistical and spatial analysis, institutional analysis, and extensive ethnographic study, are used to investigate gentrification from a structural perspective, a historical perspective, and as a grounded process within the neighbourhood.

The research reveals that state actions in urban redevelopment direct the cultural and behavioural changes of the middle-class newcomers, so that they are compatible with state strategies in modernisation and real estate boosterism. Working-class groups face varying outcomes in residential relocation. Overall, the process reflects state hegemony over societies that comprise subaltern cultures in the city, incorporating legal and propertied citizens into the frame of consumerism while disenfranchising rural-urban migrants. The study unravels how state domination in urban redevelopment drives social change towards a consumer society, which sharpens social inequities but also, ironically, rebuilds the collectivist ideology from one centring on production to one pressing the ideology and practices of consumption. So an overall gentrification process is formulated in Chengdu, which retains complexities and contingencies in localities. On a broader scale, the thesis urges a meso-level approach to gentrification research in other cities.

Preface

This dissertation is an original intellectual product of the author, Qinran Yang. The fieldwork reported in this dissertation was covered by UBC Ethics Certificate number H14-02952.

Parts of the findings from Chapter 5 have been published in *China Urban Studies: Vol. 9* (Y. Ning (Ed.), Beijing: China Science Publishing, ISBN: 9787030503848) as the sole-authored article entitled "State-led gentrification?: Inner-city redevelopment and social change in the post-reform cities of China (pp.197-220)."

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List of Abbreviations

BLRC Bureau of Land and Resource of Chengdu
BURHC Bureau of Urban-Rural Housing of Chengdu
CBS Chengdu Bureau of Statistics
CBRC China Banking Regulatory Commission
CCP Chinese Communist Party
CDB China Development Bank
CIA China Index Academy
MHURD Ministry of Housing and Urban-Rural Development
MLR Ministry of Land and Resources
MS Ministry of Supervision
NBSPRC National Bureau of Statistics of the People's Republic of China
PBC People's Bank of China
PCOC Population Census Office of Chengdu
PCOS Population Census Office of Shanghai
PCOSC Population Census Office of the State Council
PCOSP Population Census Office of Sichuan Province

List of Characters

Banqian 搬迁
Canquan zhihuan 产权置换
Chaiqian 拆迁
Chaiqianhu 拆迁户
Chaiqianfu 拆迁富
Chaierdai 拆二代
Danwei 单位
Datong 大同
Dengjia zhihuan 等价置换
Dingxiang zhengshou 定向征收
Dingzihu 钉子户
Fangwu chaiqian 房屋拆迁
Fangwu zhengshou 房屋征收
Hukou 户口
Hutong 胡同
Jiedao 街道
Jiedao banshichu 街道办事处
Jumin zizhi gaizao 居民自治改造
Lilong 里弄
Moni banqian xieyi 模拟搬迁协议
Moni chaiqian xieyi 模拟拆迁协议
Penghuqu 棚户区
Qunzhong 群众
Renmin 人民
Shuzi 素质
Tongzilou 筒子楼
Xiaokang 小康
Xiaokang shehui 小康社会
Youcanjieceng 有产阶层
Zai 宅
Zengshou 征收
Zuojia buchang 作价补偿

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Chapter 1 Introduction

1.1 The globalisation of gentrification?

Approximately four years ago when my doctoral program was laid out, gentrification studies in the Global South were only beginning. More than a few authors have hesitated to examine the globalised properties of the gentrification process. The concept adds powerfully to the criticism of class-related urban change and social inequality. Nevertheless, the term also appears to be distant and alien to the political and societal settings in those countries. Within only four years, however, gentrification studies have witnessed a significant amount of labour migration from the Global South, especially driven by the urban opportunities of the metropolitan areas. Nevertheless, confusion about the essence of this expansive concept has given authors wide discretion in defining and explaining the process, which in turn attracted critics concerning either the overgeneralisation or the provincialism of knowledge production under the framework of gentrification.

Recently, three of the leading figures, Lees, Shin and Lopez-Morales, have contributed to a substantial advance in studies on global gentrification. The authors ran two workshops, followed by two books (Lees et al., 2015, 2016) and two special issues of journals (López-Morales et al., 2016; Shin et al., 2016) on gentrification from the perspective of comparative study. This global discussion of gentrification has formally opened a debate on the conceptual and methodological issues for gentrification to be explored on a global scale.

1.2 The scene in China

The scene in China exemplifies the way that the gentrification process can be varied with context. Since the implementation of the policy of "economic openness," the Chinese government has shifted its political ideology from a grassroots to a middle-class political system. Deng Xiaoping offered a promise to the Chinese by proposing his social strategy under the slogan of "get rich first and achieve common prosperity later" in post-

reform China (Fan, 2006). To give substance to the Chinese dream, from that point on, the Chinese state has maintained a continuous commitment to urban modernisation, upon which the rounds of urban redevelopment programmes have unfolded in large Chinese cities. During the last three decades, the landscape in China's large cities has been greatly transformed, characterised conspicuously by a proliferation of master-planned gated communities, whether sprawling suburban luxury communities or more compact central redevelopment. These newly built neighbourhoods are homogenous, approaching a form of "Chinese modern," with light coloured buildings, signs of Western architecture, a central green garden and playgrounds and barriers (see Pow, 2009). Apartments in these neighbourhoods are often self-owned, representing a private lifestyle in contrast with the tensely communal living in the work-unit compound (*danwei,* 单位) in the socialist era that compressed one's working, social and family activities.

Urban redevelopment and modernisation accompany an awakening of the consumer consciousness of China's new rich, distancing them from the communal society in the socialist era. The Chinese new rich are the advance force and also the beneficiaries of the expanding market economy and new emerging industries in the tide of economic transition. Members of this group often fall under the media spotlight for their purchasing power, providing a showcase of the social and cultural transformation of contemporary Chinese society. Rather than differentiating themselves from modernist values, China's new rich, who could be gentrifiers, are apparently in a race to pursue the new Chinese modernity through purchasing commodity housing and resettling in the newly built gated communities. In the past two decades, China's cities are witnessing a soaring homeownership rate evolving from the public housing base of socialist China. A household finance survey from a Chinese university estimated that the homeownership rate in the urban areas of China reached 85.39% in 2012 (Gan et al., 2013).

Massive urban redevelopment has caused the destructive geographical reconfiguration of society, where the residents previously living in the redeveloped neighbourhoods have to face different arrangements on residential relocation, which in Chinese is called *chaiqian* (拆迁). According to various compensation rules formulated by governments at both central and local levels, the circumstances of affected residents in residential relocation are not necessarily identical. A public tenant currently residing in

collective housing provided by his/her employer might exchange his/her old property for a high-rise apartment of improved quality. For this public tenant, the new apartment may introduce greater or less financial gains, while unfolding a new lifestyle in the modernised city.

However, as an immediate result of housing demolition and dislocation, a rural-urban migrant might be forced out of his/her current residence. For this migrant, urban redevelopment is an overt process of eviction by a new marketised regime of urban construction devoting itself to the overriding enterprise of economic development and urban modernisation. In Beijing, Hsing (2010) noted that there were more than 500, 000 "evicted households whose homes had been demolished (*chaiqianhu, 拆迁户*)" from 1990 to 2004 (p. 72). However, it must be noted, rather than a substantial retreat of the working class from the city, the large Chinese cities have continued to absorb low-paid migrant workers via rapid urbanisation and industrialisation. Based on the National Bureau of Statistics, the total number of rural-urban migrant workers in China reached 136 million in 2007 and accounted for 46.5% of total urban employment (Cai et al., 2009). Increasingly, low-quality settlements in urban peripheries have accommodated these migrants, who are seeking job opportunities in the city. Additionally, in inner cities it is easy to observe hybrid urbanism, comprising imperial Chinese dwellings and religious buildings, austere work-unit compounds, and the spectacular, modernist high-rise towers (see also Lin, 2007; Ma & Wu, 2005). The income inequalities measured by the Gini coefficient in China increased from less than 0.3 in mid-1980 to more than 0.45 in the latter half of the 2000s (Baffes et al., 2008; Li et al., 2013). The egalitarianism of socialist society has passed out of existence, and China has become a society with one of the widest gaps between rich and poor.

1.3 Research questions

Briefly, the above scenes sketch out the landscape and social change in urban redevelopment in post-socialist China. Instead of post-industrial transformation, gentrification in China appears in a time of profound urban modernisation and post-socialist social change, featuring in the elevation of personal consumption attending

economic liberation. The central and local states undoubtedly play a bold role throughout the whole process. Not merely, a complex scenario for middle- and working- class dynamics has been woven into the physical fabric of change and social geographical reconfiguration. These scenes do not only suggest contingencies in the transition to the eventual appearance of gentrification in Western society. They imply the fundamentally different logic of urban and social change and the distinctive meanings of the gentrification process for those involved in it. Specifically, the situations require a gentrification explanation in China that scrutinises state actions and unpacks social class dynamics in the sequential process of socio-spatial upgrading and displacement. Starting with this preliminary understanding, four questions guide this research. The former three questions aim to generalise an understanding of gentrification in a Chinese city. The last question returns to reflections on gentrification research on a global scale.

- Why and how do state actions in spatial production interact with the social dynamics of the Chinese middle class, leading to the process of socio-spatial upgrading in the inner city of Chengdu?
- Why and how do state actions in residential relocation and compensation penalise or alternatively, satisfy the current residents, while ending in the process of displacement in Chengdu?
- To what extent are the two processes of redevelopment and displacement expressive of a mode of gentrification in Chengdu, or do they negate the existence of gentrification in the city?
- If it is the former, how does gentrification in Chengdu speak to research practices on a global scale?

For answering these questions, three concepts must be clarified at the outset. The study examines state-facilitated gentrification in the inner cities of China's metropolises. Before approaching the methodology and field sites, three components of this research subject need to be defined. First, geographically, the study is confined to inner-city gentrification. Lees et al. (2016) proposed that the emergence of multiple investment sites for urbanisation mean that the inner-city centrality has lost its specificity in gentrification studies. I do not absolutely reject a conceptual extension of the residence beyond the

inner city. However, based on my understanding, class reconfiguration and displacement is a more prominent urban trend in built-up areas characterised by a long-lasting, stable social structure and institutional establishments. In the turbulent rural-urban interface characterising many metropolitan regions in the Global South, capital reinvestment in former villages often involves substantial changes regarding, for example, administrative rescaling, citizenship and subjectivity, industrial and employment structures, and tenure and stakeholder structures. The meaning of gentrification could be obscured in light of these tremendous changes (see Wu, 2016). This study thus maintains consistency with convention by focusing on inner-city neighbourhoods.

Further, this study addresses state-facilitated gentrification, in contrast with individually-driven gentrification. It refers to a process involving state intervention through either initiating, sponsoring, regularising or directly leading projects. The means of intervention can be diverse, with variations across programmes and cities. In China, state interventionism in urban redevelopment is rooted in public land ownership and the large proportion of publicly or collectively owned housing in the inner city. In contrast to individual-driven gentrification, the state mainly exerts its influence through two forms; both will be examined in this thesis. First, it exerts influence in the form of a bureaucratic entity: state actors at the central and local level direct project implementation by generating policies, spatial plans, and institutional change. Second, in a more abstract form, the nation-state system can also impact the pathway to gentrification via a cultural and ideological influence on society (e.g., the cultural ideology of consumption, consensus building around demolition and relocation). This type of impact has been mostly expressed through state-market-society relations in China. The nation-state, as defined by Giddens (1985), is a "bordered power-container"; among other processes, the development of the nation-state "involves processes of urban transformation and the internal pacification of states" (p.120).

Finally, it is also necessary to clarify in this research how the concept of class has been treated. In 2005, Butler asked for a middle-range theorisation for gentrification that would examine the gentrifiers' construction of local identity as a way of responding to global trends. This proposal is associated with Butler's approach to the argument that class now has a weak sense, insofar as gentrification is a process where individuals seek

habitus and "elective belonging" so as to link themselves with the global economy and urbanism (Savage et al. 2005, p. 207). In contrast to Butler, this study insists that gentrification studies should lay particular emphasis on *relational* and *political* class reconfiguration and conflicts in place. The concept of class, although loosely defined, retains the power to depict shared habitus, changing social relations and inequalities. Class in contemporary China is considered to be dynamic and emergent in this study; it is captured here by referring to social groups that exhibit the same tendency to acquire certain resources and forms of power (see also Tomba, 2004). The research purpose does not serve to *theorise* class. Rather than trivialising class relations in Chinese society as established and clearly defined, I aim to illustrate the dynamics of social classification and the tendency towards deepened social divisions in contemporary Chinese cities. I follow Bourdieu's viewpoint that "the question with which all sociology ought to begin" is "that of the existence and mode of existence of collectives" (Bourdieu, 1991, p. 250). The boundaries of a class can only be understood by considering "social practices" and not through "theoretical conjecture" (Weininger, 2005, p. 85). Through the lens of gentrification, this research will stress the significant role of cultural capital in class formation and reclassification.

1.4 A meso-level approach to gentrification

The study contributes to a meso-level approach to explore gentrification in its context and outside of the "usual gentrification suspects" (Lees et al., 2015, p.1). The current literature has enriched the global nature of gentrification from either a macro- or a micro- approach. Reviewed in the next chapter, the former starts with global forces, such as the urban imaginary of transnational urbanism (e.g., Atkinson & Bridge, 2005; Herrera et al., 2007; Rubino, 2005) and the omnipresence of transnational capitalists (typically, Smith, 2002; Hackworth & Smith, 2001), but fails to clarify their relations with endogenous forces and factors. By contrast, a majority of current work has been more likely to conclude with findings of discrete differences among even individual neighbourhoods and projects, which render theoretical inference unsatisfactory. The differences emerge from, for example, the diversity of the modes of gentrification (e.g.,

Lemanski, 2014; Ghertner, 2014), the contingencies of the process (e.g., Yip & Tran, 2015; Sýkora, 2005; Kovács et al., 2012; Maloutas, 2007, 2014), and the uncertainty around social outcomes for current residents affected by the process, based in particular urban conditions in the Global South (e.g., Doshi, 2005; Weinstein & Ren, 2009; Islam & Sakizlioglu, 2015; Badyina & Golubchikov, 2005).

Bringing the concept of gentrification to alternative regions outside Europe and North America, Lees et al. (2015; 2016) proactively suggested a relational comparative approach to gentrification processes globally, drawing on the scholarship of new comparative urbanism (see also Lees, 2012). The new comparativism is essentially a cosmopolitan epistemology of cities in the world, aiming at "a global scope of urban studies" (Robinson, 2014, p.1). It firmly avoids region-based theoretical production, but also opposes any type of hegemony of theoretical production based on certain sources while defining other sources as "exceptions, mere case studies, 'facts' or 'data,' to illuminate existing theories" (Robinson, 2011, p.17). Instead, the authors advocate theory building based on a concept sufficiently abstract to allow constant theoretical breakthroughs through comparative studies (Robinson, 2011; Roy, 2011). Also, scholarship should emphasise urbanism shaping and adjusting in the wider national political-economic system and the global and local processes that impinge the site (Mcfarlane, 2010; Nijman, 2007). Based on this understanding, Lees et al. (2016) deem the concept of capital switching from productive industries to the secondary circuit of accumulation "in forms of fixed capital and, more specifically, the built environment and urban space" (p. 45) to provide an underlying economics of gentrification shared between different spatial contexts. Starting with this concept, this relational comparative approach has an essential purpose to build a global theory for gentrification processes. However, contextualised local embeddedness will always enrich the theory, for example, the state interventionism in the real estate market in Eastern Asia (see also Shin et al., 2016).

A question to ask of this comparative approach is to what extent the social class dynamics in gentrification, which is a central concern of research, may be set aside when gentrification is framed into a market process. In addition, given the intense debate that surrounds the essential issue of ontological differences between gentrification and processes with similar outcomes in the Southern cities, I suggest that currently, we need
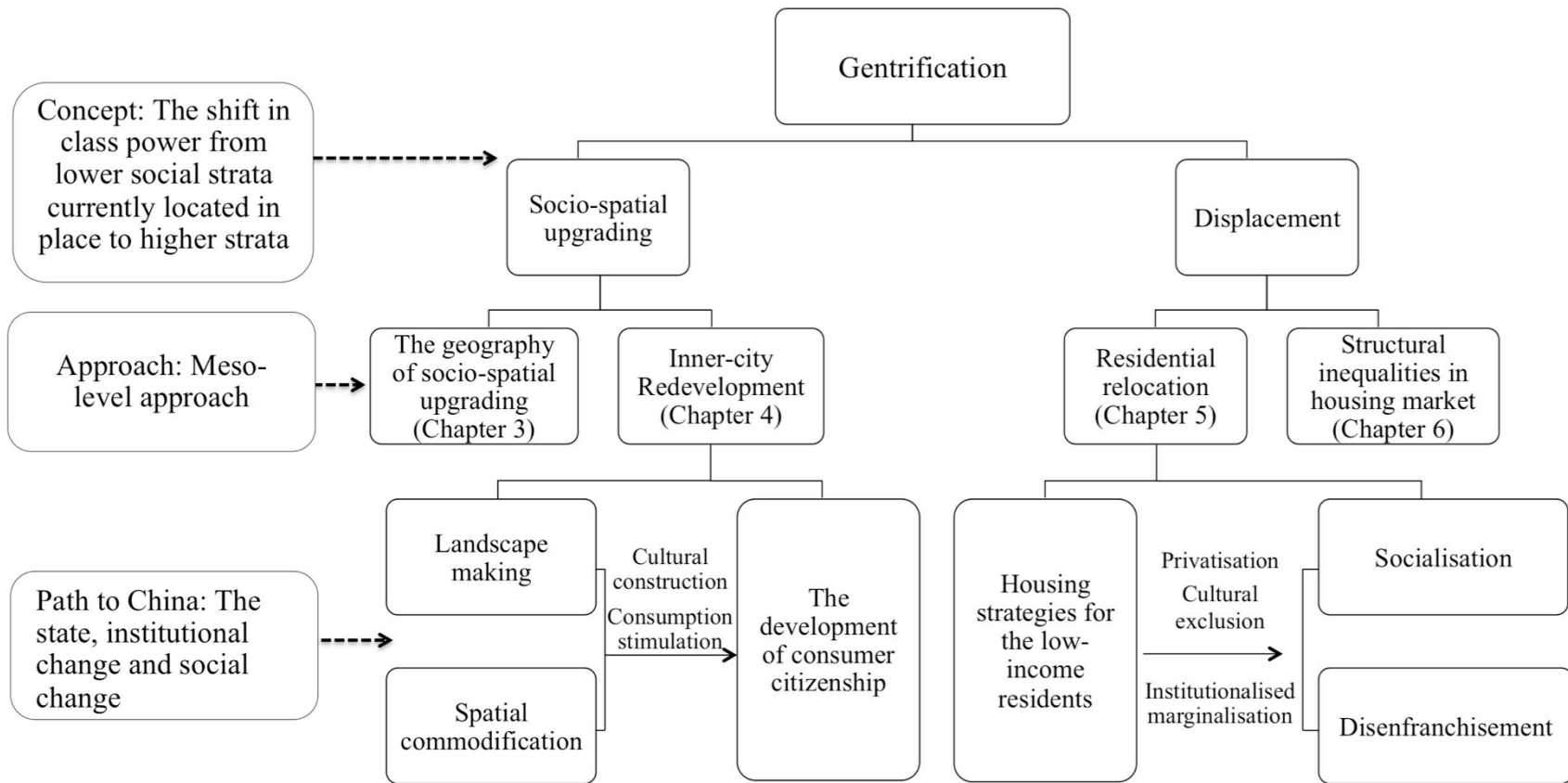
Figure 1.1 Conceptual map to state-facilitated gentrification in China.

more effort in learning about variations within contexts before global regularities of gentrification are reached. This study thus proposes a meso-level approach to show the way by which context can shift the explanation of gentrification. Gentrification in this study is understood as a process of urban and social change, driven by ideologies, forces and agents shaped in multiple scales and exerting influence in the neighbourhood. It is fuelled by urban redevelopment projects but is not equivalent to an urban project prompted in a given place and time. Gentrification develops through two processes of socio-spatial upgrading and working-class displacement. Based on this understanding, both the two processes will be examined through their structural tendencies and grounded processes in localities, which will highlight complexities and contingencies. Analysis at the two scales in conjunction fulfils a meso-level examination of the existence of gentrification in China and the explanation of the regularities within the process. Figure 1.1 presents a conceptual map for this research.

1.5 The state, institutional change and social change in gentrification in China

The study brings a policy/institutional perspective to analyse the ideology and practices of the state in leading gentrification. Institutions in this thesis refer to ideas, norms, and rules that regularise, formally and informally, activities around spatial production and residential relocation. These include not only changing economic regulations but also cultural ideas in place-making. The perspective is required because, in the transitional economy of China, not just a land market process, but institutional rearrangements concerning spatial production in a quasi-land market have guided state-facilitated urban redevelopment (except for China, see also Ghertner, 2014, 2015; Lemanski, 2014). The majority of the existing literature defines state-facilitated urban redevelopment as being stimulated by China's economic transition, and by land marketisation and housing commodification in particular (He, 2007; He & Wu, 2005; Shin, 2009; Zhang & Fang, 2004). Authors have explored the continuous state intervention over the land market, embodied in interactions between state and market actors. The changing role of the central and local state in a growing market economy is

also a major issue at stake (He, 2007; He & Wu, 2009; Hsing, 2006; Shin, 2009; Zhu, 2004).

Nevertheless, deeming urban redevelopment to be simply one type of urban projects, the authors did not grant sociocultural agents, in particular consumers, an active role in those projects. Meanwhile, working-class residents affected by urban redevelopment were studied as those who born the burden of relocation (Wu, 2004b; 2016), or in other cases, who intensely resisted the result or were disempowered from social participation (Hsing, 2010; Shin, 2013; Wu, 2016). In the gentrification literature, however, the relative play of consumption and production perspectives is from the very beginning a central debate in gentrification explanations. Through the lens of gentrification, landscape change signifies wider societal change, such as the advent of new urbanites to the city and new cultural trends behind place making (Ley, 1996; Zukin, 1982).

Contributing to the gentrification literature on China, this study is intended to approach equally the role of state and society in gentrification. A central assumption throughout the thesis is that the state and society relations, rather than either the state or the society acting in isolation, speak to the characteristics of the gentrification process in China. The aspects of institutional change, which give substance to the ideas and practices of the central and local governments, will be associated with the middle-class and working-class dynamics in a gentrification process. Mainly, in the process of socio-spatial upgrading, the cultural ideology of the local state in landscape making and the commodification of inner-city spaces will be linked to the subject construction of middle-class consumer citizens. In the displacement process, housing strategies for low-income residents will be related to the socialisation of a segment of the working class as well as the marginality of the others (Figure 1.1).

Based on this analytical framework, the study thus also contributes to an elaboration on the complex social process in gentrification. I challenge existing literature on both the Northern and Southern cities that oversimplifies class dynamics of gentrification as an interplay between gentrifiers who move in and indigenous residents who are displaced. Drawing on Lefebvre (1991), space is socially produced and carries on the ideology, values, and meanings of the producers. It impacts the behaviours and identities of individuals in place as well as the distribution of power across societies over the right to

space. After reconsidering the place and class relationship in gentrification, Butler (2007) suggests that *class* studies in gentrification should be broadened beyond the middle and working class struggle over living space to encompass the shaping of class through living space choices. This viewpoint reminds us that varied empirical processes and theoretical possibilities exist considering the pattern of place and social change involved in gentrification, particularly when contexts are changing. We are thus encouraged to probe into the subtle and all too often divergent experiences of residents in gentrification, which essentially reflect the multiple relations between place and social change.

1.6 The case study city

Chengdu is selected as a case study in this thesis. Chengdu city is a central city of western China and the capital city of Sichuan Province (Figure 1.2). It is commonly regarded as a second-tier city after Shanghai, Beijing and Guangzhou. Since 2000, the Chinese government has gradually transferred development from the eastern and coastal areas to the inland and western areas, and Chengdu has been at the forefront of national strategies for developing the western region of China.[1] Recently, Chengdu's economy has grown sufficiently to make it one of the fastest-developing cities in China. During the last two decades, two waves of leadership in Chengdu have successively advocated strategies for urban redevelopment, with great ambitions to compete with the first-tier cities of China and merge into the global economy. Apart from the fast pace of economic development, through a series of master plans and strategic plans, the city of Chengdu has been granted by the central government status as a historical, tourist and liveable city in China and as an administrative, service and transportation hub linking western China to the world. These city branding plans generate important stimuli motivating the local government to launch city projects or to plan capital accumulation through the built environment to a greater degree than in cities where developmental strategies have

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[1] The strategy is called "The Great Development of the West" or "Open-up the West" (Goodman, 2004; Yeung, 2004; Fan, 2006). Observing the situation of uneven development between the western and inland regions and the eastern and coastal regions of China, the State Council advocated the strategy in 1999. *The 11th Five-Year Plan of the Great Development of the Western Region of China* drafted by the Commission of National Development and Reform (2006) listed a specific agenda regarding to resources supply, environmental preservation, infrastructural construction, industrial restructuring, educational development, economic and institutional reform and so on.
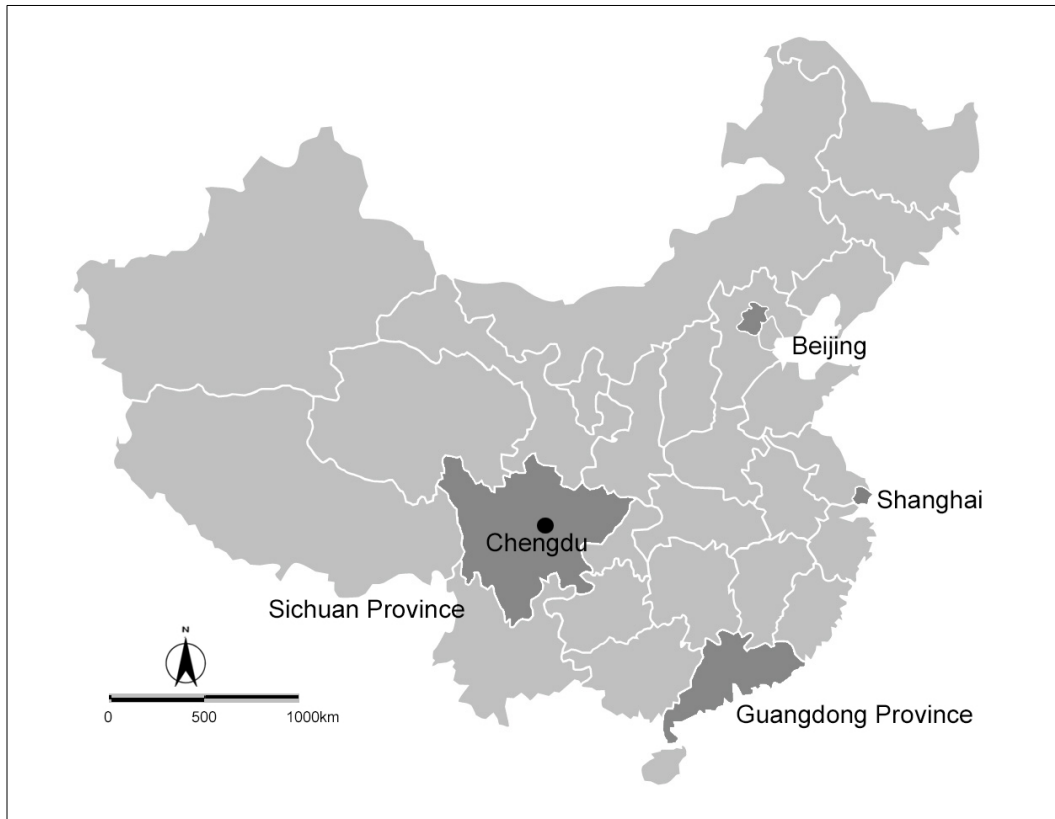
Figure 1.2 The city of Chengdu in China. *Source*: Drawn by the author.
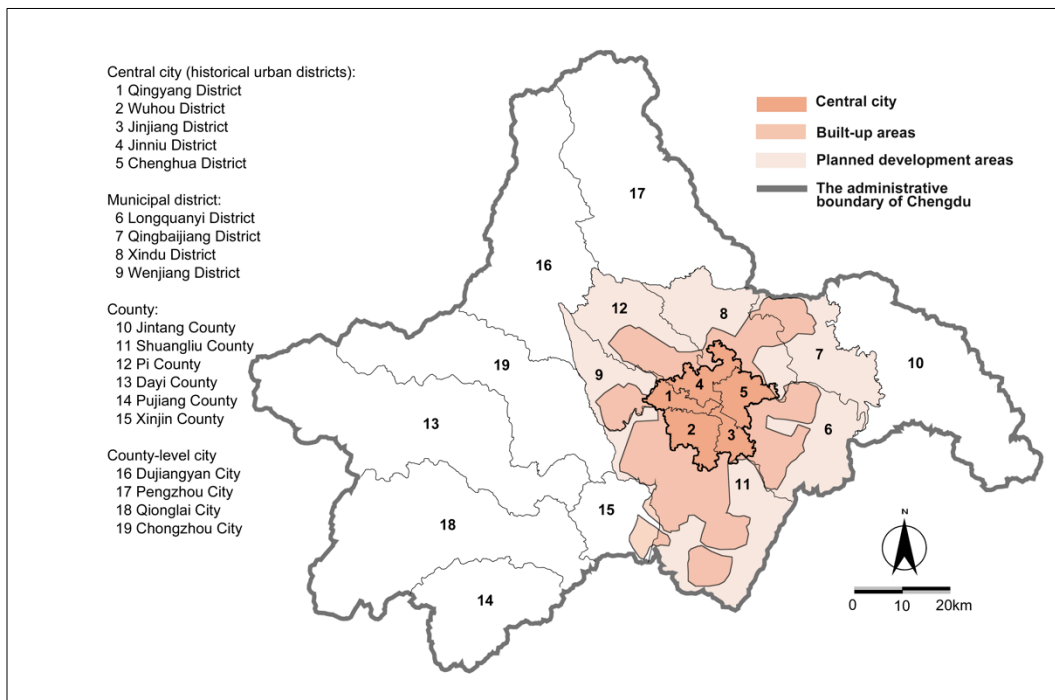
Figure 1.3 Administrative divisions of Chengdu metropolitan region. *Source*: Drawn by the author based on a materials provided by Chengdu Institute of Planning and Design.

concentrated on industrial development. The city thus provides an appropriate lens for illuminating the characteristics of gentrification in Southern cities experiencing radical urban transformation.

The administrative area of Chengdu is a metropolitan region with 12121 km^2 and a population of 14 million in 2010 (Figure 1.3). The spatial structure in Chengdu city-region features a "circle tier" pattern, where the city core is surrounded by a large number of small cities, and counties as well as rural areas. Current administrative divisions include the central city (five traditionally established urban districts), four municipal districts surrounding the central city (administratively rescaled during the last three decades), six counties and four county-level cities (Figure 1.3). The first circle tier comprises the central city and part of the four municipal districts; the second circle tier roughly consists of the remaining four districts and part of three counties; the third circle tier comprises most of the agricultural area and eco-region. The "Chengdu-Chongqing Economic Region Plan" approved by the State Council in 2011 proposed construction of a new node in the southern area of the current central city to be called Tianfu New District. As drawn up in the Chengdu Master Plan (2011-2020), Chengdu region includes one central city, one sub-central city, 14 new cities, 34 core towns, 156 towns, and 2000-3000 rural new communities (with a minimum of 50 rural households for each community).
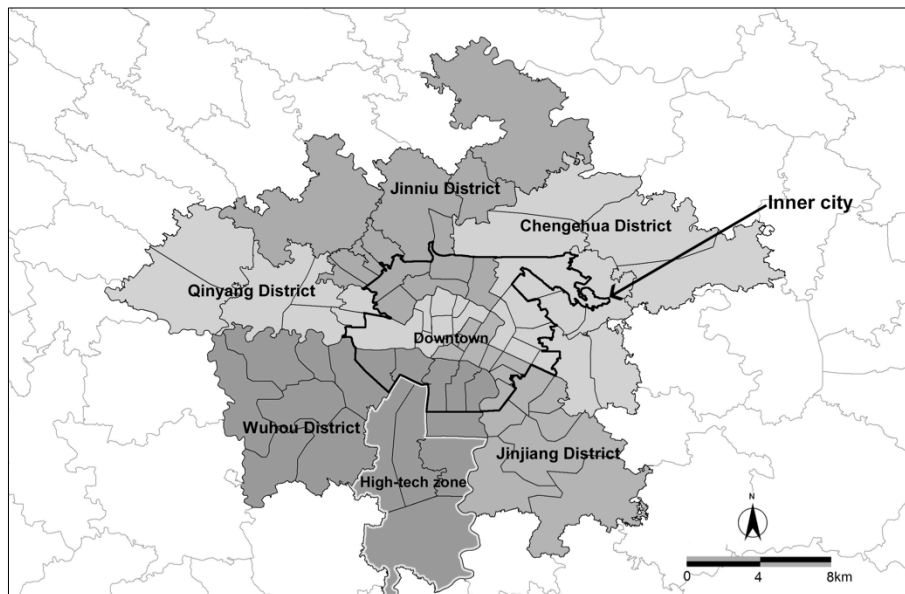
Figure 1.4 The inner city and the five historical urban districts of Chengdu. *Source*: Drawn by the author.

This study focuses on the central city of Chengdu, including five main urban districts established before 1990. The maximum extent of the inner city is defined as the areas within the Second Ring Road (Figure 1.4). In 2010, while the central city covered 465 km^2 land and contained 5.03 million people, the inner city was 60 km^2, with a population of 1.97 million (PCOC, 2010; Chengdu Bureau of Statistics, 2011). Chengdu city is historically a monocentric city, where the downtown is located close to the geometric centre of the metropolitan region. The inner city of Chengdu is commonly recognised as consisting of the areas within the First Ring Road, which is essentially the original city site of Chengdu before the establishment of the People's Republic of China. However, the modern city of Chengdu has extended from the downtown to, currently, the Fourth Ring Road. In 2011, the Tianfu New District was established on the south side of the city, which has expanded outward to the Fourth Ring Road. This study thus defines the area within the Second Ring Road as the research scope for inner-city gentrification.

1.7 Methodology

This study will take advantages of mixed methods, including statistical and spatial analysis, institutional analysis, and ethnographic studies, to investigate gentrification from a structural perspective, the historical perspective, and as a grounded process within the neighbourhood. In addition, rather than single case studies, the ethnographic studies on social groups engaged in gentrification are based on extensive fieldwork in Chengdu. This type of fieldwork will help to identify the common grounds across cases in the specific historical period of post-socialist transition. The triangulation of the three methods and data collection shape a portrayal of gentrification in Chengdu city and from 2000 to 2010, in particular.

First, statistics and spatial analysis are used to identify the structural tendencies caused by gentrification at the city level. The structural tendencies include the two successive processes of social upgrading in the inner-city neighbourhoods and the resulting formation of patterns of social inequalities. Specifically, descriptive statistics and mapping show the geography of gentrification and working-class displacement in the

inner city. The analyses generate information on the socioeconomic characteristics of neighbourhoods before and after gentrification and demonstrate gentrification's effects on changes in the housing market in the city. Statistical analysis establishes correlations between gentrification and displacement with other independent variables. The quantitative study in this thesis was accomplished using two public databases: the population census at the city and sub-district level and annual real estate statistics at the city level.

The real estate dataset was accessed through the National Bureau of Statistics. The Chinese population census is generated for four administrative divisions that are ranked in descending order: the province, municipality, urban district and urban sub-district. The last two divisions do not contain rural areas and are often densely inhabited. This study draws on data mainly at the sub-district level, which is commonly known as Street level (*jiedao, 街道*) in China. The geographical area of a sub-district is larger than a neighbourhood but smaller than an urban district. For the data of 2010, the National Bureau of Statistics keeps the census at the first three levels open-source, but the district government, which is below the municipal government, has managed the compilation and release of the census at the sub-district level. I thus collected the data at the sub-district level by permission of the district governments in the city during the fieldwork.

Second, the study draws on the method of institutional analysis to trace the trajectory of spatial change across waves of state-facilitated urban redevelopment programmes. Institutional analysis offers an important lens for a historical review of the trajectory of urban change. This method helps researchers to probe into the complexities of urban processes in a transitional economy. As Steinmo (2008) has clarified, historical institutionalism stands at the meso-level of the approaches to social science. A meso-approach such as historical institutionalism does not assume that real-world outcomes can be functionally explicable by the overarching structure because contexts exert influence on decisions and outcomes. Institutional analysis thus stresses not so much the who and why of urban redevelopment but how projects unfold in practice. The analysis is instrumental to disentangling the interactions between actors during the process of urban redevelopment, with an emphasis on the path of state intervention in economic, cultural and societal spheres. Data for the institutional analysis were drawn from the textual

production of the cityscape by the media, policy documents, archives, and official interviews.

Finally, ethnographic studies generate information on the decision-making of local actors and the experiences, circumstances and subjective identities of gentrifiers and current residents affected by gentrification at the neighbourhood level. This work does not limit the ethnographic studies to individual cases, nor does it aim to tell a single story of neighbourhood-based gentrification. We recognise that differences can be found not only among regions but also among cases in terms of the driving forces, policy-making and physical modes of gentrification; current residents can experience gentrification and displacement in varied ways. Thus, taking a meso-level horizon in investigating gentrification, the study first selected three exemplary case studies (i.e., the Caojia Alley (CJA), Jinniu Wanda (JW) and Wide and Narrow Alley (WNA) cases); next, it conducted extensive fieldwork in Chengdu.

1.7.1 Fieldwork in Chengdu

The fieldwork was carried out through two stages. The first round of the fieldwork was during December 2, 2014 to April 1, 2015. My purpose was to concentrate on the two important cases of CJA and JW redevelopment. Based on a thorough understanding of the operation of the two projects, I was then enabled to decide on additional candidates of field sites that would be included in the investigation. Investigating the two cases, I interviewed organisational members and relocated residents and collected policy and spatial planning documents. Also, two displacees' neighbourhoods were identified, where I interviewed migrant tenants who were forced out by the CJA redevelopment. In the later half of the fieldwork, I started a preliminary investigation of the WNA project, wherein I interviewed retail gentrifiers.

The second round of the fieldwork ran through November 2, 2015 to January 31, 2016. The investigation at this stage went beyond the above two cases. Specifically, the WNA project was added as a crucial case, because this case study supplements important findings on property and cultural activism that will be stressed in this study. Interviews were also conducted in three new neighbourhoods where a gentrification process was fully represented and two new off-site resettlement communities. The identification of residential gentrifiers' neighbourhoods was assisted by the spatial mapping of the

geography of gentrification in this thesis, which pinpoints the sub-districts that have been most gentrified. In addition, field observations were conducted with residents in an extended geography of redeveloped neighbourhoods and resettlement communities in the city to strengthen the findings gained through the case studies.

The selection of the field sites in this work was based on three rationales: first, all of the redevelopment projects must be located in the central city (not including resettlement communities located in peripheral areas). Second, these projects together represent different modes of inner-city redevelopment and different methods of compensation to the original residents to allow a relatively complete picture of urban processes and social effects to be constructed. Third, given that gentrification is a process that results in the spatial dispersion of the original residents, cases were selected to provide full coverage of the social groups engaged in gentrification. Finally, the redevelopment projects under investigation include those involving mainly public/collective properties built by governments and work units and those with the majority of pre-revolutionary historic buildings. The field sites contain two on-site resettlement communities and five off-site resettlement communities, two displacees' communities and five gentrified neighbourhoods (two for commercial and three for residential gentrification) (Figure 1.5-1.8).[2] A complete profile for interviewees' neighbourhoods is listed in Appendix A.

Figure 1.5 Field sites: old *danwei* compound and displacees' area (CJA and Workers' Village).
Source: Photos taken by the author.

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[2] In this thesis, resettlement communities mean community where residents were resettled by the government after the older neighbourhoods were demolished, and displacees' communities refer to places where residents not eligible for government-sponsored resettlement moved to independently.

Figure 1.6 Field sites: commercialised historic neighbourhoods (WNA). *Source*: Photos taken by the author.

Figure 1.7 Field sites: on-site and off-site resettlement neighbourhoods (JW and Quanshui Renjia). *Source*: Photos taken by the author.

Figure 1.8 Field sites: gentrified neighbourhoods (Times Riverside and Waterfront). *Source*: Photos taken by the author.

The three key redevelopment projects are mapped in Figure 1.9. Table 1.1 lists the basic information about the three projects. The first two cases, the *Caojia* Alley (CJA) and *Jinniu Wanda* (JW) projects, concern residential redevelopment. The CJA redevelopment project is located on the northeast side of the commercial and business centre of Chengdu. Up to four thousand households (14,000 individuals) previously lived in a 13.2 ha area. Except for the rural-urban migrants, the residents are former and current employees of a state-owned construction group called the Huaxi Group and their families. Within the CJA neighbourhood, there were 2654 public housing and 880 subsidised units owned by the Huaxi Group and the Jinniu District Housing Department, while another 128 units were commercial apartments.

The CJA redevelopment project is one of the pilot projects of the North Chengdu Redevelopment Programme established by Chengdu municipal government in 2012. The redevelopment project was begun in 2012 and finished at the end of 2016. The

Table 1.1 The profiles of three redevelopment projects in Chengdu

Project name	Completion year	Area (ha)	Redevelopment type	Households receiving compensation			
				Total	Off-site relocation	On-site relocation	Cash
Caojia Alley	2016	13.2	Residential redevelopment of *danwei*/public housing	3756	600	2400	700
Jinniu Wanda	2012	13.6	Residential redevelopment of *danwei*/public housing	3162	162	2100	900
Wide and Narrow Alleys	2008	6.66	Commercial redevelopment of historic buildings	891	891	——	——

Note: The total households eligible for claiming compensation include not only owner occupants and public tenants but also absentee owners. They do not contain private tenants who were rejected for compensation.
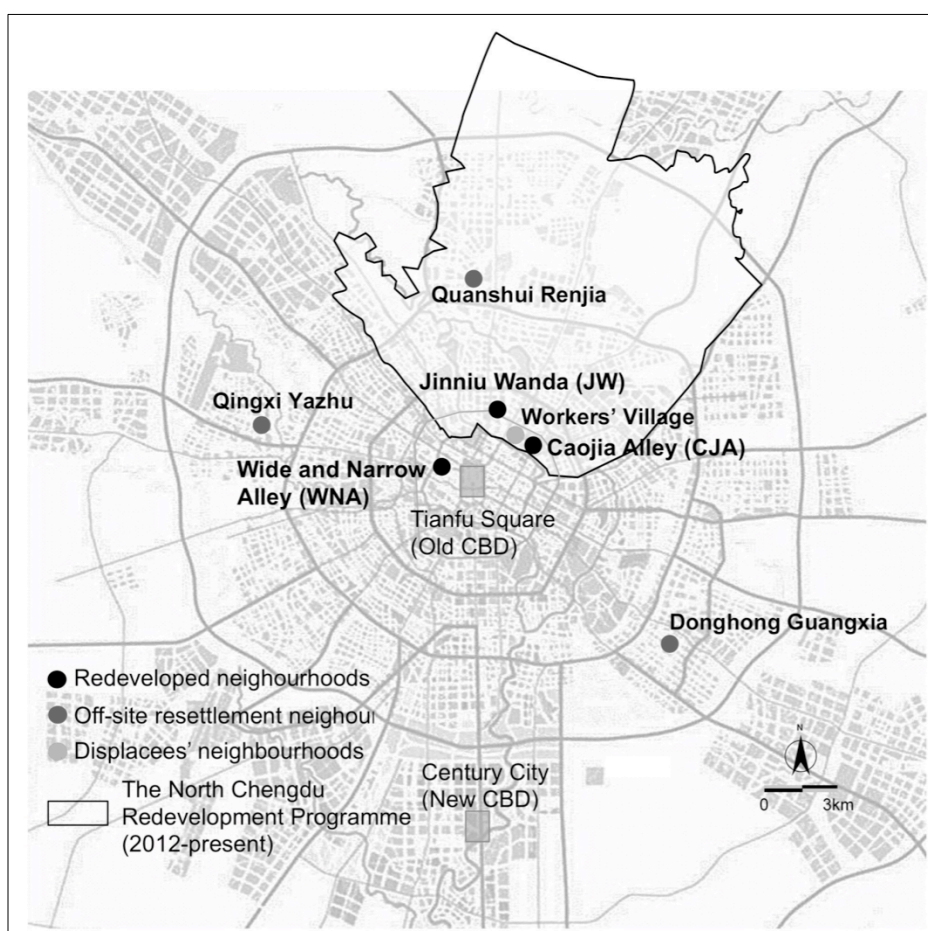
Figure 1.9 Locations of main field sites in Chengdu. *Source*: Drawn by the author based on materials provided by Chengdu Urban Planning Institute.

government and a financing company led the project as the primary actors in property expropriation and land consolidation; later a private corporation named Evergrande won in the land auction of CJA area and was in charge of real estate development. Impacted by the on-site resettlement policy, among the 3756 households in the old CJA neighbourhood who are eligible for compensation, approximately 2400 opted for the state's offer of on-site relocation, while about 600 households were relocated off-site in three communities, which are outside the Third Ring Road of the city. More than 700 households opted for monetary compensation (O2). Aside from the original site of the old neighbourhood, three off-site resettlement communities and one displacee area for the original CJA residents were identified in the map. Note that households eligible for claiming compensation include not only owner occupants and public tenants but also absentee owners. This means the 3756 households include residents who were actually living outside the redeveloped neighbourhoods when the project was established. And the precise number of private tenants who were rejected for compensation was not recorded.

The second area, Jinniu Wanda (JW) is situated along the north side of the First Ring Road of Chengdu. The 13.6 ha area once accommodated 3162 households. Similar to the CJA neighbourhood, the old JW neighbourhood also consisted of work unit (*danwei*) compounds, but the *danwei* compounds were almost all small-scale, affiliated with public sectors employers instead of large state-owned enterprises. Also, owing to its proximity to wholesale clothing and houseware markets, the proportion of migrant workers among original residents in the JW neighbourhood was larger than the CJA neighbourhood. The JW project was from the very beginning endorsed by the government but operated by the Dalian Wanda group, which is commonly deemed to be China's largest private property company. The project started in 2009 and completed in 2012. In this project, 2262 households opted for in-kind compensation, among which 2100 households chose on-site resettlement, whereas only 900 households have opted for monetary compensation or off-site relocation (Jinniu Yearbook, 2012). After redevelopment, the place is separated into three sections. One section is reused for resettling existing residents while the other two are developed respectively to residential and commercial properties for new consumers and investors. Compared with the latter two sections, the resettlement neighbourhood is much more densely constructed,

containing eight high-rise buildings (more than 2500 apartments) on a 2.2 ha land parcel. The plot ratio reaches to 7.77.

The Wide and Narrow Alleys (WNA) was previously a *hutong* (alley, or narrow street) neighbourhood adjacent to the west side of the CBD of Chengdu. The 6.6 ha area contained three *hutong*s and courtyard dwellings that were constructed in late imperial China and the pre-revolutionary period. Initially, the WNA area was constructed as a station of Manchu military power in Chengdu in the Qin Dynasty. The area was managed by the military power beyond the jurisdiction of Chengdu administration. Thus, the WNA is commonly known as *Shaocheng* (small city), which means a small city nested independently within the *Dacheng* (big city) of Chengdu. Before redevelopment, the place was inhabited by local residents, who were in possession of the buildings in the pre-revolutionary days, and public tenants, who moved in after the buildings were confiscated by the government and shifted to public housing. From 2003 to 2008, the WNA area experienced commercial redevelopment. Most of the traditional buildings were demolished and reconstructed using traditional construction techniques. The area is now a renowned tourist place in Chengdu. The project caused wholesale off-site relocation of local inhabitants. All of the 891 indigenous residents were relocated off-site during the process of commercialisation.

I approached a majority of the institutional members via the recommendations of different intermediaries. My relationship with the intermediaries came from pre-established connections with the Chengdu Institute of Planning and Design, the China Construction Southwest Design & Research Institute and the School of Planning and Architecture in Southwest Transportation University in Chengdu. However, despite these personal connections, normally, the process of establishing a connection was roundabout: first an acquaintance or friend introduced me to an intermediary. The intermediary would then give me the phone number of the informant whom I had identified (e.g., a member of a government sector, an expert in urban planning and architecture or a residential committee member). The advantage of this sampling method was that the intermediaries helped in building the trust of the informants, which then smoothed the conversations. However, on occasion the intermediary redirected me to another informant. For the

sampling of resident informants, I combined the methods of recommendation by residential committees and snowball sampling.

Three major groups participated in the study: organisational members (6 city officials, 2 *danwei* managers and 1 manager of the state-owned development company in the CJA project and 6 urban planners and architects who managed the operation of the JW and CJA projects); relocated residents who originally lived in the old neighbourhoods and have either been relocated into new communities or are still waiting for relocation (20 off-site, 20 on-site, 10 activists; 20 displacees); gentrifiers (12 residential gentrifiers from three different neighbourhoods in the inner city and 10 commercial gentrifiers from two renovated historic areas). Activist were residents with an intention to stay put and once intensely resisted the implementation of housing demolition and removal. In addition to interviews, two focus groups were organised with residents and experts, respectively. Table 1.2 enumerates the groups and numbers of interviewees from the field sites. All informants' information is listed in Appendix A. In the following text, each interviewee is identified by a classification code – O for organisational members, R for relocated residents, G for gentrifiers – followed by a chronological interview number.

Table 1.2 The locations of informants

Informant group	Field site	The number of informants
On-site relocated residents	Caojia Alley	4
	Jinniu Wanda	16
Off-site relocated residents	Qingxi Yazhu	1
	Quanshui Renjia	10
	Donghong Guangxia	4
	Jinxiu Dongfang	5
Activists	Caojia Alley	1
	Jinxin Jiayuan	4
	Wide and Narrow Alley	5
Displaced migrant tenants	Workers' Village	18
	Balizhuang	2
Retail gentrifiers	Wide and Narrow Alley	8
	Tangba Street	2
Residential gentrifiers	Times Riverside	4
	Chengdunese Paradise	4
	Waterfront	4

Primary data were collected through semi-structured interviews. Focus groups of residents and participant observation of their social and community life are also used to reinforce my connection to the cultural environments and circumstances of the residents.

The length of interviews with relocated residents and gentrifiers ranged from one to two hours. For organisational members, the discussion often extended to over three hours. Also, I had the chance to conduct in-depth communication with one activist seven times. In a displacees' district, I was involved in the daily life of a few migrant tenants through being the home tutor of the tenants' children. This kind of relationship enabled me to connect with the other displacees far sooner than I had expected. Still, my involvement with the few residents deepened substantially my understanding of the status of the migrants in the city.

Questions addressed to the groupings of participants are given in Appendix B. The semi-structured interviews with organisational members participating in the decision-making process mainly covered four areas of information: basic information about urban redevelopment programmes and projects in the case study; questions about redevelopment policies at both the central and the local levels and about policy implementation; information on their participation in decision-making and social governance; and their subjective understanding of the projects. In-depth life history interviews were conducted with relocated residents to generate data on the association between changing housing conditions with the life opportunities, lifestyles and self-identification of the relocated residents in the long run. Through the interviews, residents were encouraged to share their work and housing experiences and critical events in their lives. For the most part, individual experiences mirrored the years of turbulent change from the *danwei* society to a market society and from an urban-rural division to the opening of the city to migrants. Then, the informants were asked about their interactions with other parties in the process of urban redevelopment and, finally, about their subjective perceptions of the projects and the other parties' behaviour. The semi-structured interviews with gentrifiers concentrated more on the interviewees' current occupation and income, the reasons for their housing choice, the lifestyle and consumption practices in the inner-city neighbourhoods, and self-identification, especially whether they distinguished themselves from other middle-class residents of the city. For better understanding, we should note that although generally divided into the middle class and the working class, the residents who participated in this study could be grouped based on new divisions. According to different working-class experiences, for

example, there are categorisations based on tenure (e.g., private tenants, private homeowners) and on the type of compensation (e.g., on-site resettled residents, off-site resettled residents and residents who received monetary compensation). Additionally, for gentrifiers, the study compared the conditions and attitudes of both young, cultural pioneers in historical sites and residential gentrifiers of high-end housing in the inner city.

1.8 Thesis overview

Starting with a concept that contains vagueness in its definition, Chapter 2 primarily takes a historical approach to reviewing the evolution of gentrification and to clarifying its essential properties. The clarification consolidates the ontological basis of gentrification as abstraction in this research. Then, two bodies of work, one leaning towards global theory building and the other towards the revelation of regional differences, are summarised. This review is intended to illustrate the dilemma of knowledge production for this concept, which justifies the meso-level approach taken by this study. Following the global debate, Chinese work referencing gentrification is reviewed. Approaching this body of work, the present study claims an institutional perspective to connect state action and social process in gentrification in China.

Following the conceptual statement and methodological approach, Chapter 3 specifies the socio-spatial upgrading in a central city of China and identifies its formation within the post-socialist context. The chapter starts with background on socioeconomic restructuring and social-cultural change in post-reform China. In contrast to an advanced post-industrial context, the background reveals a distinct trajectory of societal change caused by the expansion of low-income service industries and the emergence of an individualistic consumer culture among China's new rich. Then, this chapter maps the geography of socio-spatial upgrading in the Chinese city of Chengdu in the 2000s to confirm the extent and the spatial manifestation of gentrification. From this contextual and geographical base, the chapter finally correlates a social upgrading index with a series of independent variables, aiming to establish a dependent relationship between the gentrification process and broader societal and spatial transformation in the post-socialist era. This initial analysis concretises the structural tendencies of socio-spatial upgrading in

Chengdu and outlines the contextualised characteristics of gentrification in the post-socialist society, differing from conventional explanations in advanced post-industrial society.

Departing from the structural tendencies, the next two chapters approach the two grounded empirical processes that complete the cycle of gentrification. Chapter 4 examines the process of inner-city upgrading, considering the agency of both political-economic actors and middle-class consumers in the city. The role of the state is emphasised, particularly state-capital-society relations, thereby linking state intervention with societal change. Taking a historical perspective and using institutional analysis, the chapter examines two aspects of the urban redevelopment practices conducted by political-economic actors－the creation of new landscape as well as land capitalisation and housing privatisation. These two practices then direct the study towards the implications for social dynamics－ the construction of Chinese modernity and the elevation of housing consumption－that underlie the genesis of gentrification in China. Finally, by analysing the cultural and identity change of the middle-class gentrifiers, this chapter will explain the causes and patterns of the gentrifying process by combining both production and consumption forces.

Chapter 5 then turns to the experience of the working class in gentrification. Through ethnographic studies, it investigates working-class circumstances during the process of residential relocation induced by inner-city redevelopment, highlighting the influence of a hegemonic state. It stresses the different perceptions and compensation outcomes among different groups of the affected residents. It also uncovers the interactions between the residents, local officials and developers in a social governance process that allows consensus building. The divergent social outcomes complicate the meanings of housing demolition and relocation for the working class in China. Moreover, they reveal the uniqueness of state-society relations in the post-reform era of China. Nevertheless, they also raise a question on the conceptual extension of gentrification, which is committed to uncovering social inequalities in the urban process.

Based on this consideration, the study extends the examination of gentrification effects to the structural level of social inequities in Chapter 6. By tracing the spatial distribution of the working class in the city of Chengdu from 2000 to 2010, the chapter

proves the existence of working-class displacement and a potential for concentrated poverty in the inner city as a result of gentrification. Analysis of real estate datasets at the city level and census data at the sub-district level discloses that gentrification leads to housing speculation on the one hand while undermining housing affordability for the working class on the other. By mapping the changing geography of households by tenure in the 2000s, this chapter criticises tenure-based residential segregation and the exclusion of the working class, which are both outcomes aggravated by gentrification. The patterns of social inequalities will strengthen the relationship between gentrification and social injustice in China.

The concluding chapter brings together the key findings of the studies at the structural level and grounded level. Joining the broad contexts with socio-spatial restructuring and activities in localities, the purpose is to delineate a gentrification process that appears in Chengdu at the middle ground. Meanwhile, it stresses the unique state-society relation and the way it articulates the peculiarities of the gentrification process in Chengdu. Based on the experience of studying China, this research returns to the original concept, identifying characteristics that reinforce the soundness of gentrification theory while also necessitating this type of meso-level knowledge production. Moreover, specific implications for studies on state-facilitated gentrification are summarised. Finally, the thesis present four directions for further research to enrich the understanding of Chinese urbanisation and gentrification in discussions of the Global South.

Chapter 2 Gentrification Studies on a Global Scale

Gentrification studies have been developed in European and North American cities since the post-war era (the 1960s), a period noted by authors as characterised by critical social movements. It continued through to the liberal stage (the 1970s), the high water mark of the welfare state. Then, the body of literature transitioned to the neoliberal 1980s, marked by a "roll-back" of the welfare state (Peck & Tickell, 2002, p. 388), and finally, to the contemporary stage of globalisation, with a feast for the competitive market (Ley, 2012). The advent of a global context and geographical variations in both the cause and effect of the gentrification process require a rethinking of the conceptualisation and research paradigm with reference to classical gentrification. This chapter accepts that challenge and attempts to find an approach to understanding the gentrification process in China. It draws on three bodies of literature. The first section consolidates an ontological basis by tracing the course of (re) conceptualisation in mainly the Western literature. Next, I will elucidate the epistemological difficulties of gentrification research globally by examining both proposals for global theory and recognitions of the context-dependent nature of the process. Finally, particular attention will be paid to the characters of gentrification and urban redevelopment explained in the literature on China. However, although studying gentrification initially on a global scale, I do not assume that the urban process is currently emerging in every metropolitan region worldwide. What I investigate is how the paradigm of knowledge production should be reconsidered when that urban process encompasses the multiple realities of cities and regions. I do not presume any North-South dichotomy in theory production. These terms are used only as a geographical division, denoting places that currently yield diverse experiences and insights outside the heartland of gentrification scholarship. As Connell (2007) stated, "To use concepts such as 'periphery' is just the beginning of analysis, not the end" (p. 213). Context, rather than the territories *per se*, directly contributes to the multiplicities of gentrification in this thesis.

2.1 Ontological basis of gentrification

Why are people concerned with gentrification? This primary but also important question is particularly pressing given the need to justify studies addressing a hard-to-define process. Essentially, the question concerns the ontological basis of the concept; thus, it is used to guide the direction of theoretical formulation and to specify the rationale and soundness of conceptual deployment. However, I have also borne in mind that the meaning of a concept is constantly polished by scholars through empirical studies and theory production, likely resulting in reconceptualisations. This section reviews how theorists have directed the meaning of gentrification to identify a viable ontological basis.

2.1.1 The essence of gentrification

Ruth Glass (1964) initially established the concept of gentrification in London to describe a process observed in a neighbourhood wherein middle-class residents replace the working-class; this shift is associated with landscape change and the price appreciation of residential buildings. The process referenced by Glass, however, applies particularly to the meaning of the lifestyle change of the middle class. A change in the middle-class way of life causes the process of gentrification. Glass granted a distinctive meaning to gentrification by emphasising its middle-class origin. It results from a middle-class view about central cities, rather than from any other process to physically and socially upgrade neighbourhoods (Brown-Saracino, 2010, p. 15). Thus, classical gentrification is at first gradual, one building at a time, one family at a time. The concept draws a clear but also narrow boundary and is clearly distinct from the process of urban regeneration.

Peter Marcuse's working definition emphasises the twin processes of gentrification and working-class displacement. Moreover, Marcuse (1985) clarified the meaning of displacement to precisely capture the changing social structure of the neighbourhood "to a degree differing substantially from the general level of change in the community or region as a whole" (p.199). It should include not only the direct displacement (physical or economic) of the households living in the area but also exclusionary displacement via the shrinkage of the housing market available to those households whose socioeconomic status prevents them from living in the now gentrified neighbourhood.

Gentrification occurs when new residents - who disproportionately are young, white, professional, technical, and managerial workers with higher education and income levels - replace older residents - who disproportionately are low-income, working-class and poor, minority and ethnic group members, and elderly from older and previously deteriorated inner-city housing in a spatially concentrated manner, that is, to a degree differing substantially from the general level of change in the community or region as a whole (Marcuse, 1985, p. 199).

Thus far, gentrification is still considered a neighbourhood process focused on the nexus between two classes on the issue of urban living. Placing gentrification within the period of post-industrial society and post-modernism has greatly deepened explanations of its relevance and meaning. Increasingly, the essential meaning of gentrification has been expanded from a neighbourhood phenomenon concentrated on individual lifestyle choice to include the cultural politics of changing urbanism in line with socioeconomic transformation and cultural change in post-industrial society. Gentrification authors have framed the relationship between gentrification and the consumer culture of a new emerging "service class" in the tide of structural change in occupations in post-industrial society (see also Hamnett, 1989; Ley, 1996, Savage et al., 1992). Other authors have examined the political ideology underlying the cultural characteristics of post-modernism and its expression in landscape styles and aesthetics (Ley, 1987a, Mills, 1993; Harvey, 1990; Zukin, 1998). In addition, the literature has revealed the relationship between gentrification and the appearance of other types of social groupings in the wake of post-industrial society and post-modernism, such as racial minorities and full- and part-time female workers (Butler, 1997; Butler & Hamnett, 1994; Bondi, 1999; Warde, 1991).

Specifically, focusing on the Canadian contexts, Ley (1980) solidified the emergence of gentrification within the liberal ideology of the newly emerging middle class, who once dominated the Liberal political party, in post-industrial society. The champions of social and cultural liberalisation promoted progressive political reform from the 1960s to the 1970s in opposition to the dominance of economic values and formalistic culture under Fordist mass production (Ley, 1996). The ideology of liberalisation invokes claims for a new urbanism that includes landscape aestheticisation, cultural diversity, neighbourhood enhancement and historic preservation, in the advanced industrial city. By the 1980s, however, the progressive reform in pursuit of social and

cultural care had faded into the middle class' claim for a class interest in urban amenity, but at the cost of social justice for the poor. Drawing on the concept of cultural capital, Zukin (1982) and Ley (2003) also treated gentrification, particularly in neighbourhoods with high historic and cultural value, as bearing on the convergence of cultural production and capital accumulation.

The post-industrial explanation for gentrification has greatly reinforced its structural reach by linking the process with macro social, economic and cultural forces. Gentrification is an iconic process accounting for the characteristics of urban and social change in post-industrial cities. Theoretically, the body of the explanation is still grounded in the central relationship between place and social class; the cultural connotation of the gentrified landscape is still deemed to be the most important intermediary linking multiple forces together. The gentrified landscape, as an expression and representation of the emergence of a distinctive urbanism, reflects broad processes of socioeconomic change, capital (re)investment in style, and the displacement of those who are ill-suited to the trend. For instance, as suggested by Brown-Saracino (2010, p. 14), "Zukin and Glass hold gentrifiers' cultural valuation of the central city as an important component of our concept of gentrification." Gentrification processes reflect "a major component of the urban imaginary" (Ley, 2003, p. 2527), in which the so-called creative class (Florida, 2002) and other powerful decision-makers influence the path of urbanism towards a desirable middle-class lifestyle. As Mills (1993) stated, inner-city gentrification contains essentially cultural meanings generated through symbols, identity creation and social order representation "through which the economic process (of production) and social process (of consumption and social change) operate and are experienced" (p. 165).

The production-side explanation of gentrification departs from the grounded view of the place and class relations in gentrification. Smith (1982) started with the economic location of inner-city terrain and aimed for a structural explanation of gentrification. Rooted in the capitalist system of production, the historical geography of gentrification before the 1980s, for Smith, is part of the broad process of urban restructuring towards long-term uneven development. At the urban scale, uneven development is stimulated by the ground rent structure in those post-war cities that experienced suburbanisation. In these cities, a "land value valley" emerges in the inner-city areas surrounding an urban

centre (1982, p. 146; 1996, p. 58). When an economic crisis happened and the redirection of capital investments to the built environment was necessary, the inner-city areas would absorb new investment searching for new developmental potential and, most saliently, exploiting rent gaps. The advantage of development stems from the high ground rent of the central city due to the established, favourable features of downtown locations. A high ground rent accordingly implies a high likelihood that ground rent will be capitalised in nearby devalorised locations and, finally, that the rent gap will be filled. Gentrification is expected to be resurgent in a long-standing back-to-the-city movement in which development capital reverses the declining trend of inner cities. This is a trend associated with the essential nature of capitalism towards uneven development and the economic cycle of disinvestment and reinvestment to exploit rent gaps (Smith, 1982).

According to Smith and Williams' (1986) theoretical aspiration, the neighbourhood-based, explicitly described class process is out-dated. Gentrification is not necessarily confined to residential or commercial gentrification, and the process does not require a clear-cut definition of the middle- and working-class involved in it. Gentrification might not even need a strict definition: "Rather than risking constraining our understanding of the developing process by imposing definitional order, we should strive to consider the broad range of processes that contribute to this restructuring and understand the links between seemingly separated processes" (Smith & Williams, 1986, p. 3). Moreover, the ultimate purpose for explaining gentrification is to illuminate the capitalist logic behind it. "Gentrification, and the redevelopment process of which it is a part, is a systematic occurrence of late capitalist urban development," although a working definition remains: "the process by which working class residential neighbourhoods are rehabilitated by middle-class homebuyers, landlords, and professional developers" (Smith, 1982, p. 152, 139).

A basic concern about the uneven development assumption for gentrification is that it starts from the overall decline of the inner city; this goes beyond Glass' stress on those uniquely gentrified places as defined by middle-class bias towards lifestyle and living places. The assumption better explains the inevitable economic cycle of disinvestment and reinvestment in inner-city areas, which dates back to Hoyt's model of land value change through time, but cannot explain why some dilapidated places (and some cities)

are subject to gentrification while others are not. Nor does it address why there are particular periods for the emergence and resurgence of gentrification and periods when gentrification cools down (Ley, 1987b; Hamnett, 1991). In other words, Smith has offered evidence on why inner-city land is likely to be upgraded due to its high productive potential but has not directly outlined the social process behind this, which is the core distinction of gentrification as an abstract concept. Through this omission, it is somehow assumed that reinvestment is equivalent to the result of social upgrading and that the meaning of gentrification is constructed by the (productive) meaning of the inner city. As Betancur (2014), focusing on the context of Latin America, has stated:

> If we defined gentrification only as rent capture, any development involving rent could be classified as such. I am applying the term here to the reuse of low-income neighbourhoods by higher income populations. (2014, p. 11)

Of course, the other side of the gentrification coin should not be ignored: the social inequality implied in gentrification. Over this period, relatively few studies started from the point of view of the working class, and they instead examined causes based on the changing middle class. Since approximately 2000, following the resurgence of policy-driven gentrification in some European and North American cities, class conflicts and the working class have increasingly returned to this focal point to defend the conceptual significance of gentrification. In part, this change has occurred because policy discourses such as the urban renaissance, the alleviation of social exclusion, and social mixing have tended to soften public opinion and destabilise somewhat the politically critical position held by earlier notions of gentrification (Slater, 2006; Lees, 2008). This change is also due to the retreat of the middle class as direct initiators of gentrification in favour of a shift to state-led, policy-driven urban regeneration programmes.

The tipping point was identified by Tom Slater in the middle 2000s; he criticised the missing critical voice in gentrification and endeavoured to renew concerns about the displacement of the working class (Slater et al., 2004; Slater, 2006). He and other scholars emphasised that gentrification is anchored in those fields addressing class issues (Slater et al., 2004; Butler, 2007; Wyly & Hammel, 1999). After reviewing debates on the location (centre, suburb or rural areas) and categories (commercial land-use or residential land-use) of gentrification, Slater et al. (2004) finally asked for more rigour in

Glass's definition and concurred with one study where the authors stress the meaning of class in gentrification:

> Rather, the most important aspect of her work that we should register is her critical emphasis
> on class transformation. Whether gentrification is urban, suburban, or rural, new-build or the
> renovation of existing stock, it refers, as its gentri-suffixes attest, to nothing more or less
> than the class dimensions of neighbourhood change, in short, not simply changes in the
> housing stock, but changes in housing class (Lambert & Boddy, 2002, p. 144).

One of the salient points in reinstating gentrification within the field of class relations and conflict is that it is concerned with both the middle and the working classes. Scholars adopting the class issue in gentrification have thus contributed a great deal of the work on displacement of the working class (e.g., Atkinson, 2000, 2002; Wyly & Hammel, 2004, Wyly et al., 2010, Allen, 2008; Watt, 2008; Butler et al., 2013). These authors have also intensively criticised studies that tend to neutralise gentrification, which argue that urban regeneration does create better urban environments and local services for not only the middle class but also for the working class; it also increases local private and tax revenues that can be used in broad-scale urban services (Byrne, 2003; Freeman, 2006; Freeman & Braconi, 2006). This position has attracted considerable scepticism, for example from Newman and Wyly (2006). Others have turned to revisiting the concept and methodology of displacement and to recovering the hidden inequalities in policy-driven gentrification (Davidson, 2008, 2009; Lees, 2008; Shaw & Hagemans, 2015).

Based on the background of the globalisation of production and the neoliberal transition of the state, Smith (2002) finally contended that gentrification is an emergent urban development strategy on a global scale. While gentrification provides new theoretical and political significance for the representation of urban and social change based on neoliberal ideology, nevertheless, the global extension of the geography of gentrification scholarship has increasingly called for a reconceptualisation of the core concept. In a series of studies on global gentrification, researchers have attempted to decontextualise and refine the abstraction of gentrification to adapt to its variation in time and space (see Atkinson, 2003; Clark, 2005; Lees et al., 2015, 2016; Shin et al., 2016).

According to these works, the focus of an abstracted gentrification ultimately returns to a class-related urban process. Moreover, they increasingly emphasise criticism based

on the social injustice caused by gentrification. Typical is Clark's essay where he clarified the relationship between particularity and conceptualisation by arguing that it is necessary to erase those "non-necessary" relationships too frequently used in the abstraction of gentrification, which render the concept chaotic (2005, p. 258). Clark noted two aspects of the broad defining characteristics of gentrification, with the aim of better understanding its essence:

> Gentrification is a process involving a change in the population of land-users such that the new users are of a higher socioeconomic status than the previous users, together with an associated reinvestment of fixed capital. (Clark, 2005, p. 258).

This definition was later used by Lees et al. (2015) as a viable abstraction for gentrification on a global scale. They argued that the generality across global examples of gentrification lies in the common trend of the secondary circuit of capital accumulation through the built environment or real estate industry to transform urban land use, catering to wealthier inhabitants. Accordingly, they suggest simplifying the abstraction of gentrification to a process of class-related urban change and social cleansing to maintain the essence of the concept and to open gentrification processes to multiple series of comparative studies. Lees et al. (2015, 2016) underlined social cleansing as the condition that distinguishes gentrification from urban regeneration. They support the significant meaning of gentrification wherein the ultimate goal of the conversation is social justice for all (Lees et al. 2016), as earlier stressed by Atkinson (2003), who stated, "We shall focus on urban inequality where the phenomenon of gentrification thrived" (p. 2347).

We have endeavoured to define gentrification. It is not because a fixed definition is necessary, but the geographical extension of its conceptual use requires a convincing rationale. Why gentrification rather than something else? The question is essentially about an ontological match: the meaning of gentrification being used to generalise an endogenous process expressing comparable outcomes to gentrification. From this brief review, it can be seen that two contributions have created conceptual meaning: first, the origin of the conceptualisation and second, the significance added by scholars from different theoretical perspectives. Some of these meanings of gentrification, specifically those that link gentrification with socioeconomic background, can be chosen by people outside of the geographical heartland of gentrification in Anglo-America as part of the

ontology of the concept. This *essential* formulation precludes the concept from being stretched in particular contexts, such as connections to the post-industrial transition or capital switching from the suburbs to the inner city. Such contexts now become contingent rather than essential relations.

However, with the advent of the globalisation of gentrification scholarship, a certain level of agreement has been increasingly achieved. First, most of the agreement about the conceptualisation centres around the variable forces and causes. On this point, Glass's definition from the early 1960s, which identified the singular factor of middle-class residency, might prove inevitably outdated. Then, the historical geography of gentrification invariably solidifies the basic meaning of gentrification as focusing on social class change and inequalities in place. This meaning is the base for distinguishing the theoretical orientation of gentrification from that of other processes based on similar empirical grounds.

Thus, I will argue that essentially a shift in class power from lower strata currently located in a place to higher social strata is at the base of the ontology of gentrification. This statement responds to the contention raised by Southern scholars concerned with the existing provincialism of knowledge production based on gentrification. Thomas Maloutas (2012), for example, has contributed an intense critique of Anglo-American hegemony in gentrification research. His main argument contends that the conceptualisation and theorisation of gentrification have been dependent on contextual causality generated in the Anglo-American metropolis. However, by simplifying the idea of gentrification, authors tended to apply the provincial concept to a broader range of contexts. This practice has not only reduced the rigour of theory building but has also resulted in the contextual extension of gentrification from the Western core to the periphery. According to this understanding, I assert that the concept holds its decontextualised nucleus. Neither the economics of land reinvestment nor the secondary circuit of capital accumulation nor an iconic urban process of neoliberalism and globalisation, but only the social class dynamics in place and the associated inequalities express the theoretical strength of gentrification when it is deployed globally. Gentrification is broadly affiliated with categories of urban change, social class and urban

politics. The one and only essential postulate behind the concept is that place change is not neutral but is political.

The meaning of gentrification not only consolidates its theoretical strength but also delimits its conceptual boundaries. It is recognised that, implicitly and explicitly, the existing literature may have treated urban renewal and gentrification as interchangeable concepts. The shaky base of conceptual understanding renders gentrification in the literature either an overarching conception or easily attacked given its lack of academic rigour. Gentrification scholarship is *one thread* of theoretical production empirically grounded in urban renewal; I will distinguish it from other urban theories in terms of its perspective and approach to knowledge production. The above statement aims to deliver not so much a definitional base as a theoretical direction for gentrification studies. I agree that a working definition, which refers to the conditions used by authors to define a process that is considered to be gentrification, can either be based on the simplest abstraction or can be regarded as contingent and varied. However, regardless of whether gentrification is caused by political-economic or sociocultural forces, gentrification studies must ultimately return to the generalised concept of social (class) change in relation to place change. Not only the forces and ideology behind gentrification must be uncovered but also, crucially, the relationship between place and the trajectory and results of societal (class) change and restructuring in the city must be generalised through a link to the relevant forces and ideology. Otherwise, gentrification studies will lose their distinctive knowledge contribution in comparison with urban regeneration and similar areas of study. Accordingly, it would then be difficult to justify an epistemological advantage from employing the concept of gentrification to study the urban restructuring of the Global South.

2.2 Epistemological problems of gentrification on a global scale

Accompanying sweeping urban transformation, gentrification has gradually come to the notice of scholars from a wide range of metropolitan regions in the Global South. While proponents of globalisation and economic structuralism endeavour to construct a global theory for the process, others, particularly those from the Southern Hemisphere,

have offered abundant evidence of territorial particularities. In this stalemate, many scholars display deep scepticism regarding the rationale of gentrification as a global agenda of research. This section examines the debate on globalisation and regional heterogeneities, with the aim of elucidating the epistemological difficulties met by gentrification studies in the South. For anyone who prepares to step into the arena of gentrification, in either the North or the South, these epistemological problems require prudence in the types of knowledge produced for subsequent abstraction.

2.2.1 A Global theory for gentrification?

In 2002, Smith argued that gentrification had now gone global, spreading from the Global North to the Global South and showing remarkable growth in metropolitan areas; economic globalisation and the neoliberal state restructuring are the new forces driving gentrification on a global scale. The globalism of economic production has produced two mutually intensifying impacts on the role of cities. First, capital and jobs flow among the centralised metropolitan areas, which constitute the nodes of the global economy. Second, the national state has retreated from city management and welfare state policies, as the metropolitan production system has become increasingly disconnected from the national economy. However, the national state has returned, having recast its economic role as a neoliberal state. The liberal urban policies facilitating social services for the local population to sustain social reproduction have been weakened and dismantled in favour of neoliberal urban policies aiming at reinforcing the productive potential of the city. The city tends to be seen as a "centrepiece of productive investment" (Smith, 2002, pp. 434-443). The neoliberal turn has driven changes in Western cities so that they are no longer centres of "progressive reform and policy innovation" but are reflections of a changing ideology (Peck, 2006, p. 683), that is, an emerging urban entrepreneurism (Harvey, 1989).

Urban regeneration and gentrification are deemed to be typically neoliberal urban strategies. The prevalence of neoliberal political ideology is also creating a common global trend of gentrification in relation to the role of the state. Hackworth and Smith defined this phenomenon as the third wave of gentrification that began after the 1987 recession in European and North American cities; this wave involves far more aggressive action on the part of real estate industries and greater state stimulation of the free market

(Smith & Defilippis, 1999; Hackworth & Smith, 2001). The neoliberal urban strategies lure the middle class back to the city (Smith, 2002; Lees et al., 2008) and strengthen the tax base and labour market potential; they absorb the entry of high-end service industries; they increase foreign direct investment in industrial and real estate development; and they stimulate city consumption with urban spectacles (Harvey, 1989; 1990). Foremost, by creating a promising business climate and comprehensive urban facilities, urban regeneration is likely to upgrade the bond rating of the metropolis as assessed by international bond-rating agencies. Thus, the city holds potential advantages in its ability to attract more investors in government bonds for public service delivery (Hackworth, 2007; Lees et al., 2008).

Considering these economic motives, Smith (2002) treated the current wave of gentrification as an urban strategy of states. To date, gentrification has transcended a project-based urban practice to be "generalised as a central feature of this new (neoliberal) urbanism" (p. 430). Notably, according to Smith, merging into the global economic system will spark far more significant and creative transformations in the new emerging metropolises through social production instead of reproduction, because the transformation of these cities is relatively less fettered by the Keynesian welfare system. The central platform of the new wave of gentrification is thus anticipated to be the new metropolises rather than cities of the advanced capitalism.

From a social and cultural perspective, another set of global postulates is also arising against the backdrop of cosmopolitanism and transnational urbanism. Classical explanations link the class dynamics in gentrification with the cultural politics of initially a young professional middle class, related to an urban lifestyle and rooted in ideas of autonomous self-expression (Ley, 1996, 2003; Hamnett, 2003; Harvey, 2005; Zukin, 1982). Transitioning to the new context of cultural globalisation, the cosmopolitan population and culture promote an urban imagery that is harnessed by those local ruling elites making decisions in favour of gentrification; meanwhile, gentrification is now based on so-called neoliberal ideas. In this global context, the connection between cultural ideology, urbanism and middle-class mobility implied in gentrification could be reinterpreted to indicate that the state, transnational capitalists and a new social group composed of a cosmopolitan population have been the main agents initiating the process.

Mega-projects are launched by the state, which aims to deliver a global image for its cities to attract expatriates and domestic professional and managers (Atkinson & Bridge, 2005). Accordingly, the cosmopolitan population also reshapes the neighbourhood landscape and socio-culture in order to establish a sense of place (Butler, 2003, 2007) and to reconstruct class identities (Lees, 2003; Butler & Lees, 2006).

Compared with political-economic restructuring, global urbanism is a less controversial concern in empirical studies on the Global South, although these studies do ask for caution in the formulation and implementation of so-called neoliberal ideas and policies in nations (Lees, 2012). Even in metropolitan regions possessing limited competitive advantages in the global economy, governments at the national and sub-national levels could, perhaps consciously, take a world-city landscape as an imperative to sell the city to transnational investors and consumers dreaming of a cosmopolitan lifestyle. The advancement of urban living environments and recreational facilities is a typical example of the neoliberal urban strategies, for example as manifested in waterfront redevelopments (Davidson & Lees, 2005; Wong, 2006) and tourist place-making (Herrera et al., 2007; Rubino, 2005). Gentrification triggered by international mega-events is also noticeable. Metropolises compete to host international events in an attempt to capture the potential to reinforce their urban reputation and attract inward investment opportunities. In addition to economic incentives, the grant of a specific mega-event is regarded as a symbol of national status. Moreover, mega-events are instrumental in forging and consolidating social unity and national identity in a nation/city (Shin, 2009a). However, the consequent downside can sharply contrast with the city's prosperity. During the preparation for the Beijing Olympiad, 1.5 million families suffered from residential demolition from 2000 to 2008, approximately twice as many as were impacted between 1991 and 1999 (Shin, 2009a, p. 131).

Recently, Lees et al. (2016) proposed a relational comparative approach to global gentrification. Based on the scholarship of comparative urbanism, the relational comparative approach sees gentrification processes as *now* being interconnected between different cities due to the globalisation of capital, but with contextualised local embeddedness. Theoretical production could thus be based on the empirical knowledge of both differences and similarities. This would allow different experiences from different

cities to generate questions about experiences elsewhere so as to constantly reinvent theoretical production. In other words, it would initiate the transnational examination of gentrification processes.

The future depicted is an exciting one. It transcends the existing approaches in the gentrification literature of the Global South that have either selectively used established explanatory frames for alternative contexts or have revealed endogenous divergence but fallen short of comparability and generalisability. Nevertheless, rather than addressing urban experiences in the South, the authors have begun by refining the "global regularities" of gentrification to establish the foundation for theory building upon various global urban experiences rather than focusing on any single locality (Lees et al., 2015, p. 6). Thus, the purpose has shifted now to identify the interconnections and commonalities of gentrification across regions, as demanded by the new comparative urbanism as a basis for the relational comparative approach.

> How best to theorise "the city" and "the urban" has been raised before in this work (Walton, 1976). The challenge for any future scholarship on comparative urbanism is to move away from understanding cities as discrete, self-enclosed, and analytically separate objects. In other words, the future of comparative studies of cities might rest on pursuing a relational comparative approach to urban studies, one that acknowledges both the territorial and the relational geographies of cities. (Ward, 2008, pp. 407-408)

Seeking global regularities, these authors asserted that the globalisation of gentrification has emerged to accompany the globalisation of capital, or more precisely, capital shifting from industries to the secondary circuit of accumulation "in forms of fixed capital and, more specifically, the built environment and urban space" (Lees et al., 2016, p. 45). Class struggle in gentrification, in this case, is treated as an abiding feature of capitalist society. Centring on this proposition, two grounds are claimed for establishing connections between contemporary world cities: planetary urbanisation and planetary rent gaps. First, the authors have attempted to expand the *scale* of gentrification. Since footloose capital has supported the emergence of multiple reinvestment sites under urbanisation through various types of state or capitalist initiatives, the inner city as a central context has lost its specificity in gentrification studies. A wider scale of capital reinvestment and societal restructuring is now encompassed in gentrification. The examples enumerated include, for example, the

establishment of a technical corridor in India between Mysore and Bangalore that involves the establishment of new townships (Goldman, 2011), mega-regeneration projects that promote "metropolitan-scale" gentrification (Shin & Kim, 2015), a state-led process for economic restructuring that involves housing formalisation in favelas (Queiroz Ribeiro, 2013), plus a general increase of suburbanisation on previously rural land. Recently, Lees et al. (2016) proposed a thesis for the new economics of gentrification to describe the process of reinvestment, exploitation and accumulation. This thesis advanced Smith's rent gap theory to accommodate the existing divergences in the land reinvestment process in the South. Based on the Southern experience, for instance, the authors found that multiple actors could capture the capitalised ground rent and participate in a share of the rent gap generated by redevelopment. Additionally, besides economic actors, state and authoritative instruments could impact how rent gaps were created, such as through place stigmatisation based on state-led, discursive practices.

In the end, the comparative approach, in effect, tends towards the establishment of a global theory of gentrification. Moreover, the global theory develops Smith's structural explanation, in which gentrification is invariably induced by the cycle of uneven development intrinsic to capitalism and promoted by champions of capital accumulation through rent gap exploitation. It is surprising that the global regularities found by the authors have been solely based on the presumed situation of global capitalism in real estate industries, while social and cultural agencies, locally and internationally, are secondary issues.

The above themes, in their aim to frame a global theory, remain at a conceptual stage. The literature does draw attention to powerful globalisation processes that could prompt reform strategies and urban projects at the local level and subsequently add fuel to the presence and permeation of gentrification. However, from both the political-economic and social-cultural perspectives, the analytical frameworks fall short of capturing the entire course of gentrification. As a result, these studies are insufficient in treating the relationship between transnational and local forces as well as globalisation processes and historical trajectories of change in gentrification. For instance, placing only the economic activities of reinvestment at the centre of the conceptual framework for theorisation, those central concepts to gentrification that I identified earlier—class

dynamics and social injustice—are reduced to an assumed outcome. Further, concerning the concept of global urbanism as a universal force for gentrification, a question remains as to how a gentrifying process can be sustained given the social and cultural settings in cities with a less developed post-industrial economy.

In addition, the structuralist interpretations—initially based on the nature of capitalism, later shifting to neoliberalism, and currently encompassing global capitalism—could be fallacious arguments when transplanted to the South. Although reinforced by neoliberal policies and involving the exploitation of land parcels, the gentrification process by no means fully represents neoliberal transformation or the regulation of a capitalist system in the land market. Accordingly, the existence of so-called neoliberal ideas and policies and land reinvestment do not require the outcomes of class dynamics and struggles similar to those of advanced capitalist society. One needs to be cautious in using the variations evidenced in empirical studies to enrich the twin themes of capitalism/neoliberalism and class struggle. The integrated package of neoliberalism, global capitalism (as manifested in the real estate industries) and gentrification (centring on the subject of class dynamics and struggles in place) does not exist everywhere.

> So, why are researchers "looking for gentrification" in China? It can be sketched out as a transitive relationship: since gentrification is understood as a neoliberal urban process, and neoliberalism is understood to be a global system, gentrification must also be occurring globally. Moreover, "just as capital and culture have become quintessentially global, class and politics are also global" (Smith, 2008, p.25). (Ren, 2015, p.220)

2.2.2 The epistemological gap between the North and South

Treating context as the source of variation in the geography of gentrification, many Southern scholars do recognise signs of gentrification on the surface but are unsatisfied with both of the well-established explanations from the post-industrial cities and currently ascribed to globalisation. These authors have uncovered a variety of contextualised differences between regions, requiring new approaches and explanations. This subsection sorts out four sources of pressure on the epistemological gap between gentrification and endogenous processes outside of "the usual gentrification suspects" (Lees et al., 2015, p. 1). The review in this thesis does not offer an elaboration on

regional variations in gentrification. This would in fact be impossible, as currently, the literature offers vague conceptual understandings and a distinct emphasis in its explanations. This review instead draws together literature that has challenged existing explanations and has added insights to new approaches explaining varied contexts.

State power

The role of the state is a common source used by scholars to justify their alternative interpretations. To a large extent, these interpretations are determined by the condition of Southern cities, where capitalist markets and regulatory systems over properties are far from established. In these cases, state actors may have functionally embarked on an urban trend or managed or intervened in assorted systems of change related to urban renewal, thereby fashioning a mode of spatial and social change. Shin et al. (2016) argued that generally in the Global East, the states have been associated with capitalists and engaged in real estate development as a means of urbanisation, industrialisation and state building. Ghertner (2014) has challenged an *agnosticism* of extra-economic forces in gentrification pre-assumed in the conventional understanding. In particular, Ghertner's extra-economic force means state violence.

Harris (2008) compared gentrification in London and Mumbai, both cases being promoted by state imagery of a global city landscape. In Mumbai, think tanks have directly modelled the urban strategies (Mumbai First) of London (London First) to create a receptive location for global business. Politicians and commercial elites in both areas continuously restrain the resistance of union power. However, the gentrification in Mumbai and London resulted in different social outcomes as a result of distinct political and sociocultural conditions, such as different scales of displacement, degrees of class struggle and ways of treating historical structures. Harris (2008) thus encouraged a critical approach to understanding "generalised" gentrification and, importantly, the need to revisit previously "parochial assumptions, practices and language" (p. 2423).

In other Southern metropolises, state weakness can be a pivotal constraint on gentrification. This effect implies that the intention and capability of the national and sub-national state to promote urban transformation and engage with concrete globalisation processes can impact whether the gentrification process is present. For instance, in Cairo, private capital and artists have been arriving in downtown areas with buildings of high

historical value. However, booming middle-class suburbanisation, urban policies in favour of the suburban real estate market, and the so-called "neglectful" behaviour of the state in governing the urban core and making policy concessions for revitalisation have limited the efficacy of gentrification (Elshahed, 2015). The lack of administrative power at the local level is also found in Vietnam, in particular when compared with the one-party state in the post-reform era of China. This lack has greatly reduced the scale of the redevelopment of even state-owned housing (Yip & Tran, 2016).

Systemic transition

A major body of the current literature treats the flexible methods behind land and housing transformation in the Southern cities as their starting point in questioning classical explanations. The literature enriches the trajectories of urban and social change in Southern cities, which are path-dependent on institutional environments and depart from a simple linear economic process. Charlotte Lemanski (2014) introduced the case of a bottom-up process of housing marketisation through a conceptual comparison of gentrification in the North with "downward raiding" in the state-subsidised settlements in South Africa. Downward raiding is a process in which subsidised, low-income homeowners sell housing, often illegally, to businessmen and the wealthier class, who might use these low-value properties to house employees. Technically, the resale process means integrating the subsidised properties into the market system. Ultimately, the resale ends in the displacement and exclusion of low-income sellers, as place and property upgrading begin and the wealthy enter. By comparing the gentrification process with downward raiding, Lemanski proposed a "hybrid gentrification" concept for South Africa, which suggests a blend of the features of gentrification derived from the distant North with the local contexts, in particular "the significance of agency, the role of context and process and the moral/economic status of housing" (p. 2955). By noting the importance of the moral status of housing, Lemanski challenged the "over-reliance on theorising gentrification in terms of the capitalist market" (p. 2956), wherein housing is deemed to have a singular economic attribute. The author also stressed the welfare nature of housing and, most importantly, the unintended results of the permanent exclusion of non-welfare recipients and market buyers limited by affordability, namely, vendors, from homeownership.

Due to public land ownership in the post-socialist city of Moscow, private developers must depend on their connections with the city administration to facilitate the progress of gentrification by mediating public land recycling and allocation along with policy changes addressing building conservation in city neighbourhoods. The selection of developers is often based on a closed competition without transparency. This gentrification, in Badyina and Golubchikov's (2005, p.127) terms, represents an aspect of "authoritative neoliberalism." The authors provide the ambiguous conclusion that gentrification manifests "global/local dualism." The case of Moscow illuminates some of the characteristics of gentrification in post-socialist cities, with a legacy of state planning and intervention in land marketing and housing provision (see also Yip & Tran, 2015). In post-communist European countries, Sýkora (2005) reveals that the large share of housing privatisation in the inner city and the continuance of rental price controls by the local government have prevented the eviction of low-income residents in the inner city. In the same vein, Kovács et al. (2012) showed that the majority of renovation in Budapest's CBD areas is occurring in traditionally *high-status* historic areas, where most properties are privately owned and spontaneously renovated by in situ property owners or purchased and renovated by expatriates and well-paid professionals. Only the working-class neighbourhoods that contain dilapidated, public housing are redeveloped through state-facilitated regeneration with a new-build pattern. Gentrification thus has only occurred within the newly built areas.

D. Asher Ghertner is an author on India who feels that gentrification research fails to capture the fundamental difference in the privatisation of space in the South. Ghertner's (2014, 2015) work has mostly concentrated on the process of land expropriation and development in Indian cities. The author read conventional explanations of gentrification as based on a series of assumptions that may be incompatible with conditions in Indian cities. These assumptions are as follows (2014, p. 1555): 1) "gentrification theory presumes a reinvestment of capital in already once-capitalised urban spaces," while in Indian cases, the land is often experiencing privatisation for the first time; 2) the concept was born "in advanced capitalist countries with well-established private property regimes," while land redevelopment serves to establish a private system in Indian cities and represents a thorough transformation; 3) conventional explanations "assume that the

land in question is converted for a 'higher and better use'," which may run counter to the realities in India; and 4) "gentrification is agnostic on the question of extra-economic force," but state force is the main tool of displacement in India. The urban conditions in India thus led Ghertner (2015) to question whether the abstraction, simplification and conceptual extension of gentrification could cause the overgeneralisation of Indian cases, which would relegate other theoretical inquiries to mere by-products. In response, Ghertner regarded three concepts as being more appropriate to explain the land process of urban renewal in India: urban revolution, land enclosure, and accumulation by dispossession.

An ideal example of a complicated governance process is the redevelopment of informal settlements in Indian cities. Doshi (2015) presented five factors to describe the process of negotiating informality and formalisation through land enclosure in Indian cities. The factors involve not only a developmentalist government and the formation of a new state tending towards the middle class but also an urban poor with their claims and subjectivities who are mobilised to game government policies and cooperate with NGOs to win advantages in the transformation. Based on these empirical materials, Doshi (2015) suggested that gentrification should be "complementary, rather than interchangeable" with other categories of theoretical production and that it should not be an all-inclusive concept "subsuming processes to outcomes" (p.101). This viewpoint supports the stance taken by this study on the relationship between gentrification and other theories from studies on urban transformation in Southern cities.

Social and cultural factors

The current literature has either de-emphasised the agency of social and cultural actors in less advanced economies or has treated them as an intricate factor likely to impede gentrification. Betancur (2014) found that while a neoliberal regime shift is a common force underlying gentrification in Latin American countries, the reality of slow employment restructuring could set back the presence of gentrification. Commercial and business districts do not yet serve as the command and control centre of the global economy. The new middle class has not reached a volume equal to that in metropolitan cities in developed post-industrial societies. Inner-city settlements continue to absorb a large share of low-paid workers. In this case, manifold limitations render gentrification

barely sustainable, while local governments must be "active agents turning potential into actual gentrification" (p. 4). Betancur (2014) thus asked for flexible explanations of gentrification via a combination of universal *enabling conditions* (somehow following Beauregard) and *contingent factors*.

Other sets of social and cultural factors can also make the gentrification process less than decisive in urban transition. For example, unique property conditions and residential patterns in the inner city might make a location too costly to be redeveloped (Maloutas, 2007, 2014). In Indian cities, caste communities often circumvent the influence of gentrification by creating extremely diverse tenure types and different communities of interest that impose themselves between the political regime and its constituents (Ghertner, 2015). In cities with less vigorous middle-class suburbanisation and those that have never experienced the real decline of central cities, such as Hanoi, scholars might also question whether it is accurate to attribute middle-class settlement in the inner city to a gentrification process (Yip & Tran, 2015).

Class conflicts

The final set of studies reveals the ambiguity of social outcomes from gentrification among affected residents. Both advantages and disadvantages exist for residents after gentrification. These divergences partly result from the influences of state force and systemic transition as mentioned above, which bring multiple factors beyond the market into the formation of class-related inequalities in the South. From my reading, the moral base of gentrification is indeed part of its essential nature, distinguishing this conceptualisation from other terms. The working-class experience could be the most debatable component of gentrification studies in the Southern cities because of its complexity and because evidence has been generated that opposes the assumption of injustice in working-class displacement. Meanwhile, new methods should be deployed to solidify evidence for the unquestioned injustice caused by gentrification, beyond uncritical measurement of working-class displacement.

A few studies have shown the scale of class turnover that is far more substantial than that seen from the usual suspects of gentrification. In Seoul, among the 850,000 residents affected by the New Town programme, approximately only 20% of local residents remained in the redeveloped areas (Kyung & Kim, 2011, p. 14). From November 2004 to

February 2005, approximately 90,000 housing units were demolished in Mumbai (Weinstein & Ren, 2009, p. 423). Between 1995 and 2005, the number of displaced households in Shanghai reached approximately 750,000 (Iossifova, 2009, p.102). Nevertheless, other work has presented *de facto* contingencies and divergences concerning the social outcomes of gentrification. For instance, Ley and Teo (2014) present a neutral attitude to urban redevelopment in Hong Kong among affected residents, influenced by expectations of monetary compensation or relocation and by an enthusiastic property culture. In Mumbai, Weinstein and Ren (2009) found that during the processes of renewal and relocation residents legally own their dwelling and are resettled on-site, whereas residents who rent and those without complete housing ownership receive no compensation. This finding implies that the existing social divisions are incorporated into reconfigured social relationships and are contributing to the establishment of a new property system in the process of spatial commodification. Similar situations can also be identified in Turkey and Moscow (Islam & Sakizlioglu, 2015; Badyina & Golubchikov, 2005), where tenure groups are differentiated in terms of their compensation, and some individuals are able to gain bargaining power. Islam and Sakizlioglu (2015) stressed that the divergence was fundamentally determined by scattered, ambiguous property rights, which in turn reinforced the discretionary power of state actors.

These works have successfully highlighted the complexity of gentrification. The internal intricacy of varied types of urban and social change has fragmented the power of globalisation. However, meanwhile, the current literature has also conveyed the difficulties facing current gentrification scholars in developing explanations. Causation, meaning the pathway giving rise to gentrification, is constructed in the historically specific and territorial contexts in which gentrification occurs. However, the implementation of urban strategies and projects can be improvised in the Southern cities based on so-called practical knowledge. As a result, easily observed micro-level contingencies and complexities in field studies have generated an impression of a chaotic nature in this process. Finally, I add to the list of difficulties the less emphasised but important issue about the uncertain responses of affected residents in a gentrification project. Social reactions could be at odds with class conflicts and social inequalities

treated by the literature of gentrification as a main concern

Given these epistemological difficulties, the studies presented above often lack a systematic analytical frame and a complete explanation and instead tend to pick up on the peculiarities relevant to the process in a particular locality. Methodologically, these peculiarities are drawn from specific urban projects or cases and based on an individual lens of observation. Because of these variations, these authors tend to resort to micro-level approaches, such as the grounded approach (Islam & Sakizlioglu, 2015) and processual analysis (Doshi, 2015). Ultimately, as the proposals of global theory stop at the conceptual phase without unrolling concrete processes, the fragmentation of the process into individual cases also penalises any potential for conceptualisation or theory building.

The two bodies of work addressing the global nature of gentrification finally highlight a dilemma of the approach to gentrification studies on a global scale. The literature of the North and South as presented in this chapter does agree on the context-dependent nature of gentrification. Meanwhile, empirical studies on the South shatter any illusion of homogeneity in the process and incapacitate a global theory that embraces regional differences; these studies also increase the elusiveness of the concept by overloading it with untraceable variations. With greater scepticism, a basic question ultimately emerges, concerning whether there is sufficient regularity in gentrification to support the establishment of a coherent explanation, even given the complexities and contingencies in different fields.

Starting from this question, I suggest a meso-level approach to theory building for gentrification. It is sceptical both of structural explanation as well as the revelation of unsorted differences, instead aiming to generate middle-range regularities that cohere to context. Foremost, this type of study negates any *inevitability* in the effects of globalisation or economic determinism on gentrification while also rejecting the amplification of multiple differences. This approach aims to generate regularities at the middle level, where the theoretical range can be defined by contextual homogeneity. Then, in addition to describing the underlying forces, the process of urban and social change is also elaborated upon instead of providing a general description of social

upgrading and displacement. Finally, it must be noted that a context-sensitive explanation is not necessarily inward-looking. Agents and practices play out at different geographical scales; spatial restructuring has also materialised the processes and ideology of globalisation. The approach in this study is expected to produce well-articulated explanations for types of gentrification in light of both locally situated and cross-boundary knowledge of urban change.

2.3 Gentrification studies in China

Chinese urbanisation provides an opportunity for meso-level research in the Global South. However, plenty of literature on urban redevelopment and a rising focus on gentrification have proclaimed the unique features of the gentrification process in Chinese cities. These features aid this research to specify the perspective from which the city of Chengdu will be explained. In what follows I sort out the current literature into three categories. While the first two deal with the cause of gentrification from the political-economic and social-cultural perspective respectively, the third is concerned with the process of residential relocation experienced by affected residents. The study also makes use of studies on urban redevelopment, but the literature is carefully selected and used for avoiding misunderstanding. Most importantly, I am cautious about the multiple types of urban redevelopment, among which not all were accompanied by gentrification (e.g., urban redevelopment in non-working class neighbourhoods).

2.3.1 State and institutional transition

The well-known background for the emergence of urban redevelopment and gentrification in China is a fundamental transition from a socialist redistributive economy to an emergent market economy, and by land marketisation and housing commodification, in particular. As scholars have argued, market-oriented urban redevelopment in China is fuelled by the "re-emergence" (He, 2007, p. 193) and recognition of land values by the local state (see also He & Wu, 2005; Shin, 2009b; Zhang & Fang, 2004). From the 1980s to the early 1990s, urban reconstruction was characterised by the on-site *rehousing* of inner-city residents and was "still mainly considered to be a social welfare project to improve living conditions rather than as a profitable project" (Wu et al., 2007, p. 239).

Gentrification emerged in the wave of property-led urban redevelopment, driven by the commitment of the reformist state to housing commodification (He, 2007; He & Wu, 2005).

Based on this understanding, authors have paid sufficient attention to the interaction between state and the market in promoting such a process and, most importantly, the changing role of central and local governments in the transitional economy. Without reaching an agreement, current studies tend to grant the Chinese state as either being authoritarian in its intervention in the societal and market spheres (Shin et al, 2016) or with a neoliberal orientation in economic strategies while showing entrepreneurship among local governments especially (He & Wu, 2009; Shin, 2009). As He (2007) has concluded, the local state has actively mitigated the market risk for developers and created a market-friendly environment for investment, through issuing preferential policies for attracting investment, clarifying property rights, and organising demolition. Shin et al. (2016) have also argued that generally in the Global East, the states have been associated with capitalists and engaged in real estate development as a means of urbanisation, industrialisation and state building. Moreover, for the local state in China, Shin (2009) insisted on the critique that it is fully economistic, even though, for example, the government has attempted to increase on-site rehousing for residents who were affected by housing demolition. The author indicated that to provide more affordable housing on site, the local state has accordingly increased the density of development. Still, solely due to the on-site re-housing policy, residents have become increasingly receptive to urban redevelopment. The purpose remains profit and revenue maximisation, with less attention paid to the residents' housing welfare.

Hsing (2006), instead, claimed that the local state's intervention in the land market is more likely a process of "local state building" (p. 587), resulting from interactions between local states and local coalitions engaged in land manipulation. The competition and coalition between different segments of the state also involve a residual role as "social protectors" (p.577). Within the inner-city brownfields, local governments have to be the intermediaries and contenders with various socialist land masters to launch land-use rights conversion and transaction. Also, there is a dependence of private developers on political connections with the government in accessing land-use rights. The private

developers who have no access to government agencies have to purchase land through official land leasing, where the price may amount to ten to eight times higher than a negotiated price (p.48). In a word, the socialist and market systems are *mutually* at work in determining the pathway of land marketisation and its attendant social results.

The recent work of Wu (2016) contributes to a thorough rethinking of the justification of gentrification research in China, which is still attributed to the role of the state. The field study is located in a migrant settlement at the urban periphery of Shanghai, which is currently under redevelopment for new industrial and office spaces. In this work, the role of the state departs from the above work towards its effects in controlling the social power of rural-urban migrants in the city through regulating property rights and land development rights. Wu raises the question of how state domination fundamentally implies the distinctive "'logic' that leads to demolition and redevelopment" (pp. 635-636). In particular, Wu built the comparison between state-led urban redevelopment in China and Smith's (2002) idea of gentrification as a global urban strategy against the backdrop of neoliberal state restructuring.

Wu argued that state-led urban redevelopment serves a much wider objective in, for example, economic restructuring, than the immediate purpose of land income. Through controlling self-housing building, state power underlies the degeneration of informal settlements, which makes demolition inescapable (see also Wu, 2009). Through the definition of property rights, the state has tightly managed illegal construction and retained the accountability of who possesses which kind of right to live in the city. The types of state dominance are evidence taken by Wu to challenge Smith's ideas in gentrification as a global urban strategy, which directs attention instead to the liberal market and the emergence of neoliberal urbanism. Urban redevelopment in China is more a scene within "urban transformation beyond gentrification" (Wu, 2016, p.652), containing the logic of not only upgrading, but also "conversion, and formalisation" (p. 655).

From the political-economic perceptive, the literature has consistently returned to the state level. States fulfil their leading role through manipulating institutional changes in, most importantly, the property right system, land development system, and housing system, so as to further intervene into both the economic and social spheres in urban

redevelopment. However, as current work has clearly expanded on the relationship between the state and capitalists in the process of land marketisation, it remains unsatisfactory as a complete explanatory framing for gentrification. Wu's (2016, 2009) work is proactive in this vein, associating state dominance with a substantially unequal power distribution penalising rural-urban migrants living in an informal economic and residential status. However, we should expect a complete picture depicting the range of state-society relations in the process, including both the middle-class consumers and the different working-class groups. Moreover, compared with migrant settlements at the periphery, dilapidated neighbourhoods in the inner city could have a more diversified social composition and distinctive state-society relations stemming from the socialist heritage of the *danwei* society.

2.3.2 The new middle class in a transitional society

Compared with these political-economic actors, the middle class in China is not granted sufficient agency in the gentrification process by the current literature. Several questions about the motivations of gentrifiers are underlined, which have pressured authors to develop consumption-side explanations. Primarily, the phases and trajectories of employment restructuring induce uncertainty about the source and number of gentrifiers. Zhang et al. (2014) once mentioned the important background information that the large cities in China have not yet become advanced service economies. Contemporary employment restructuring in China is manifested in chiefly the rapid growth of tertiary industries. Ren (2015), from another perspective, emphasised the expansion of China's new and sizeable middle class and the increasing density of the urban centre in post-reform cities; market-oriented economic reform and urbanisation both exert their force on these trends. It is thus questionable whether the middle-class settlements in the inner city are a result of demographic trends rather than of a gentrification process.

In particular, the growth of gentrifiers' socioeconomic status is closely connected with China's economic restructuring from the planned economy to the market economy (He, 2010). Comparing the change of occupational groups in the metropolitan areas and central areas of Shanghai from 1990 to 2000, He (2010) argued that the absolute numbers of managers, senior officers, and professionals in both metropolitan and central areas

have actually decreased. This phenomenon was due to the reform of state-owned and collective-owned enterprises, and government and party organisations from 1990 to 2000, which resulted in a substantial decrease in not only low-skilled but also high-skilled workers, managerial staff and officers in public sectors (p. 349). Groups of clerical employees and sales and customer service workers, on the contrary, have significantly increased in the metropolitan and central areas of Shanghai. Finally, potential gentrifiers in Shanghai from 1990 to 2000 as defined by He contained managers, senior officers, and professionals and clerical workers. Most of them worked in the public sector (He, 2010, p. 351). In the 2000s, however, an increasing number of residents living in redeveloped neighbourhoods were working in the private sector (He, 2010; He & Wu, 2007).

In addition, is there a demonstrable consumer culture shaping the collective motive of the Chinese middle class in settling in the central cities? Ren (2015) questioned what motives might drive "the amorphous, disjointed, and unstable" middle class" (Zhang, 2010, p.3) in China towards "class conquest of the city" (Smith, 2008, p. 25). This query can be reinforced in the consideration of Wang and Lau (2009)'s investigation in Shanghai. The investigation classified a professional middle class in Shanghai's inner city into three categories: advanced professionals and managers from overseas, Chinese managers who may possess sufficient economic capital but relatively lower educational capital than the first group, and office workers (p. 60). It found that the professionals and managers may not have been homogenous in their lifestyle. Professionals who use urban amenities frequently may live in the suburbs. Those who live in the inner city may use urban facilities very rarely, but optimise their concern about commuting costs.

Based on this context, scholars in China barely treat the burgeoning Chinese middle-class consumers as a primary driving force of gentrification. Again, the state is called back. He (2007) once mentioned that housing privatisation has evoked the consciousness of homeownership among Chinese citizens. The spreading high-end communities and commercial facilities have directed the affluent citizens' purchasing behaviours (p. 187). In addition, Wang and Lau's survey emphasises that the consumption preference of the middle class and upper-middle class can be channelled by the products of real estate companies. For example, the inner-city professionals could indicate explicitly the name

of the neighbourhoods or the real estate companies when they are asked for their ideal gentrified locations (Wang & Lau, 2009, p.62).

From a sociocultural perspective, systematic analysis is needed of the relationship between the formation of the middle-class and inner-city urbanism in the post-socialist cities of China. Observing the connection between place-making and the formation of middle-class identity, the authors did not pinpoint the special meanings of place-making in the inner-city neighbourhoods, culturally, economically and politically. In addition, noting the role of gentrifiers usually comes after discussing that of the state and developers; rarely has the literature directly analysed the relationship between production and the consumption of spaces.

2.3.3 The rules of residential relocation and the working class

In China, the process of residential relocation in state-facilitated urban redevelopment is commonly known as *chaiqian* (拆迁), which combines the two terms of demolition and removal. Keeping consistent with existing literature, residential relocation in this study covers a wider range of meanings than displacement. Displacement is treated as a principal defining character of gentrification, while another character is social upgrading in place. Displacement means the removal of residents out of place and the *disempowerment* of them to stay put. Nevertheless, according to the use in the literature on China, residential relocation may cover different situations of the resettlement of a sizable population. Omitting the spectre of displacement, relocation may also include residential mobility based on individual choices, and thereby precludes the condition of disempowerment. For example, this situation could be found in urban reconstruction before the 2000s, for which high-ranking and high-income residents in *danwei*s might have retreated from the inner city to pursue a high quality of life (see Wu, 2004b).

The process of *chaiqian* is regulated by a set of urban policies of property acquisition, remedial measures for housing losses among affected residents and residential relocation. Also, decision-making on resettling or compensating current residents retains room for individual bargaining with the local government, which easily renders the process pragmatic and long-winded (Dowall, 1993; Wu, 2004b). In this case, groupings of current residents may be confronted with different situations and outcomes

in and after urban redevelopment and residential relocation (see Shin & Li, 2013; Lin, 2015; Shin, 2016). For example, residents being subject to the socialist welfare housing system may be different from those already housed by the market system. Legal residents do also encounter different housing arrangements from illegal inhabitants in the city (see Shin, 2016; Shin & Li, 2013).

Between 1995 and 2005, the number of displaced households in Shanghai reached approximately 750,000 (Iossifova, 2009, p. 102). Except for sizeable numbers of displacees, adverse impacts on the relocated residents are also stressed, including unfair or obscure compensation practices, hardship imposed by inadequate facilities, long commutes after relocation to the suburbs, and the risk of reduced rental income and unemployment (Wu, 2004bc; He, 2010, 2012; Shin, 2016). Drawing on Harvey, Shin (2016) stresses that China's land capitalisation scheme is preconditioned by a process involving *accumulation by dispossession* to achieve primitive accumulation that has "entailed taking land, say, enclosing it, and expelling a resident population to create a landless proletariat and then releasing the land into the privatised mainstream of capital accumulation" (Harvey, 2005, p. 149).

Nevertheless, Wu (2004b) also identified both passive and active residential relocations. An active relocation is that due to open-market housing purchase, often by a highly-educated population. The first category of passive relocation is work-unit reallocation. *Danwei* will purchase the new commodity housing and sell to the employees at a discount. The other passive relocation is faced by residents in the most dilapidated municipal housing in the inner city. The relocation usually occurs because of land use development in the inner city for either infrastructure or real estate projects. Still, there is a disparity among residents in work-units during the relocation process. The work-unit cadres are more likely to choose active relocation than work-unit allocation, while work-unit employees may only rely on allocation. However, it is important to bear in mind that Wu's survey involves different types of neighbourhood redevelopment and residents with a relatively mixed socioeconomic status, not purely low-income communities targeted by gentrification.

A survey in Shanghai indicated a high degree of satisfaction with their new dwellings from the displaced residents, which could be counter-intuitive (Li & Song,

2009). The survey involves displaced residents, voluntary movers, stayers and migrants in their dwellings in 2006, who previously lived in the inner city and then relocated to the inner suburbs. There is nearly no difference in satisfaction between the displaced residents and the voluntary movers; both are more satisfied than other groups (pp. 1095-1102). Li and Song have explained this situation by arguing that it is perhaps due to the considerable political and economic strength of municipal Shanghai, which had guaranteed more reasonable compensation and residential relocation (p.1104). Another reason leading to the result could be the details of the investigation, which reflected on satisfaction for physical conditions of dwellings and neighbourhoods, while disregarding employment, broken social networks, the living arrangements of households and the like.

Besides government policies, factors including the tactics of social governance, the rising social participation as well as the bargaining game between individuals and local governments can all impact the gains and losses of community members. Highlighted in recent work by Lin (2015), the rise of incidents of social activism has alerted the Chinese government, making it accord the highest priority to social stability. With case study in Guangdong province, Lin (2015) also reveals profit concession to current residents in both redevelopment projects of work-units and villages in the city, which functions as "an incentive to encourage them to engage in urban renewal" (p. 865). He (2012) indicated that in the new wave of gentrification since the middle 2000s, residents are tending to pay more attention to not only the right to stay put and reasonable compensation but also to the right to participation. In a historical area in Guangzhou facing commercial redevelopment since 2006, 180 out of 1950 households persistently resisted property demolition and eviction in the subsequent years. In 2011, the resistance achieved particular success when the government agreed to expand the preserved areas and to introduce a pilot plan for self-help redevelopment. Empirically drawing on the same case, Shin (2016) also noted that the compensation methods were varied based on increasing social pressure on the municipal government in Guangzhou. For instance, for public tenants, what initially began as on-site relocation later became an off-site property exchange (5-6 km away from the current site) without tenure change. The relocation method finally ended by encouraging the purchase of price-controlled housing, due to the imperative to win consensus among residents while maintaining social stability.

The above studies thus prompt a fine-grained analysis at the different experiences of the working class in the process of residential relocation, notably how they have been understood as "positive" and "negative" for the working class. Moreover, they require a closer look at the policy/decision-making in providing social remedies for the various groups of low-income residents, which should be determined by the ideology of the Chinese state. In addition, the debates do raise questions concerning the examination and explanation of the social injustice of gentrification. The findings vary methodologically in accessing the social outcomes of urban redevelopment and gentrification; these different results might not necessarily erase the exclusionary character of gentrification.

Based on the three aspects of research in the current literature, we should be aware of three central features of gentrification in Chinese cities. First, the Chinese central and local states hold an important role throughout the whole process of spatial (re) production and residential relocation. Second and related, thorough economic and cultural institutional transition codify the processes of redevelopment and residential relocation in the inner city, led by the new market-oriented urban regime. Lastly, the redevelopment and residential relocation led by political-economic agents should have accommodated with intricate social conditions and social dynamics. Substantial socioeconomic and sociocultural transformation determines the attributes of the middle class in China, which renders the sources and motives of gentrifiers more or less indistinct. Still, impacted by reform strategies of housing and other factors, decision-making on residential relocation can produce variable outcomes among diverse social groupings of the affected residents. However, I also underlined that the current studies fall short of a complete explanation of the role of the state played in the social sphere. Also, both the agency of the middle class in socio-spatial upgrading and the experience of the working class in displacement need more systematic analysis.

This research thus suggests an institutional perspective in scrutinising the changing ideology of the state and the way redevelopment and residential relocation are organised in the transitional economy. The institutional analytical perspective departs from conventional production-side explanations for gentrification, which draw on land economics in a capitalist system. Meanwhile, it aims to unravel the social meanings of

different aspects of institutional change so as to associate state action with social dynamics. According to the three schools of new institutionalism (i.e., rational choice, sociological, and historical institutionalism), institutions capture both formal rules and informal norms (e.g., values, customs and conventions) (Hall & Taylor, 1996; North, 1990, 1991). Institutions are social constructs: they entail values and ideas of how things should be established and arranged, and they illustrate the power relations around participation in decision-making (Hall & Taylor, 1996, p. 940). Over time, institutions have varied effects, creating incentives for some behaviours while restraining others, celebrating some ideas while eclipsing others, empowering some groups while disempowering others. Studies on the aspects of institutional changes are thus anticipated to link the ideas and practices of state actors with the results of behavioural change and asymmetric power distribution among societies.

It must also be acknowledged that in the field of institutional analysis, market transition and social relationship changes have become well-established themes in post-reform China, for example, in the debate over either the persistence of state actors or the empowerment of market actors (typically, Bian & Logan, 1996; Nee, 1989; Nee & Opper, 2012; Parish & Michelson, 1996). Also, a large number of works have explored the characteristics of China's land, housing and *hukou* institutional reforms and their influence on social power, though few of these studies have been contextualised for the case of urban redevelopment, let alone gentrification (e.g., Chen, 2008, 2009; Ho, 2001; Hsing 2010; Lin, 2009; Lin & Ho, 2005; Logan et al., 1999; Wang & Murie, 2000; Zhu, 2000; Zhu, 2004).

2.4 Conclusion: A meso-level approach to state-facilitated gentrification in Chengdu

Thus far, the research has brought together three sets of literature to establish a firm ontological and epistemological foundation for this study－the (re) conceptualisation of gentrification, gentrification studies on a global scale, and gentrification and urban redevelopment in China. The most fundamental issue facing gentrification scholarship today, as I have argued, is not the chaos or simplicity of grounded processes, but the conceptual boundary and theoretical strength of gentrification as pertaining to its

ontology. Confronting the basic problem, this thesis has discerned the connotations of the concept evolving together with the historical geography of gentrification and has ultimately anchored the ontological basis for gentrification to reflect the shift of class power from lower to higher strata in neighbourhood sites. The chapter then moved to the more complicated issue of the approach to theorising gentrification. It questions the competence of explanations found in the global literature that aim at either building global theory or uncovering contextualised differences and suggests a meso-level approach to studies. Finally, with the Chinese literature, the thesis pinpoints three general features of gentrification in Chinese cities, which necessitate an institutional perspective from which the relations between state and society in gentrification will be examined.

The primary contribution of the study to the three bodies of literature lies in a meso-level study on the gentrification process in a Chinese city. It will systematically associate broader social contexts with the spatial manifestations, causes, patterns as well as social outcomes of the process. As Chapter 3 grounds gentrification in the context of post-socialist societal transition in China, the following chapters deal with the socio-spatial upgrading (Chapter 4) and displacement process (Chapter 5, 6), respectively. While Chapter 3 and Chapter 6 map and explain the structural tendencies of socio-spatial upgrading and working-class displacement in the gentrification process, Chapter 5 and 6 investigates the agency of multiple actors and spatial and social processes in neighbourhoods, which will highlight complexities and contingencies.

So the study provides an institutional explanation for the role of the state *and* its relations with societal sub-groups present in gentrification. In the process of spatial (re) production (Chapter 4), it decodes the cultural messages expressed in the landscape making of the newly built neighbourhoods in the inner city and investigates the policy intervention in spatial commodification and housing consumption. The two aspects of institutional change will then be linked to the social dynamics of the middle-class gentrifiers. In the displacement process (Chapter 5), I explicate the various arrangements of residential relocation and compensation for working-class residents, which are preconditioned by the large systems of property rights and housing supply for low-income residents. It is these arrangements that account for the different experiences and attitudes of different working-class groups.

Chapter 3 Grounding Gentrification in the Large Chinese City

To concretise an understanding of the gentrification process within the context of social transformation in contemporary China, this chapter measures the geography of gentrification in a Chinese city and identifies the dependencies in the process. Two aspects of the social transformation under study are introduced at the very beginning to lay a foundation for comparison with Western-style post-industrial society. This background distinguishes the peculiarity of the socioeconomic restructuring trend in cities within a newly developed economy and the emergence of the new rich and explosion of individual consumption in a transitional society. Then, the study measures and maps the geography of gentrification in the inner city of Chengdu, China, from 2000 to 2010. Finally, this chapter tries to navigate the thicket of correlations to explicate the gentrification process in Chengdu. An index that captures the extent of gentrification is correlated with various attributes and changes in social and physical structures in a locality throughout the 2000s. The statistical analysis indicates three sets of dependencies that condition the presence and shape the patterns of gentrification in the city. These connections will guide an explanation of the causes of this process in the following chapters.

3.1 Social transformation in large Chinese cities

Although there have been various approaches to explanation, the transformation to a post-industrial society is generally treated by gentrification scholars as an important backdrop to gentrification. In the 1960s and 1970s, following the arrival of urban pioneers, who tended to renovate inner-city landscapes and lifestyles (see Ley, 1994; Zukin, 1982), the expansion of high-status service classes, specifically the professional, technical and managerial workers, created a pool of potential consumers of inner-city housing and lifestyles. The backgrounds of post-industrial transformation and middle-class consumer culture demand re-examination in contemporary large cities in China. Two aspects of the background are highlighted: socioeconomic restructuring in the new economy that is characterised by the primary stage of developing knowledge-based

services; and the rise of the new rich and the reintroduction of individual consumption into personal life, which prompts the formation of middle-class cultural distinctions in a post-socialist society.

3.1.1 Socioeconomic restructuring in the new economy

The rise of major cities in China as new destinations of transnational service corporations has been well documented. According to Edgington and Haga (1998), an obvious expansion in the number of Japan-based service companies was found in Beijing and Shanghai from 1985 to 1995, although the numbers in Guangzhou and Shenzhen did not increase proportionally. In an attempt to associate capitalist economic development with the urbanisation process worldwide, Scott (2011) collected materials on the emerging third wave cities following the movement of capitalism towards "a global cognitive–cultural economy" (p. 295). These cities have been well regarded by global capitalists for their business potential. The Chinese cities of Shanghai, Beijing, Chengdu and Chongqing (the latter two are inland cities in western China) are on the list and marked as cities in transformation from a "marginal" status previously to those amongst the new global high fliers. Nevertheless, the transformation towards a quaternary economy is incomplete, and these cities are still dominated by tertiary industries.

Based on the population censuses of 1990, 2000 and 2010, this study traces labour restructuring in the city of Chengdu.[3] The employment structure of Shanghai, which is commonly recognised as the most advanced city economy in China, is examined and compared with that of Chengdu. For both cities, datasets on the industrial and occupational populations are generated for the main urban districts.[4] In China, the administrative definition of a metropolitan region includes traditional urban districts as well as newly established districts, prefectural-level cities and counties. By confining the analysis to the main urban districts, this study emphasises employment restructuring in intensively urbanised areas within a city-region. Although they are incorporated into the jurisdiction of urban districts, some peripheral districts or counties still retain a

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[3] The census data for the occupational and industrial population in 1990 were based on the total population, whereas the 2000 and 2010 census data were both based on a 10% sampling of the total population. In this study, the 2000 and 2010 data have been multiplied by ten to allow estimation for the true populations in the two years.
[4] The main urban districts of Chengdu include Jinjiang, Qingyang, Jinniu, Wuhou and Chenghua Districts. The main urban districts of Shanghai include Huangpu, Luwan, Xuhui, Changning, Jingan, Putuo, Zhabei, Hongkou and Yangpu Districts.

significant share of agricultural employment. In addition, within a city-region, manufacturing may have been transferred from the main urban districts to peripheral districts. Although there is no unified definition, the main urban districts refer to the commonly recognised traditional districts established at least before the 1990s.

The employment categorisation varies with each census. In particular, market reform in China has separated certain sectors from public sectors and transformed them into private sectors. For example, real estate management was combined with public services and residential services in 1990 but was classified separately in 2000 and 2010. Meanwhile, new sectors such as leasing services and business services were established in 2010, and these may combine separate sectors listed in prior census data. In this case, the data of the employed population are re-sorted into a unified classification, thereby allowing comparison between censuses. In particular, the service sector is specialised into distributive services, personal services, producer services, social services and public administration. Distributive services include transport, storage, and postal services, information and communication, and wholesale and retail trade. Personal services combine the industries of accommodation and catering, culture, sports, and entertainment, and residential, repair and other services. Producer services aggregate finance, insurance and real estate (FIRE) services and business and professional services. Social and public services contain sectors in education, health care, social insurance and welfare along with public administration and social organisations.[5]

From 1990 to 2010, the main urban districts of both Shanghai and Chengdu transitioned from manufacturing to service industries (Figure 3.1, 3.2). The number of those employed in manufacturing sectors declined from 54.44% of the employed population in Shanghai in 1990 to 17.40% in 2010, while the change in Chengdu was smaller, from 35.35% to 15.40%. In contrast to the changeover seen in manufacturing, service labour increased in all sectors except for social services in the two cities. By 2010, distributive services captured the largest percentage among the four types of the service sector, amounting to more than one-third of the total employment in both cities. Although producer services achieved the highest growth rate among all service industries across the

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[5] The four categories are based on the classification of the Organisation of Economic Cooperation and Development; the minor categories within the four sections are based on the International Standard of Industrial Classification.
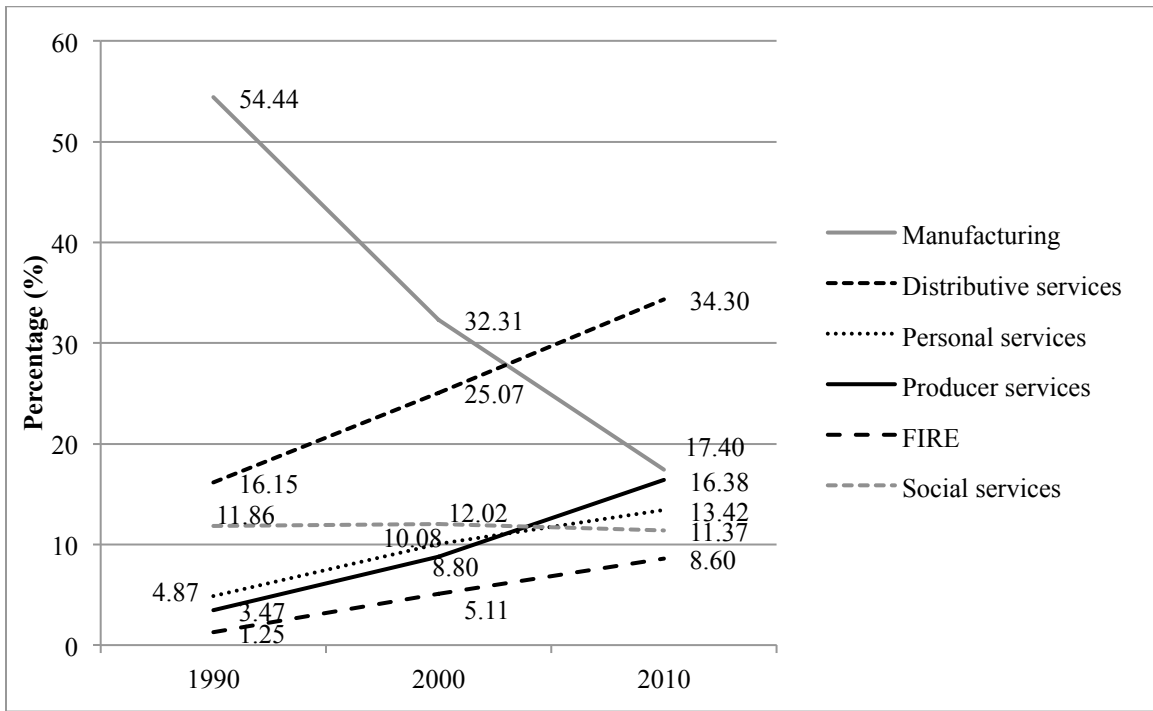
Figure 3.1 Employment trend by sector in Shanghai 1990-2010. *Sources*: Computed based on Population Census Office of Shanghai [PCOS], 1990, 2010, and Population Census Office of the State Council [PCOSC], 2000.
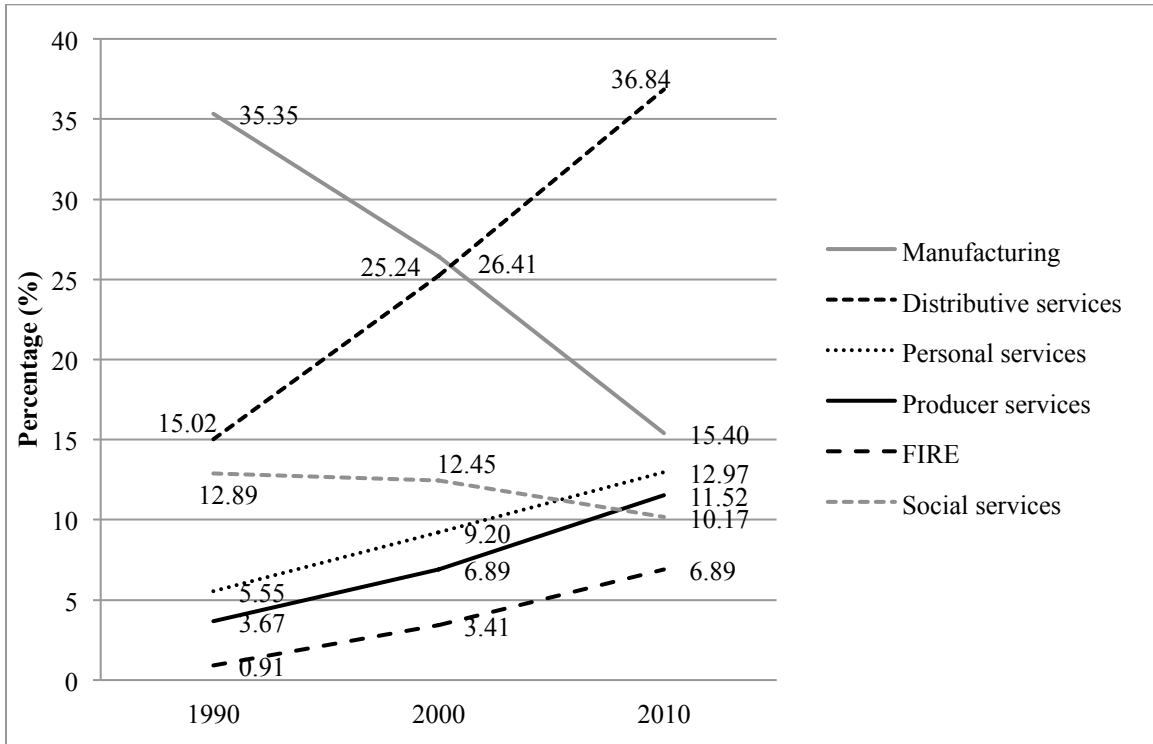
Figure 3.2 Employment trend by sector in Chengdu 1990-2010. *Sources*: Computed based on Population Census Office of Sichuan Province [PCOSP], 1990; PCOSC, 2000; Population Census Office of Chengdu [PCOC], 2010.

twenty years, the total labour force in these high-skilled industries accounted for less than one-fifth of total employment in both of the cities in 2010. In Shanghai (16.38%), the number employed in producer services exceeded that of personal services (13.42%) and social services (11.37%) in 2010, while in that same year, producer service employment (11.52%) remained slightly lower than personal service employment (12.97%) in Chengdu. Compared with Hamnett's (1986, 2003) observation of Greater London in 1998, when financial and business service workers reached one-third of all employees, their counterparts in the two large cities in China were still much fewer in number in 2010. According to Sassen (1991), the FIRE group represented 29.8% of the total employment in New York City in 1977 and 28% of that in London in 1971 (p. 132). Hence, despite showing strong momentum, the knowledge-based service industrial jobs remain of modest size in large Chinese cities.

Turning specifically to the five main urban districts of Chengdu, the sum of employment almost doubled from 1990 to 2010 (Table 3.1). However, the ratio between the employed population and the population aged 15 and over actually declined, from 71.4% in 1990, to 57.7% in 2000, and to 54.9% in 2010. In 2010, the five traditional urban districts of Chengdu were inhabited by more than 4.5 million in the population aged 15 years and over, of which the employed population reached 2.5 million. The increasing unemployment rate needs to be explained by referring to labour market reform during China's transitional period. Based on the labour allocation system designed in the planned economy, local governments attempted to guarantee full employment through the straightforward assignment of students to state sectors after graduation. The labour system-generated redundant labour and low labour mobility, which ultimately reduced firm productivity (Cai et al., 2008). In accordance with enterprise reform, labour market reform enabled managers to gain greater autonomy in both labour recruitment and wage setting. Increasingly, system-generated privilege has been dismantled, and potential employees must compete in a flexible market (Meng, 2000; Tomba, 2002; White, 1987, 1988; Yueh, 2004). The reforms brought extensive layoffs in departments and enterprises that were subject to restructuring and increased the risk of unemployment in the city. Since the 1990s, and in particular after the issue of the labour law in 1994, the

Table 3.1 Employment structures by sector in Chengdu, 1990, 2000 and 2010

	1990		2000		2010		Change 1990-2010	
	No.	%	No.	%	No.	%	No.	%
Farming, forestry, animal husbandry and fishery	210235	15.86	130820	8.15	19080	0.76	-191155	-90.92
Mining and quarrying	4939	0.37	2600	0.16	8280	0.33	3341	67.65
Manufacturing	468594	35.35	424120	26.41	384360	15.4	-84234	-17.98
Utilities	34103	2.57	64580	4.02	41090	1.65	6987	20.49
Construction	107853	8.14	104620	6.52	248560	9.96	140707	130.46
Distributive services	199141	15.02	405290	25.24	919460	36.84	720319	361.71
Transport, storage, and postal services; information and communication	62885	4.74	103720	6.46	245040	9.82	182155	289.66
Wholesale and retail	136256	10.28	301570	18.78	674420	27.02	538164	394.97
Personal services	73522	5.55	147800	9.2	323780	12.97	250258	340.39
Accommodation and catering	21832	1.65	83920	5.23	162980	6.53	141148	646.52
Culture, sports, and entertainment	12113	0.91	21670	1.35	35750	1.43	23637	195.14
Residential, repair and other services	39577	2.99	42210	2.63	125050	5.01	85473	215.97
Producer services	48697	3.67	110570	6.89	287530	11.52	238833	490.45
Finance and insurance	9607	0.72	33550	2.09	84500	3.39	74893	779.57
Real estate	2423	0.18	21270	1.32	87360	3.5	84937	3505.45
Business and professional services	36667	2.77	55750	3.47	115670	4.63	79003	215.46
Social services	170871	12.89	199900	12.45	253880	10.17	83009	48.58
Education	75895	5.73	79860	4.97	106680	4.27	30785	40.56
Health care, social insurance	35103	2.65	47070	2.93	59710	2.39	24607	70.1
Public administration and social organisations	59873	4.52	72970	4.54	87490	3.51	27617	46.13
Other services	5535	0.42	3950	0.25	9690	0.39	4155	75.07
All others	2010	0.15	8940	0.56	0	0	-2010	-100
Total employed	1325500	100	1605790	100	2495710	100	1170210	88.28
Population aged 15 and over	1855747		2782110		4543200		2687453	

Note: The census data for the industrial population in 1990 were based on a total population enumeration, whereas the 2000 and 2010 population were estimated by multiplying the census data by ten. *Sources:* Computed based on PCOSP, 1990; Population Census Office of the State Council, 2000; PCOC, 2010.

unemployment rate has been annually increasing. Based on the population accepting the Subsidised Minimum Living Standard, at least 22 million households and 6% of urban citizens may have suffered from underemployment in 2004 (Cai et al., 2008).

The two decades under study witnessed roughly a reverse between the development of the primary and secondary versus the tertiary and quaternary sectors in the city. Whereas in total the labour force in the four categories of services expanded from 37.14% in 1990 to 71.51% of total employment in 2010, the total number of those employed in primary and secondary industries shrank from 62.3% to 28.1%. The change indicates that within these two decades, an additional 1,292,419 people either transferred their job out of manufacturing or newly arrived to the city and joined various services. This number is much larger than the 275,389 workers who left manufacturing and agricultural jobs. This asymmetric change implies a tremendous influx of labour into the city as a consequence of urbanisation. In 2010, service jobs reached more than 1.7 million in the city out of an employed population of 2.5 million.

Producer service workers in Chengdu in 2010 represented 4.9 times the number in 1990, which is faster growth than the other three categories of service industry in the city. This multiple is equivalent to an added labour force of 238,833 persons. Within producer services, the development of real estate management has been the most rapid, increasing by more than 35 times the number of jobs in 1990, followed by still remarkable growth in the financial and insurance industries (7.8 times) (Table 3.1). However, together these two sectors represented only 6.89% of the entire labour force in Chengdu (approximately 170,000 employees), compared with 8.6% in Shanghai (279,220 employees) in 2010 (see Figure 3.1). It is noteworthy that although lower in scale, producer services in Chengdu grew faster (4.9 times) than the same sector in Shanghai (2.7 times). Considering the industries within services, personal services have rapidly expanded, increasing by 3.4 times from 1991 to 2010. However, the proportion of public service workers has consistently decreased from 12.89% of the entire employed population in 1990 to 10.17% in 2010 (Figure 3.1). This result is consistent with He's (2010) findings for Shanghai, which attributed the result to the economic reform that downsized public sectors and state-owned and collective-owned enterprises during the 2000s. The labour force generated by distributive services represents the largest portion of local employment in
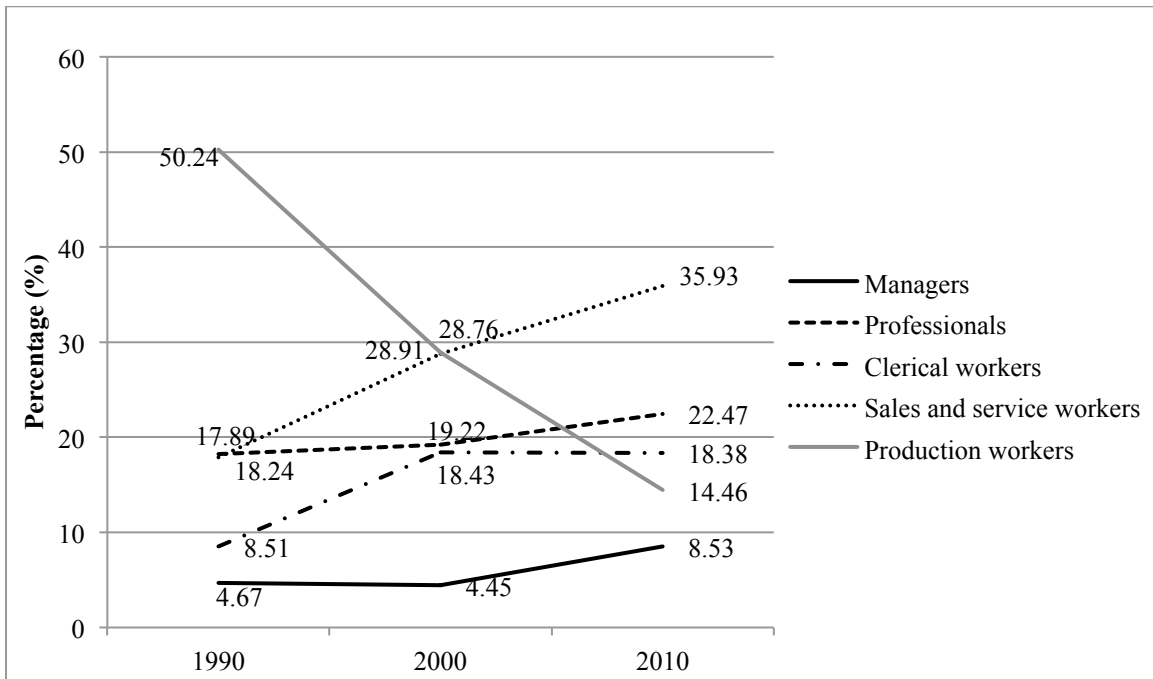
Figure 3.3 Employment trends by occupation in Shanghai 1990-2010. *Sources*: Computed based on PCOS, 1990, 2010, and PCOSC, 2000.
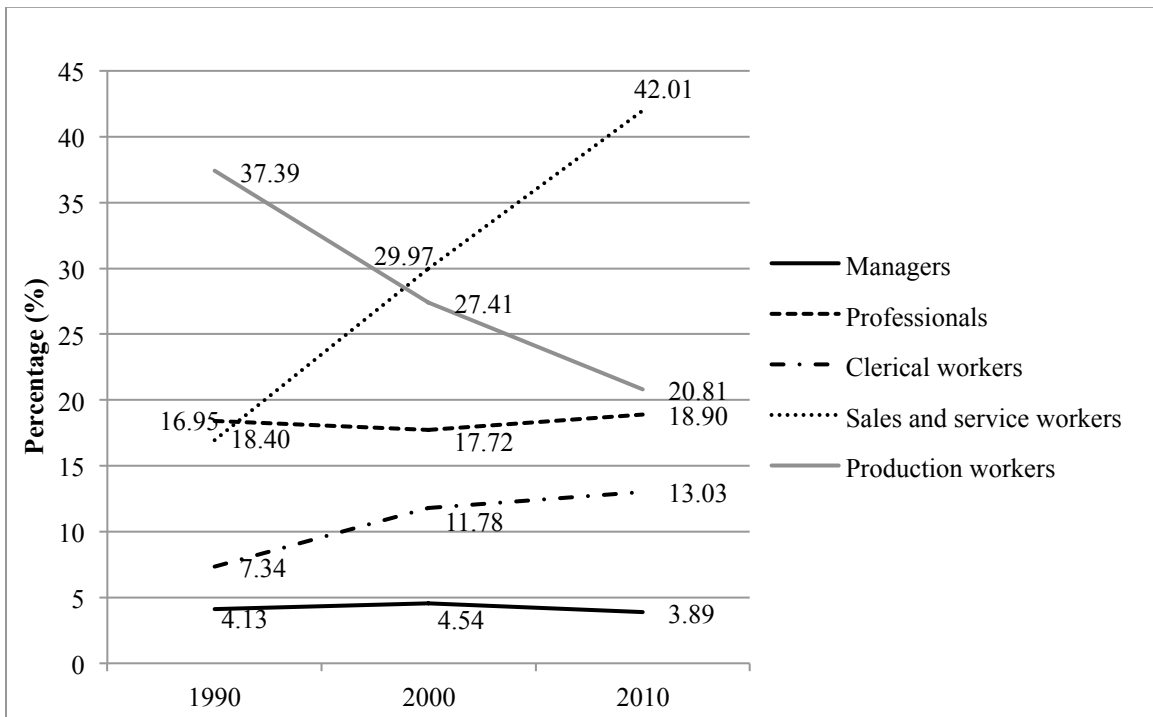
Figure 3.4 Employment trends by occupation in Chengdu 1990-2010. *Sources*: Computed based on PCOSP, 1990; PCOSC, 2000; PCOC, 2010.

Chengdu (36.84%), and a majority comes from wholesale and retail industries.

The occupational structure depicts more particularities in the socioeconomic classification in China, derived from not only the status of industrial transformation but also from the economic transition. The share of professionals and managers in urban society in both Chengdu and Shanghai remains far more consistent. Specifically, in Shanghai, when the share of low-paid production workers shrank from 50.24% of total employment in 1990 to 14.46% in 2010, together the ratio of managers and professionals increased from only 22.91% to 31.01% (Figure 3.3). In comparison, the share of production workers in Chengdu declined only 17% (from 37.39% to 20.81%), whereas the proportion of managers and professionals was maintained at approximately 22% throughout the two decades (Figure 3.4). In contrast, Chengdu witnessed notable growth in the proportion of low-paid sales and service workers, which grew from 16.95% in 1990 to 42.01% in 2010. Comparably, in Shanghai, low-end service workers (from 17.89% to 35.93%) also outnumbered managers and professionals in 2010.

Table 3.2 shows that in absolute numbers, managers and professionals in 2010 expanded by 77.39% and 93.47% of the 1990 population in Chengdu, respectively, equal to 42,348 and 227,933 people. By 2010, the two highly ranked occupations reached 568,870 out of the 2.5 million workers in the main urban districts of Chengdu. Nevertheless, among low-paid workers, only agricultural workers experienced a reduction in numbers throughout the twenty years across all urban districts of Chengdu. Although its share among all occupations was decreasing, the population of production workers was still greater in 2010 than in 1990. The number of sales and service workers more than tripled from 1990 to 2010, in line with the change in the number of clerical workers to over twice the number in 1990. In 2010, low-paid service workers accounted for the largest labour pool in the city, totalling over 1 million. The rapid growth in low-skilled sales and service workers may have partially derived from the increase in white-collar workers, who in turn have generated demand for personal services; a similar relationship has occurred in advanced post-industrial cities. However, in Chengdu, it is more likely to be a result of economic strategies to encourage commercialisation and consumerism and the influx of a large number of poorly educated migrants to the city from rural areas.

Table 3.2 Change in the employment structure of Chengdu by occupation 1990-2010

	1990		2000		2010		Change 1990-2010	
	No.	%	No.	%	No.	%	No.	%
Administrators and Managers	54722	4.13	72950	4.54	97070	3.89	42348	77.39
Professionals and technicians	243867	18.4	284500	17.72	471800	18.9	227933	93.47
Clerical workers	97336	7.34	189120	11.78	325230	13.03	227894	234.13
Sales and service workers	224617	16.95	481240	29.97	1048360	42.01	823743	366.73
Agricultural workers	206353	15.57	130540	8.13	16670	0.67	-189683	-91.92
Production workers	495647	37.39	440070	27.41	519240	20.81	23593	4.76
Others	-----	-----	7370	0.46	17340	0.69	-----	-----
Total employed	1322542	100	1605790	100	2495710	100	1173168	88.71

Note: The census data for the industrial population in 1990 were based on a total population enumeration, whereas the 2000 and 2010 population were estimated by multiplying the census data by ten. *Source*: Computed based on PCOSP, 1990; PCOSC, 2000; PCOC, 2010.

The evidence shows a lower growth rate for professionals and managers in Chinese cities from the 1990s to 2000s than was seen in advanced industrial economies in the 1970s. Ley (1980) revealed a growth rate of 30% for professionals and 65% for managers in British Columbia within only five years, from 1971 to 1975. He (2010) also showed that the increase of professionals and managers in terms of both number and ratio in Shanghai from 1990 to 2000 was much smaller than that for their Western counterparts in the 1970s and 1980s. Notwithstanding, it should also be noted that in 1990, the percentage of professionals and managers in Chengdu (22%) already exceeded the level in the province of British Columbia in 1975 (20%).

This situation represents the influence of enterprise reform on socioeconomic restructuring during China's transitional period. Since the late 1980s, enterprise reform has encouraged the decentralisation and marketisation of enterprise operations. It has resulted in the privatisation or dismantling of small-scale, state- or collective-owned firms and the development of private companies in both urban and rural areas (White, 1993; Nee & Opper, 2012; Naughton, 1994). The corporate restructuring was accompanied by the job transfers of individuals in former state sectors and an enlargement of the labour force in private sectors. The number of employees in state-owned enterprises dropped by 49 million, from 113 million in 1995 to 64 million in 2004 (Cai et al., 2008, p.1 76). Fundamentally, the new labour market redistributes life

opportunities among the employed population, whose position and salary have been more conditioned by personal skills, education, labour productivity and the economic performance of an enterprise (Cai et al., 2008; Tomba, 2002; Yueh, 2004). Based on this background, high-ranking employees affiliated with the old system might initially have experienced profound career change, being either filtered out of or developed as members of the new sectors or benefiting from participating in the dual system, for example. The turbulence on the job market, reflected in employment retrenchment and subsequent labour mobility, could increase or decrease the presence of highly educated workers in the major urban districts.

The stage of industrial transformation, accompanied by the unique history of economic system reform, is important contextual information, as it could generate contradictory socioeconomic dynamics with the manifestations of gentrification. Undoubtedly, the large Chinese cities achieved overwhelming growth in producer service industries over the past two decades. Meanwhile, manufacturing closure lays the foundation for the working-class retreat from the inner city. However, high-skilled services expanded simultaneously with low-skilled services. Compared with the global cities in the West in the 1970s the knowledge-based service industries in cities are in a less dominant position. Socioeconomic realities may challenge the specific segment of high-end service classes that comprise the gentrifiers in China. Economic reform further complicates the mode of socioeconomic restructuring. Various socioeconomic groups have been experiencing a process of re-stratification along with a transition from a planned production system to a market-oriented system and the subsequent reconfiguration of job opportunities among individuals. The socioeconomic re-stratification in progress may generate inquiries into the social composition of the middle-class gentrifiers and the source of their collective motives in inner-city resettlement. These questions lead this study to stress the second context of gentrification, with regard to cultural transformation and middle-class formation in post-socialist society.

3.1.2 Individual consumption and the middle-class formation in the transitional society

The cultural tide of post-modernism is another critical backdrop to gentrification in post-industrial cities. The classical gentrification model is bred in a liberal ideology of the

cultural innovation of urban lifestyles (Ley, 1980, 1996, 2012). Caulfield (1994), who has meanwhile questioned the use of the term gentrification, deemed middle-class resettlement in the older inner city as a critical social practice of middle-class agents. It contributes to the creation of an emancipatory city and aims to compete with the dominant lifestyle characterised by a standardised corporate form and suburban lifestyle. As reviewed in Chapter 2, Ley (1996) analysed urban pioneers and the new middle class's engagement with historic preservation, neighbourhood development and progressive political reform from the 1960s to the 1970s, contrasting this trend with the economistic values and mass culture under Fordist mass production. Zukin (1982) scrutinised the emergence of loft living in Lower Manhattan in New York City, with an intricate thesis about the relationship between cultural production initiated by artists at the outset, followed by capital accumulation through re-creating built environments by subsequent developers and the state in a period of deindustrialisation.

The above literature highlights the cultural politics of pioneer-led gentrification at the early stage in European and North American cities. In China, pioneer-led cultural innovation has been limited. Instead, the state is the primary actor launching large-scale urban redevelopment and gentrification. Moreover, the state-facilitated urban redevelopment programme has been integral to the reinvention of urban modernity and a new national policy to explicitly move the economy from production to consumption and services. This background – the state-led reinvention of urban modernity and consumption promotion – has impacted the formation of consumer culture and laid the foundation for the emergence of a consumer class. This, in turn, could rewrite the social and cultural implications of one type of elite-oriented gentrification in China as compared with the pioneer-led gentrification in the West.

Unlike post-industrial contexts, the relationship between housing consumption and class formation and division in post-socialist China is pertinent to the sociocultural characteristics of the socialist society and the composition of the new rich, which has been impacted by economic reform. First, urban society under Mao's China lacks a clear-cut middle-class division of lifestyle and identity upon which to specify the fragmentation and reformation of classes in the wake of market reform. A lifestyle characterised by communal consumption and collective living between cadres and workers in *danwei*

compounds established an egalitarian base where social divisions were rarely embodied in the distinctions of habitus. Zhang (2010) explained that the so-called egalitarian society was precisely manifested in homogenous living patterns, in low salaries and in an underdeveloped consumer society in socialist China. As a consequence, the socialist society in China presented no clear classification of lifestyles and political attitudes, although it did have an explicitly hierarchical system of occupations. Within this historical social context, contemporary class society in China thus features the creation and circulation of cultural distinctions among social groupings.

Second, the pathway of economic reform has generated social differences among the new middle class in Chinese cities. The result can be traced back to Deng Xiaoping's middle-class politics, which aimed at facilitating reform; this area has been largely underdeveloped by urban researchers compared to its economic counterpart. At the very beginning of reform, a basic national policy was proposed, which has to date served as a constant principle leading China's social development objectives: to establish a moderately prosperous (*Xiaokang*, 小康) society. Together with another two important public policies at the central level, rural and urban household registration and the One Child policy, these national policies have deeply impacted the trajectory of social change in China. Deng's description of the "moderately prosperous society" is in contrast to the affluent society of the developed countries and to Mao's common prosperity (*Datong,* 大同) society. Deng was concerned that Chinese society, within the medium term (say by 2050) could by no means achieve the quality of life seen in advanced societies, but it could aim to be a middle-class society (Deng, 1983). This policy is thus a moderate revision of the bold "four modernisation" objectives offered by Mao (see also Li, 2003; Lu, 2010; Tomba, 2004). While Mao's *Datong* society presented his idealist imaginings for a communist society, Deng was absolutely realistic in recognising the impossibility of achieving the objective of common prosperity based on the economic level of pre-reform China. Another difference between *Datong* and *Xiaokang* is that while Datong society advocated for an absolutely public notion of ownership and distribution, *Xiaokang* society recognised the necessity of individual wealth, private assets and stress on family values. According to Lu (2010), Deng considered this concept to be much more

acceptable to the masses, and it could be used to deliver market principles to the masses in accordance with economic reform.

Based on this background, "get rich first and achieve common prosperity later" was promoted by Deng in the 1980s as a realistic path to economic transition and *Xiaokang* society in the short term, with the ultimate goal of achieving common prosperity (Yan & Liu, 2002). Significantly, the strategy promotes the formation of specific groups in particular sectors and regions, who would benefit from the reformist policies. These favoured groups are the so-called "new rich" and "the newly emerging middle class" in China (Yan & Liu, 2002). This economic reform generated various sources, formally and informally, of affluence. As mentioned in the last section, the pre-reform elites can be separated by the direction of their social mobility within the processes of job change, such as either consolidating an elite social status or fading out in competition. Walder (2003) suggested that the opportunity structure for pre-reform elites varies for different transitional economies and is determined by, first, the divergent trajectories of political reform and then the systematic reform of the public ownership of assets. The peculiarity of reform in China lies in that hitherto, the Chinese authority has shown no interest in political reform and has maintained mixed types of ownership and relations of production. Different economic systems and workplaces impact the path of success, political ideology, wealth accumulation and lifestyle (Lu, 2002, p. 265), which creates social differences within the new middle class. The most salient case is that the first generation of the new rich in China is not composed of well-educated and skilled professionals or managers but instead of petty businessmen and private entrepreneurs who are relatively lower in educational attainment (Lu, 2002). Still, a *danwei* with stronger political and social ties can create better life opportunities for its employees. Managers in large *danwei* can possess substantially more wealth and social prestige than those at small *danwei* because of their differential power in acquiring resources. The "cadre-entrepreneur," who occupies a high-end position in both private firms and public administrations, is particularly a social construction of the transitional economy (Nees, 1991, p. 269). As a result, the new middle class in China lacks internal recognition, in particular, recognition embodied in the uneven distribution of educational attainment and cultural character (or symbolic capital).

> In contemporary China, the conceptualisation of class itself—especially what is middle class—is under debate. The "new rich," or those with wealth sufficient to allow disposable income, often have Party-state connections, so a liberal democratic concept of class does not reliably map on to the Chinese case. (Cartier, 2009, p. 373)

Meanwhile, the concept of a moderately prosperous society places family happiness, self-interest and material well-being at the core of individual achievement, rather than public concerns, political participation or human development (Anagnost, 2008; Lu, 2010). Lu argued that in a society where policies release enriched opportunities and diversified channels for pursuing affluence, with "everyone caring about themselves, people want more than what and how they can achieve it, while not [being concerned with] what the others get and if it is fair" (Lu, 2010, p.114). Accordingly, post-reform social policies have transitioned from representing the liberation of productive forces to representing the liberation of consumption forces to expand the middle-class foundation of the Chinese Communist Party (CCP) (Tomba, 2004). Tomba (2004) showed that in the second half of the 1990s, salaries for professionals in the public sectors rose by 168%, which is 40% higher than the average. Tong (1998) revealed that average household incomes in Shanghai, Guangzhou and Beijing more than doubled in two years from 1993 to 1995, whereas in the late 1990s, it was expected that up to 0.3 million workers would become redundant in a year in Shanghai (p. 33). Concerning the cultural formation and social mobility of the middle classes, Zhang (2010) thus argued that in the reform era, the formation of a middle class is "emerging, fragmented and precarious" in China (p. 6).

As one uniquely social characteristic entrenched in the transitional period, conspicuous consumption practices, rather than the latent means of production, become empirically necessary and viable for class analysis in China. Scholars have underlined a twofold influence of private housing consumption on middle-class formation: it mobilises both the cultural (re) production of middle-class distinctions and the spatialisation of class distinctions and privileges. Zhou and Chen (2010), for instance, argued that in conjunction with the collapse of socialist *danwei* institutions, private housing (and transportation) "not only represents consumer goods with which they can build their self-identity and win social recognition but also practice fields for moulding new notions of consumption" (p. 94). Employing a top-down perspective, Anagnost (2008), for instance, deemed the state promotion of consumption practices to be a type of "national project on

a cultural form" (p. 497). The project conforms to the CCP's "social engineering" (Sigley, 2006. p. 495, quoted by Anagnost 2008, p. 498) with the aim to "expand the middle class by inciting aspiring individuals to adhere to new social norms of middle-class identity often defined around consumer practices" (p. 498).[6] From the perspective of consumers, the newly built communities are arguably fields that produce new social and cultural norms. Living in a gated community as a homeowner has become an approach taken by consumers to not only embody their desire for the good life but also to invest in themselves by joining with people from the same strata and establishing self-conscious consumer citizenship as the ultimate declaration of social status (see Davis, 2006; Pow, 2009; Pow & Kong, 2007; Ren, 2013; Zhang, 2010). Further, the gated community turns out to be a decisive, practical field in which residents form new patterns of collective interests, mobilisation and consequential collective conflicts (Tomba, 2005; Zhang, 2010).

In contrast to the socialist society that standardised the lifestyle of citizens across socioeconomic statuses, the cultural force driving the contemporary formation of middle-class distinctions in urban society is founded on the development of a private lifestyle and individual consumption. Moreover, the social differences existing among the new rich as generated in the transitional economy could arguably strengthen the role of cultural capital in class formation. Gentrification in China is thus occurring in a society wherein so-called middle-class distinctions are emerging and forming. Whereas classical pioneer-led gentrification in Western cities conveys a cultural claim by a new middle class standing opposite to suburbanites, state-facilitated gentrification in China, through the massive demolition and reconstruction of urban places and the accompanying social reorganisation in place, can be the very force driving class formation. The inference suggests that to explain gentrification in China, one should not simply consider the process as being an interaction between two *established* classes in place. Instead, the process includes a highly dynamic social change that, in particular, reflects the relationship between inner-city urbanism and class formation, replacement and displacement.

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[6] Social engineering is conceptualised as constructing *xiaokang shehui* in China. *Xiaokang shehui* means the "relatively well off" society (Anagnost, 2008, p. 502). The term originates from the description of an ideal society in the Confucian *Book of Rites* (*Liji*), first referenced by Deng Xiaoping in 1978 and then recovered by Jiang Zheming. Source: Li, S. E. (2003). *Lun quanmian jianshe xiaokang shehui* (On Building a well-off society in an all round way). *Seek Truth From Facts*, *1*,13-16.

3.2 The geography of gentrification in Chengdu, 2000-2010

The choice of indices to measure gentrification has varied with the literature and has been impacted by the working definitions of gentrification employed by scholars. Analysts can select specific indices and measuring methods based on their theoretical perspective and research purpose (Walks & Maarance, 2008). For instance, Ley (1996) defined the socioeconomic upgrading of neighbourhoods as a decisive factor marking the existence of gentrification and used changes in occupational and educational status as two main measures (see also Davison & Lees, 2005). Following Smith's (1996) production-side explanation of gentrification, authors adopted indicators representing reinvestment as an effective measure of gentrification. Wyly and Hammel's (2004) work, for example, was assisted by household-level mortgage data in New York City. More generally, changes in land and building values have often been used to identify the existence of gentrification in a neighbourhood (Clark, 1988; Lopez-Morales, 2011; Badcock, 1989)

Other studies have used mixed methods and indices to improve their accuracy in identifying gentrified neighbourhoods. For instance, Walks and Maaranen (2008) included indicators measuring both socioeconomic upgrading and capital investment. Lees (2003) combined ethnographic fieldwork and statistics when generating evidence for super-gentrification led by financiers in New York City. Wyly and Hammel's (1999) method also drew on literature reviews, field research and a multivariate discriminant analysis of the socioeconomic characteristics of neighbourhoods. The discriminant model was particularly effective in supporting the authors' studies of gentrification in an extended number of cities in the United States.

This study takes the position that the most solid conceptual foothold for gentrification is the upgrading of places in terms of social class. However, in practice the measurement of social class in China is still problematic. As mentioned earlier, due to the fundamental reform of the labour force allocation system into a competitive labour market, the unemployment rate throughout the city continued to soar from the mid-1990s; meanwhile, the employed population has been restructured across new emerging sectors based on a market-oriented production system and among old sectors based on a planned system (Cai et al., 2008). As a result, the percentage change in professionals and

managers in large Chinese cities is much lower than that seen in advanced economies since the 1970s. Labour market reform may cause underestimation of the degree of change in the socioeconomic population of a neighbourhood. Moreover, the internal social differentiation in the status of employees with similar occupations in companies or organisations in terms of, for example, educational level, income, values, etc., increases uncertainty in defining the property and size of the middle class in China (Goodman, 2014). A direct impact of these problems is that researchers have deployed diversified indicators and gained highly divergent estimations of the volume of the middle class in urban China. For example, a measurement according to indicators of consumption level estimated the middle class as representing 54% of the overall urban population in 2012 (Mckinsey, 2012), whereas a prediction based on occupation and income estimated the middle class as only 23% of the urban population in the mid-2000s (Lu, 2007). When an indicator capturing self-identification is added, the number continues to fall (Li, 2006; Zhou, 2004).

Considering the essence of gentrification, one main purpose of the measurement in this study is to compare the degree of social structural upgrading in place. Unlike the above literature, this work does not aim to accurately estimate the size of the Chinese middle class. In effect, this study confirms that the attributes of the so-called middle class are essentially unreliable at this stage, being subject to varied constructions and self-ascription. Further, the concerns mentioned above do not necessarily reject the use of the ratio change of professionals and managers as an important index of social upgrading in neighbourhoods.[7] Thus, following Ley (1996), this study continues to adopt the two main indices of change in social class: the change in the location quotient for those local residents over 6 years of age with university degrees and the change in the location quotient for professionals and managers in the sub-district.[8] However, it is worth remembering that, by creating a gentrification index based on these two indices, this study offers a relatively conservative estimation of the volume of gentrifiers.

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[7] In effect, income can be an optimum index of social upgrading in China. However, unfortunately, the census data do not offer any information about personal or household incomes. The other social survey datasets that cover income do not release geographical information on households.

[8] The age group (i.e., residents over 6 years old) to which the ratio of university population is measured follows the standard of the Population Census of China.

Compared with the relative percentage change, change in the location quotient (LQ) can be more effective for measuring gentrification in China (see also He, 2010). The location quotient index expresses the comparative advantage of a place in containing a population, relative to the average level of a larger territory. The index of changing location quotient thus essentially reflects the difference in the concentration of a social class in a place throughout a period, while the relative percentage change re-states that change against the base at the start of the period for that location. The former can avoid the information bias caused by rapid demographic densification and the turbulence in the labour market throughout the entire city. With census data for 2000 and 2010, this study has created the location quotients for the population with a university degree and professionals and managers in each *sub-district* of the inner city, which is smaller than an urban district and larger than a neighbourhood. All of the location quotients reflecting changes in the inner-city sub-districts are compared with changes in the five *main urban districts* of Chengdu established since 1990. The location quotients for the two populations are calculated by dividing percentages for a sub-district by percentages for the main urban districts. The change in the location quotient is estimated by directly subtracting the value in 2000 from that in 2010. A gentrification index is then created based on the arithmetic mean of the two change indices for the location quotients from 2000 to 2010.

Based on the quantitative results of this index of gentrification, I then verified the gentrified locations through field observation of the visible landscape of renovation and reinvestment. Moreover, using the yearbooks that documented the sub-district changes, this study excludes factors that could have caused bias to the quantitative data. First, the study adjusted the educated population when the outmigration of universities and colleges in the sub-districts caused a sudden decrease in the population with a university degree during the census interval (Jianshelu, Wangjianglu).[9] The portion of change caused by campus outmigration is omitted from the gentrification index. Then, I focused attention on sub-districts where most of the land parcels have been subject to commercial

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[9] Based on the *Annual Report of Chengdu*, I first noted the number of students at university in a sub-district in 2000 and the number of *graduate* students. I then subtracted the two numbers from the total population and the population with a university degree in this sub-district respectively. Finally, the two estimated values were used to calculate the ratio of the population with a university degree in the sub-district in 2000. This ratio was compared with the 2010 ratio in this sub-district.

use (Yanshikou) and sub-districts where upgrading was due to a large proportion of new greenfield construction in the inner city (Shuangnan). These areas may necessitate data adjustments for certain variables of the two cases, which are anticipated to have a significant influence on the correlations analysed in the next section. Finally, concerning the gentrified neighbourhoods identified in this study, I also confirmed the reasons for upgrading from the archives to avoid being misled by the factors presented above.

3.2.1 The extent of gentrification

Table 3.3 lists the population with a university degree and senior employees in 31 sub-districts in the inner city of Chengdu. In the last column, the composite change over location quotients indicates the magnitude of gentrification in these sub-districts in descending order. Two contextualised characteristics depict the distinctive urban condition of the inner city of Chengdu upon which gentrification occurred. First, during the 2000s, the inner city of Chengdu retained its prominence in housing the middle class. In both 2000 and 2010, the proportion of population with a university degree in the inner city was higher than it was in the entire urban district (LQ=1.06 in 2000 and 1.22 in 2010). Comparable results are identified for professionals and managers in these two years (LQ=1.45 in 2000 and 1.26 in 2010). Thus, during the 2000s gentrification was not occurring during socioeconomic decline in the inner city, even though the built environment might have shown serious degeneration (Wang & Lau, 2009; Wu & Gaubatz, 2013).

Second, across the entire inner city, societal restructuring is moderate throughout the 2000s. In the second last column of Table 3.3, the composite index of the absolute percentage change is calculated by subtracting the *arithmetic mean* of the absolute percentage changes of university-educated population and professionals and managers in 2000 from the value for 2010. According to this composite index, the share of the high-status social class in the inner city expanded by a mere 2.63%, equivalent to, however, a *decrease* of 0.01 in the location quotient. Without considering campus relocation in the two university areas (Jianshelu and Wangjianglu), the inner city enhanced its competitive advantages in attracting a highly educated population over the decade. However, the comparative advantage of the inner cities in retaining professionals and managers decreased from 2000 to 2010. These indicators suggest a fundamental *status quo* of the

Table 3.3 The socioeconomic profiles of inner-city sub-districts in Chengdu

		Population over 6 and with university degree					Administrators, managers, professionals and technicians					Composite change 2000-2010	
		2000		2010		LQ Change	2000		2010		LQ Change		
		%	LQ	%	LQ		%	LQ	%	LQ		Absolute %	LQ
Core-gentrified	Lianxin	4.08	0.44	28.06	1.85	1.41	22.57	1.01	38.49	1.69	0.67	19.95	1.04
	Longzhoulu	4.08	0.44	22.01	1.45	1.01	22.57	1.01	36.40	1.60	0.58	15.88	0.80
	Niushikou	4.51	0.48	17.27	1.14	0.65	19.60	0.88	29.23	1.28	0.40	11.20	0.53
	Xinhuaxilu	8.00	0.86	24.16	1.59	0.73	35.22	1.58	39.36	1.73	0.14	10.15	0.44
	Hejiangting	6.77	0.73	24.32	1.60	0.87	31.21	1.40	31.65	1.39	-0.01	9.00	0.43
	Fuqinglu	5.51	0.59	13.45	0.89	0.29	22.77	1.02	32.26	1.42	0.39	8.72	0.34
	Caoshijie	8.83	0.95	24.99	1.65	0.70	30.00	1.35	29.59	1.30	-0.05	7.88	0.32
	Wangjiaguai	11.85	1.27	30.01	1.98	0.70	36.36	1.63	35.94	1.58	-0.06	8.87	0.32
Less-gentrified	Shuangnan	8.35	0.90	20.88	1.37	0.48	28.72	1.29	26.16	1.15	-0.14	4.99	0.17
	Shuijinfang	7.92	0.85	20.03	1.32	0.47	31.62	1.42	28.69	1.26	-0.16	4.59	0.15
	Jianshelu	5.15	0.55	13.45	0.89	0.33	38.28	1.72	35.15	1.54	-0.18	2.59	0.08
	Xinhonglu	6.10	0.66	9.56	0.63	-0.03	27.82	1.25	32.11	1.41	0.16	3.88	0.07
Un-gentrified	Shaocheng	11.91	1.28	21.90	1.44	0.16	36.42	1.64	33.28	1.46	-0.18	3.43	-0.01
	Jiangxijie	21.53	2.31	38.92	2.56	0.25	39.39	1.77	34.24	1.50	-0.27	6.12	-0.01
	Renminbeilu	8.40	0.90	16.69	1.10	0.20	32.18	1.45	27.80	1.22	-0.23	1.96	-0.01
	Shuangqiaozi	5.19	0.56	10.08	0.66	0.11	26.84	1.21	24.18	1.06	-0.14	1.12	-0.02
	Shuyuanjie	8.33	0.89	17.53	1.15	0.26	35.45	1.59	28.46	1.25	-0.34	1.11	-0.04
	Caotanglu	12.34	1.33	20.49	1.35	0.02	38.04	1.71	34.11	1.50	-0.21	2.11	-0.09
	Xiyuhejie	10.81	1.16	21.11	1.39	0.23	34.88	1.57	26.10	1.15	-0.42	0.76	-0.10
	Mengzhuiwan	11.07	1.19	18.35	1.21	0.02	32.21	1.45	26.38	1.16	-0.29	0.73	-0.14
	Duyuanjie	9.13	0.98	19.68	1.30	0.31	37.90	1.70	22.98	1.01	-0.69	-2.19	-0.19
	Wangjianglu	13.16	1.41	20.22	1.33	-0.08	43.49	1.95	37.29	1.64	-0.32	0.43	-0.20
	Yulin	14.23	1.53	22.04	1.45	-0.08	38.00	1.71	31.28	1.37	-0.33	0.55	-0.21
	Simaqiao	5.24	0.56	8.25	0.54	-0.02	27.14	1.22	18.14	0.80	-0.42	-2.99	-0.22
	Fuqin	7.72	0.83	11.79	0.78	-0.05	36.55	1.64	28.48	1.25	-0.39	-2.00	-0.22
	Xianlu	13.45	1.44	18.47	1.22	-0.23	34.93	1.57	27.69	1.21	-0.35	-1.11	-0.29

Table 3.3 The socioeconomic profiles of inner-city sub-districts in Chengdu (continued)

		Population over 6 and with university degree					Administrators, managers, professionals and technicians					Composite change 2000-2010	
		2000		2010		LQ Change	2000		2010		LQ Change		
		%	LQ	%	LQ		%	LQ	%	LQ		Absolute %	LQ
Un-gentrified	Hehuachi	5.50	0.59	6.71	0.44	-0.15	19.85	0.89	9.28	0.41	-0.48	-4.68	-0.32
	Taishenglu	9.68	1.04	13.31	0.88	-0.16	34.04	1.53	23.00	1.01	-0.52	-3.71	-0.34
	Chunxilu	10.04	1.08	12.52	0.82	-0.25	34.22	1.54	17.96	0.79	-0.75	-6.89	-0.50
	Tiaosanta	24.24	2.60	29.47	1.94	-0.66	42.30	1.90	32.06	1.41	-0.49	-2.51	-0.58
	Yanshikou	11.26	1.21	8.98	0.59	-0.62	36.86	1.66	23.03	1.01	-0.65	-8.06	-0.63
Inner City		9.86	1.06	18.51	1.22	0.16	32.23	1.45	28.78	1.26	-0.19	2.63	-0.01
Jinjiang District		8.52	0.92	18.12	1.19	0.28	22.09	0.99	27.26	1.20	0.20	7.38	0.24
Qinyang District		9.30	1.00	19.49	1.28	0.28	28.01	1.26	29.72	1.30	0.05	5.95	0.16
Jinniu District		7.73	0.83	13.26	0.87	0.04	20.36	0.91	21.21	0.93	0.02	3.19	0.03
Wuhou District		12.77	1.37	16.52	1.09	-0.28	23.67	1.06	21.55	0.95	-0.12	0.82	-0.20
Chenghua District		7.89	0.85	9.75	0.64	-0.21	19.03	0.85	18.45	0.81	-0.05	0.64	-0.13
Main Urban Districts		9.31	1.00	15.19	1.00	0.00	22.26	1.00	22.79	1.00	0.00	3.21	0.00

Source: Computed based on PCOSC, 2000 and 2010 census data at the sub-district level provided by the five district governments in Chengdu.

inner city in China today. Multiple forces could drive the change of social geography in the inner city. These forces could meet each other halfway; together they reshuffle social structure in the inner city. For example, those forces might include the demographic densification, depopulation as a result of land-use transformation (e.g., from residential to commercial land-use and public facilities), growth of the working class due to migration and employment restructuring, as well as gentrification. In addition, urban expansion at the outlying areas of the city could also prompt the de-concentration of professionals and managers from the inner city, even though the inner city continued to be attractive to highly paid employees during the 2000s.

Gentrification thus comes into being in the type of urban transformation that is characterised by systematic reconstruction and reconfiguration of the social and physical structure of the inner city, instead of constant piecemeal change. During the transformation, the gentrification process is by no means independent, perhaps even not dominant, but one trend mingled with the others. Such an urban reality accounts for the complexity of urban and social change in the Southern cities. Instead of assuming gentrification is of paramount significance, we shall treat it as interrelating with other processes underway and identify its influence in turning the tide of transformation.

Based on this background, core-gentrified locations in this study are identified as those in which the increase in the middle-class index is higher than inner city upgrading (-0.01) and city-level change (0). Moreover, it must exceed the highest level of socio-spatial upgrading among the five urban districts (i.e., the LQ change of Jinjiang District=0.24; see Table 3.3). In other words, the occurrence of gentrification in a sub-district signifies that sub-district has a salient advantage in attracting middle-class inhabitants compared to the inner city, to any of the five urban districts and to the city as a whole. By setting three thresholds of gentrification, the study improves the analytical rigour in identifying the place of gentrification between 2000 and 2010. A less-gentrified place is defined by a gentrification index higher than zero and lower than the index of Jinjiang District (0.24), while those lower than zero are un-gentrified.

Finally, eight sub-districts in the inner city of Chengdu are identified as places that experienced intensified gentrification throughout the 2000s, while four became less gentrified. The share of middle-class residents declined in the other 19 sub-districts

(Table 3.3). Two contradictory trends thus dominated the pattern of societal restructuring at different locations over the decade. As some areas appealed to high-status social classes, others presented a relative influx of the working class. Moreover, the un-gentrified sub-districts cover a greater geographical area than the gentrified ones. Conceivably, the population that earned a university degree broadly increased across almost all sub-districts, benefiting from the expanded opportunities for university education for youth. However, measured by the location quotient, which divided the absolute percentage change by the change in the entire city, the locational advantage increased in 20 sub-districts but declined in the other 11. The geographical distribution of professionals and managers merits special attention. In addition to the six sub-districts, a majority of the inner-city locations were affected by a relative decline of high-ranking employees. The reduction of high-status workers in the inner city speaks to the context of socioeconomic restructuring introduced earlier, for which it is argued that both labour market reform in China and soaring employment in low-skilled services have restrained the increase in the portion of professionals and managers. According to the analytical results, gentrification is concurrent but inverse to the trend of societal restructuring generally underway in the un-gentrified neighbourhoods.

In terms of the degree of social upgrading in the eight core-gentrified areas, the top four gentrified sub-districts (Lianxin, Longzhou, Niushikou and Xinhuaxilu) gained an absolute percentage change of more than 10% for the middle classes from 2000 and 2010, while the absolute percentage change of the other four are all around 8%. In the four less gentrified neighbourhoods, the upward trend of social structure is even more modest, which is less than an expansion of 5%. The most rapid increase of the social-class rate was 19.95% in the most gentrified sub-district called Lianxin, compared with 3.21% in the main urban districts. In 2010, the university-educated population comprised 28.06% of the total population over 6 years old in the neighbourhoods of Lianxin, and professionals and managers constituted 38.49% of the employees. Overall, the extent of gentrification was modest in the inner city of Chengdu in the 2000s, but it soared in specific locations.

3.2.2 The spatial manifestation of gentrification

Based on the gentrification indices, this study has mapped the geography of gentrification from 2000 to 2010. A brief introduction to the backgrounds of the five urban districts supports the understanding of this geography (see Figure 1.4; also Figure 3.5c). Located at the north side of the city, Jinniu District contains a significant amount of land and housing occupied by the Bureau of Railways, affiliated with the central government, and construction companies owned by the provincial government. Until 2000, Chenghua District in the east was a major industrial district of Chengdu; it contained large-scale manufacturing enterprises owned by the central and provincial governments. Adjoining the south of Chenghua District, Jinjiang District also held a number of manufacturing enterprises until a spatial plan initiated in 2007 attempted to convert the manufacturing base into a financial centre. In addition, the traditional commercial and business centre of the city is located in the district.

Wuhou District in the south contains several of the city's universities, and the earliest wave of real estate development started from this district at the beginning of the 1990s. Since 1996, a high-tech zone has been developed in four sub-districts at the south part of Wuhou District. Currently, these sub-districts continue to be affiliated with the administrative division of Wuhou District but are directly managed by the municipal government.[10] Qinyang District occupies the west end of the city and has long been a purely residential area; it contains several public institutes and many of the cultural resources in Chengdu. As introduced in Chapter 1, the extent of the inner city is defined as the areas within the Second Ring Road, while the downtown is located at the geometric centre of the city (see Figure 1.4). Currently, the downtown area functions as the cultural and business centre of the city, aggregating the city-level museum, library and theatre.

The three maps in Figure 3.5 depict the changing social status of the population in the inner city of Chengdu from 2000 to 2010. The index for the social status of the population in a sub-district *in* 2000 and 2010 is calculated based on the arithmetic mean

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[10] Since 2011, the high-tech zone in this map has been administratively rescaled to the new urban district (Tianfu New District) at the south of the old city. In its entirety, Tianfu New District is 1578 km², more than two times larger than the old urban districts. The study compared the socio-spatial change in the inner city with that of the five old urban districts, including the four sub-districts originally established within Wuhou District. However, the study excluded the new urban district, for the establishment of a new urban district can generate very influential conditions that are distinct from those in the old urban districts.
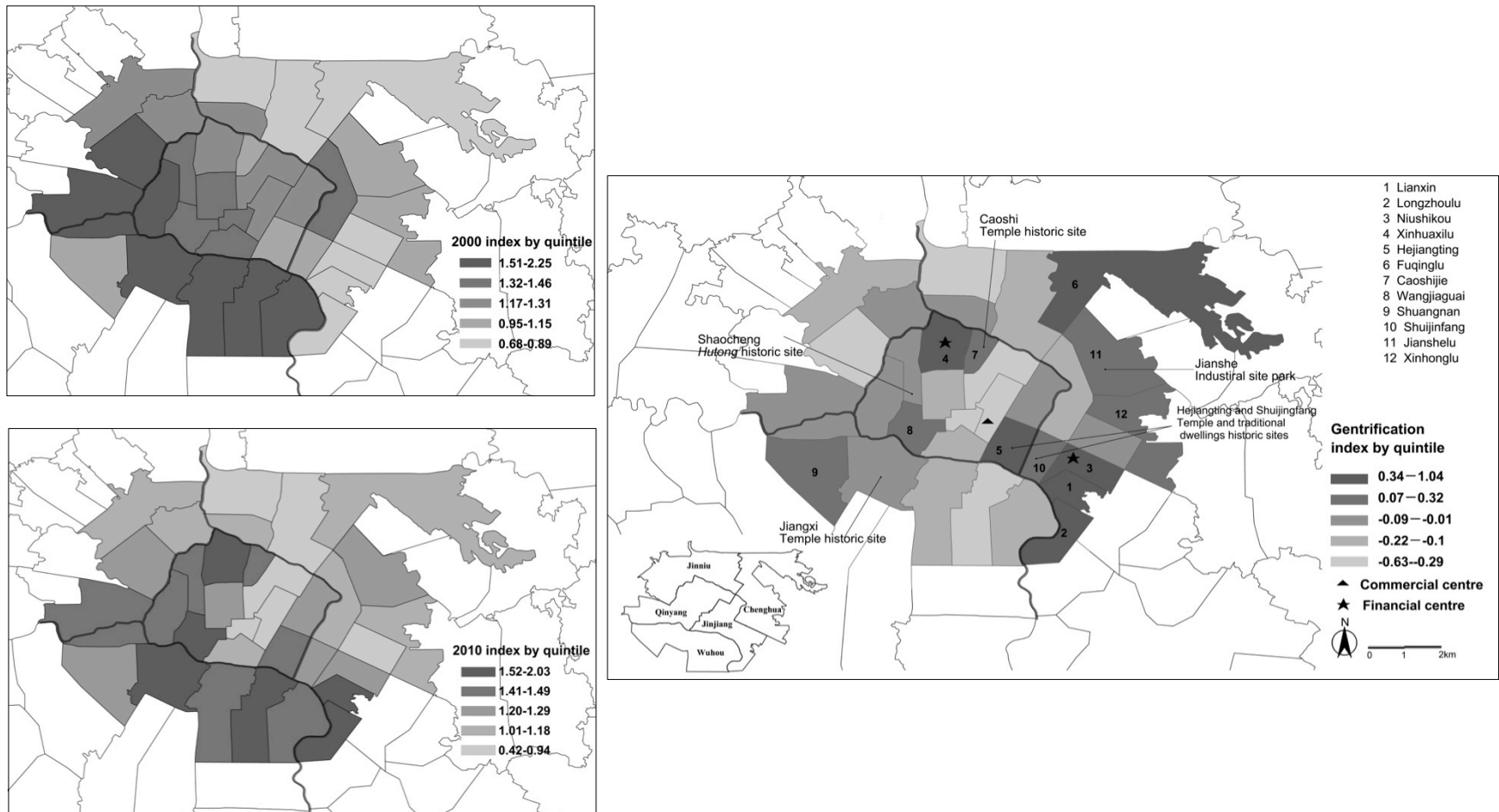
Figure 3.5 Changing social status of the population in the inner city of Chengdu, 2000-2010: a Social status in 2000; b Social status in 2010; c Changes in social status, 2000-2010. *Source*: Drawn by the author based on PCOSC, 2000 and 2010 census data at the sub-district level provided by the five district governments in Chengdu.

of the location quotients for the population with a university degree and professionals and managers in the two years. According to Figure 3.5a, the highly educated and highly paid population tended to locate in Wuhou and Qingyang districts in 2000. Some of the sub-districts in Jinniu District were also characterised by the concentration of the middle class, which could be a result of the high-ranking workers in the large-scale work units in this district. By contrast, Jinjiang and Chenghua Districts generally showed low levels of settlement by high-status residents; this could have been impacted by the dominance of the manufacturing base in the two districts. Figure 3.5c presents the gentrification quintiles from 2000 to 2010. The first two quintiles include the 12 neighbourhoods that experienced either intensive or modest gentrification during this decade. Notably, gentrification elevated the socioeconomic upgrading of Jinjiang and Chenghua Districts, as evidenced by the fact that eight of the gentrified neighbourhoods are located in the two districts. In particular, at the southeast corner of the inner city, the five sub-districts alongside the river, which belong to Jinjiang District, had the most rapid upgrading in their social structure. The three gentrified sub-districts in Chenghua District are along the outside of the First Ring Road.

Although not necessarily the most gentrified areas, all of the four designated historic sites and one site with industrial heritage that has been renovated successively since 2000 are adjacent to places favoured by potential gentrifiers in the 2000s. Still, the localities of the two financial centres also represent a concentration of gentrifiers in this period. Until 2010, Qinyang, Wuhou and Jinjiang Districts evenly shared the accommodation of highly educated and highly ranked settlers. After a wave of upgrading, however, Chenghua District still held a low proportion of high-status social classes, while the inner city of Jinniu District completely lost its advantage in retaining middle-class residents. In addition, the neighbourhoods with the lowest ratio of middle-class residents, which are marked by the last quintile in maps 3.5 a and b, tend to have shifted from the outside part of the inner city in 2000 to the city core in 2010.

The geography of gentrification thus resembles the islands of renewal, most clearly expressed in a minority of working-class neighbourhoods in 2000. However, the islands of renewal do not sit alongside the seas of decay in the inner city. China's inner cities have not yet witnessed urban blight. To be specific, the gentrification process has

interacted with multiple threads representing forces and processes that together promote radical urban transformation and reshuffle the social structure in the inner city. Remarkably, the tertiary industrial development and rapid urbanisation have driven the rise of the working-class in low-skilled services in the inner city. Thus, as it exists in the developing city of Chengdu, gentrification is not necessarily a dominant urban process. It forms part of the larger process of urban transformation. The transformation is asymmetrical and seldom evenly distributed across the different areas. Gentrification stands at an extreme of the asymmetrical change in space and society, denoting a unique and somehow counter-trending process. Unlike gentrification in post-industrial cities, which was characterised by the ascendancy of inner city change in line with post-industrial transformation, the process in China may have relied on leveraging innovative urban practices to promote economic and social upgrading. The distinctive realities of gentrification in China require a new explanation of its meaning given the historical trajectory of urban and social change, representing a diversion away from the post-industrial thesis.

3.3 Correlations between gentrification and social and spatial transformation

Interpreting the correlation coefficients between gentrification and various aspects of social and spatial change, this study has created nine sets of indicators to describe the social and physical attributes of an inner-city sub-district: education, demography and household status, household registration status, industrial employment, occupation, housing tenure type, household rental expenditures, locational characteristics, and housing conditions. Except for locational characteristics, the data for which are generated based on spatial planning materials, all of the data are drawn from the population census in 2000 and 2010.

For each indicator, three variables are created, indicating one attribute of a place in 2000, one in 2010 and the value change over the decade. Three sets of coefficients are then evaluated by separately correlating the three sets of variables with the gentrification index (Table 3.4). The coefficients between the gentrification index and the independent variables in 2000 reveal those locational attributes that predict a high likelihood of

middle-class occupancy. Associations between gentrification and the indicators describing the changing characteristics of a sub-district in the 2000s explain the aspects of social and physical dynamics that delineate the gentrification process. The last set of coefficients indicates the association between the occurrence of gentrification and the formation of new social and spatial attributes for a location by 2010. This method, which is sensitive to temporal parameters in the process of gentrification, does not postulate gentrification as a process dissociated from the other urban trends and social contexts. It recognises that cities in China witness rapid changes caused by a variety of urban and social processes. There could be less easily observed processes and contexts that may impact the development of gentrification. By comparing the differences in coefficients in 2000 and in 2010 and the process of change, this study can illuminate how interaction with multiple urban trends can alter the pattern of the gentrification process.

Table 3.4 establishes simple correlations among the groups of variables with regard to gentrification.[11] Only demographic and household characteristics present no connections to gentrification at all. The household registration system continues to impose a handicap on the right of the working class to the city, reflected in the connection between gentrification in the 2000s and the percentage change of rural-urban migrants (-.683). However, there is no significant connection between gentrification and the proportion of all types of migrants; this indicates that apart from rural-urban migrants, the arrival of interurban migrants and transnational populations, who usually are of higher socioeconomic status than rural-urban migrants, could be reducing the correlation. Thus, it is worth noting that following the advancement of industrialisation, notably in the coastal cities of China, the increase in the proportion of highly educated migrants in the inner city is expected to have a positive effect on gentrification and most likely would alter the direction of the coefficient between gentrification and the proportion of migrants in a location.

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[11] Some of the occupational data on Jinniu District are missing, and they have been replaced by series means. Yanshikou is a sub-district in which commercial land use exceeds 50% of total land construction. Shuangnan sub-district was newly built on a greenfield site in 2000. The two cases are deemed to be not perfectly subject to the population of the gentrification samples. The outliers emerging in the two sub-districts are also replaced by series means. Another set of unusual values emerges in the case of Jianshelu sub-district, which has the fastest growth in rental prices (14 times). Based on field analysis, the study excludes the possibility of data error, but the large share of public rental housing and student housing in Jianshelu in 2000 could be the cause. To reduce the rate of information loss, the study replaces the outliers with the minimum/maximum values following the values for Jianshelu.

Table 3.4 Simple correlations for 2000, 2010 and 2000-2010 change against the gentrification index in Chengdu (N=31)

	Correlations		
	2000	2010	Changes
Education			
Primary educated population	.525	-.576	-.762
Secondary educated population	.258	-.535	-.698
Population with a college degree	-.459	.524	.737
Population with a university or graduate degree	-.517	.457	.857
Demography and household			
Average age	.156	.078	-.060
Female population	-.042	-.125	.005
Average family member	-.163	-.001	.075
Single-person household	.095	.126	.227
One generation household	-.164	-.269	-.156
Two generation household	.186	.314	.124
Three generation household	-.055	.063	.112
Household registration status			
Rural hukou population	.086	-.490	-.683
Migrants	.065	-.342	-.305
Industry			
Manufacturing workers	.555	.514	-.530
Retail service workers	-.088	-.375	-.256
Personal service workers	-.468	-.581	-.341
Producer service workers	-.377	.261	.635
FIRE workers	-.275	.468	.644
Business service workers	-.341	-.207	.202
Public service workers	-.257	.073	.601
Public administration workers	-.092	-.211	.148
Social service workers	-.272	.154	.595
Occupation			
Managers	-.262	.439	.578
Enterprise directors	-.272	.545	.628
Managers in public institutions	.344	-.005	-.311
Managers in government sectors	-.340	-.045	.330
Professional and technical workers	-.413	.496	.866
Economic business personnel	-.246	.305	.350
Financial business personnel	-.368	.304	.623
Engineers and technicians	-.314	.260	.666
Teaching personnel	-.290	.382	.502
Literature and art staff	-.478	.069	.454
Clerk and related workers	-.276	-.260	.060
Commerce, service trade personnel	.070	-.493	-.692
Production workers	.552	.135	-.529
Tenure type			
Self-built house owners	.470	.183	-.405
Public tenants	.519	-.159	-.449
Private tenants	-.159	-.546	-.477
Owner occupants of commercial apartments	.048	.693	.700
Subsidised owners	-.598	-.415	.219
Owner occupants of price-controlled housing	.452	-.086	-.345
Expenditure on housing			
Average monthly rent	-.452	.124	.530

Table 3.4 Simple correlations for 2000, 2010 and 2000-2010 change against the gentrification index in Chengdu (N=31) (continued)

	Correlations		
	2000	2010	Changes
Locational character			
Standard of middle school		.420	
Distance to master-planned financial and business centre		-.441	
Distance to master-planned historic and cultural sites		-.369	
Distance to traditional commercial and business centre		.117	
Commercial land-use		-.171	
Housing condition			
Households in housing built after 1990	.283	.515	.500
Average floor space of building (per population)	-.294	.072	.311
Households with independent bath	-.462	-.251	.362
Households in building over 7 stories	-.086	.307	.498
Households in reinforced concrete building	-.240	.426	.068

Note: Variables for social class in 2000 and 2010 represent the percentage status, except average age, monthly rent and floor space per capita, which are measured by absolute number. The value changes of the variables from 2000 to 2010 are calculated by the absolute percentage point change except for rental change and floor space change, which are defined as the growth rate. The level of middle schooling is defined as the educational level of middle schools that accept students from the sub-district. Middle schools are first scored based on three ranks: 2=Nationally designated; 1=Provincially designated; 0.5=Municipally designated. The educational level is calculated by multiplying the rank score by the number of middle schools available to residents in the sub-districts. The locations of sub-districts relative to the most adjacent financial and business centres/historical and cultural sites are divided into four levels: 1=within 0.5 km; 2=0.5-1 km; 3=1-1.5 km; 4=1.5-2.5 km. d. The locations of sub-districts relative to the city-level commercial and business centre are divided into four levels: 1=within 0.5 km; 2=0.5-1.5 km; 3=1.5-2.5 km; 4=2.5-3.5 km. *Sources*: Computed based on PCOSC, 2000, 2010 census data at the sub-district level provided by the five district governments in Chengdu, and spatial planning materials provided by the Urban Planning and Research Institute of Chengdu.

3.3.1 Industrial transformation in inner city

The second column of Table 3.4 shows the correlation coefficients between gentrification and the independent variables in 2000. New middle-class residents primarily appeared in manufacturing neighbourhoods, as evidenced by the positive correlation between the gentrification index and manufacturing employment in 2000 (.555) alone among all categories of industrial population. The manufacturing neighbourhoods in Chengdu were often the *danwei* compounds of state-owned industrial enterprises, which provided low-paid production workers with affordable rental housing owned by the companies. Meanwhile, according to the negative correlations between the gentrification index and all of the other categories of the industrial population, this type of neighbourhood is characterised by a lower percentage of residents employed in all

types of service industries than seen in other parts of the inner city, in particular, fewer employed in personal services and producer services.

The last column of Table 3.4 enumerates the dependencies of the gentrification process on the aspects of socio-spatial change in a sub-district from 2000 to 2010. Simultaneous with the decline in manufacturing jobs (-.530), the increase of producer services (.635) and public services (.601) accounted for the upgrading of the social structure in a sub-district. Specifically, among the categories of the service sector, connections are principally established by the growth of FIRE employees (.644) and social service workers (.595). Turning to the occupational structure of employees, the emergence of middle-class occupants is more closely related to professionalisation (.866) than to an increase of managers (.578) in the inner city. Among all types of professionals and technical personnel, the growth of financial sector employment (.623) holds one of the highest coefficients with the upward mobility of the social structure in place, which is slightly lower than the rise of engineering and technicians (.666). Finally, aside from the decline of low-income production workers in manufacturing (-.529), social class replacement also reflects pressure towards an extensive displacement of low-income commerce and service personnel (-.692).

The correlations bear evidence that throughout the 2000s, gentrification in Chengdu was accompanied by deindustrialisation and the development of financial industries. The finding is consistent with the spatial distribution of gentrified places. Two areas with an agglomeration of financial industries are included within the core-gentrified areas (see Figure 3.5c). Moreover, a great majority of the gentrified places overlap with a former manufacturing base in the inner city of Chengdu that is affiliated with two districts. One is Chenghua District at the east side of the city, and the other is Jinjiang District extending from the central city to its southeast side (see Figure 1.4). Since 2007, the municipal government has launched programmes to relocate state-owned manufacturing enterprises previously in the two districts to the eastern outskirts of the city while allowing for land reinvestment. Following a municipal spatial plan, the zones including the three gentrified sub-districts in Jinjiang District at the southeast corner of the inner city (Hejiangting, Shuijingfang, Niushikou) have been in the vanguard of redevelopment for the purpose of industrial upgrading (see Figure 3.5c). These areas were reimagined as

a new financial centre in Chengdu and are named by the district government as Wall Street in Western China. Compared with the gentrified places in Chenghua District (i.e., Jianshe, Fuqing and Xinghong), these areas experienced a thorough deindustrialisation and landscape reconstruction in the 2000s. As a result, the sub-districts adjacent to the new financial centre in Jinjiang District achieved the highest level of gentrification. In contrast, currently Chenghua District still contains a large proportion of factories and *danwei* compounds of state-owned enterprises, and the district government has devised a new plan to transform the remaining industrial area to a liveable residential area since 2012.

The third column of Table 3.4 lists the coefficients between gentrification and the independent variables in 2010; these describe the attributes of social classes and built environment in the sub-districts after gentrification. Considering the industrial and occupational variables, the 2010 coefficients are slightly different from the coefficients between the gentrification and independent variables for changes from 2000 to 2010. Notably, a positive dependence still existed between the gentrification index and the share of manufacturing workers (.514) in a sub-district in 2010. Then, except for financial industries (.468), there is no significant association identified between gentrification and a locational advantage in developing producer and social services. However, concerning occupational population, those places that experienced social and physical upgrading ultimately present dominance in accommodating high-ranking employees in 2010. The two sets of correlations for 2010 and for socio-spatial change from 2000 to 2010 thus reinforce the condition that there is an incomplete transformation from manufacturing to knowledge-based service industries in gentrified neighbourhoods. The gentrified neighbourhoods are predicted to have a preponderance of high-status occupations but a certain degree of social mixing in industrial employment among gentrifiers by 2010. An inference is that because urban redevelopment has relied on master plans led by the government and state-owned enterprises, factory removal and resident relocation may have caused a high degree of the retreat among low-paid production workers but not necessarily among the high-ranking population in manufacturing. Moreover, the redevelopment of the financial centre facilitates the appearance of gentrifiers not only because of an increase in employment in new industries but also because of the

generation of locational advantages in living and social environments that then lure high-income consumers from diverse sectors.

In addition to the development of knowledge-based industries, China's economic transition from a planned to a market economy has caused delicate changes in the socioeconomic structure, which are mirrored in the patterns of gentrification. The transitional economy is characterised by the turnover of class structure from lower to higher stratum as manifested in a shift of employment not only vertically from the manufacturing to service industries but also horizontally between employment in declining sectors born in the old system and employment in sectors reformed in the transitional period. The influence has most explicitly been embodied in the transition from public to private sectors. Thus, as regards the social and public services, while the agglomeration of social service (e.g., education and health care) predicts the presence of gentrification in a sub-district, the percentage change in public administration employees shows no relevance. Still, among the three categories of managers, an increase of enterprise directors is strongly correlated to inner-city settlement by the middle class (.628), followed by an increase in managers of party/government departments (.330). Managers of public institutions, however, present an opposite influence on social upgrading in place (-.311). In this study's survey, not a few of the middle-class gentrifiers were enterprise directors who transferred from state sectors in the tide of enterprise reform in the 1990s, while ironically most of the public tenants originally resided in gentrified neighbourhoods and experienced impoverishment after being laid-off by their former state-owned enterprises.

The conventional explanation suggests that gentrification occurs as manufacturing declines and the employment of producer services increases in the inner city. In China, the presence of gentrification is concurrent with state-led industrial restructuring in the inner city. Local authorities initiated the projects of urban redevelopment, aiming at prompting industrial transformation in the inner city, for example, through the *danwei*-based wholesale retreat of state-owned manufacturing enterprises. I suggest that the state-led strategy for socioeconomic advancement in the inner city is a basic driving force of gentrification in the Chinese city. Up to a point, the statement echoes Smith's (2002) argument for the current wave of state-led gentrification evolving into an urban strategy

of development. However, gentrification as an urban strategy in China is produced in the political ideology of developmentalism. Based on Japan's experience in industrial development, Edgington (2012) clarified that "developmentalism rejects the self-regulating market ideal and noninterventionalist state, calling instead for cooperative relations among government, business, and labour within a framework of an active developmental state" (p. 479; see also Johnson 1982, 1995). Indeed, distinctions can be found in the developmental state in China, such as the relationship between the central and local government based on the background of the vast territory of China. Discrepancies in ideas of development have increased between the central and local government in the wake of decentralisation in post-reform China (see He & Wu, 2009; Oi, 1995, 1998; Zhang & Fang, 2003). However, concerning the process of gentrification, "collective mobilisation for the national interest" and the formation of "cooperative relations" (Edgington, 2012, p. 479) among parties in the framework of development continue to be a tenacious tenet that will distinguish the political ideology in China from neoliberal ideology. Based on this ideology, urban projects, industrial programmes and systematic institutional reform have been, habitually, a main tool of the developmental state in leading industrialisation, dealing with declining manufacturing as well as promoting restructuring in cities and regions (Edgington, 1990, 1994).

Building upon this understanding, this study revisits the relationship between gentrification and socioeconomic restructuring in Chinese cities. Rather than a fully fledged service class that constitutes the main agent of gentrification in Chengdu, the occurrence of state-facilitated gentrification could functionally fuel socioeconomic upgrading in the inner city. As a result, the study reveals a strong dependence between gentrification and the aggregation of high-ranking employees to the newly built neighbourhoods in the inner city. However, the gentrifiers could work in different industrial sectors. Moreover, endogenously, the emergence of gentrifiers is associated with the new rich in private sectors burgeoning after economic openness. The question remains as to how collective motives are formed among the cohort of gentrifiers in China.

3.3.2 Housing privatisation

Table 3.4 shows a strong correlation between social upgrading and the increase of homeowners of commercial apartments in a sub-district (.700). The census data in 2000

and 2010 offer information about the composition of household tenure at the sub-district level. Both years categorise six types of housing tenure according to the housing supply system in China: public tenancy, private tenancy, owner occupancy of self-built housing, owner occupancy of price-controlled housing, owner occupancy of originally publicly owned housing and owner occupancy of commercial apartments. Owner occupancy of originally publicly owned housing refers to residents who have purchased collective or public housing using government or *danwei* subsidies, and it is considered to be subsidised housing in this thesis. The owner occupancy of price-controlled housing was a product of the early stage of housing reform in the late 1990s and early 2000s when the government attempted to improve housing quality while maintaining housing affordability. Self-built housing refers to housing built by households *per se*, often referring to rural housing and shanties built by either former villagers or existing urban residents.

In 2000, gentrification tended to appear in places with a large share of public tenants (.519), self-built shelters (.470) and price-controlled housing (.452). Those locations dominated by subsidised owners attracted less new investment and fewer middle-class newcomers (-.598). Neighbourhoods with a larger share of public tenants and self-built homeowners are usually located on land parcels managed by *danwei*s, municipal housing authorities or village collective organisations. The findings thus reinforce the influence of state-facilitated gentrification in China. Then, in the 2000s, gentrification portends a tendency towards the polarisation of homeowners in a sub-district, as evidenced by the loss of households across all tenure types except owners of commercial and subsidised apartments (.700 and .219). Beyond the direct displacement of self-built homeowners (-.405) and public tenants (-.449), the decrease of private tenants is also related to the process of class replacement (-.477), even though in 2000, the condition of private tenants in a neighbourhood had no relevance to establishing the course of gentrification. Thus, in 2010, the gentrification process over the previous decade held a significantly positive correlation only with the proportion of households purchasing apartments in the free market. In particular, the process had consolidated the socio-spatial segregation between owner-occupants of commodity housing (.693) and private tenants (-.546). The

structural change in tenure is also reflected in an increase of actual expenditure on monthly rental fees by households in a neighbourhood.

The strong coefficient between gentrification and the homeownership rate, ultimately exposes the force of housing commodification and consumption underlying social geographical change in the inner city. In association with the context of rejuvenating private consumption in post-socialist China, the connection highlights the complexity of the social process of gentrification in a transitional society. Beyond capturing simply a process of class replacement and displacement, the gentrification process in the Chinese city should unfold simultaneously with social change sourced from individual housing consumption and tenure change. Broadly embedded in the social transformation from a socialist society to a market society, this social change is concerned with, on the one hand, the class-related behaviours and identities of high-income consumers encouraged by the development of commodity housing in the inner city and, on the other hand, the circumstances and potential inequalities experienced by the current low-income households due to housing privatisation. An explanation of the gentrification process needs to incorporate the relevance of spatial commodification and consumption for social class change.

3.3.3 The new urbanism

Indicators of housing conditions and locational characteristics are assigned to define the place-making of gentrified neighbourhoods. Within the 2000s, the percentage change in housing built after the 1990s (.500) and of residential buildings higher than seven stories (498) present stronger connections with the trajectory of gentrification than the share of housing with independent bathrooms or floor space per capita. This finding stresses that it is the specific housing form, more than the improvement of housing quality, that serves as a sign of gentrification in the 2000s in Chengdu. Specifically, high-income consumers are inclined to reside in the newly built, high-rise apartments in the inner city.

Locational characteristics are defined by the distance to financial and business centres and by the distance to city-level commercial centres. Place advantages are measured based on the accessibility and quality of cultural, educational and commercial facilities. This study reveals that locations proximate to the master-planned financial

centres (-.441) and historic and cultural sites (-.369) were likely destinations of middle-class inhabitants during the 2000s (Table 3.4). This connection reinforces the argument that there is a tight relationship between gentrification and the development of financial industries. The five historical and cultural sites only rarely include residential buildings, but they held historic buildings and brownfields that were renovated and commercialised during the 2000s (Figure 3.5c). Rather than gentrifiable properties, cultural renovation for the purposes of tourist development and commercialisation served as inspiration for further residential development and gentrification. In this case, these places are often less gentrified than the surrounding areas (e.g., Shaocheng vs. Wangjiaguai, Shuijingfang vs. Niushikou, Jiangxi vs. Shuangnan).

Additionally, good schools at the primary and middle levels also attract new capital and consumers (420). In Chengdu, admission to primary and middle schools in an area is conditioned on residential proximity and the location of household registration. Although the municipal government has attempted to balance the geographical differentiation of educational quality by opening admission to high-standard schools to a certain number of nonlocal residents, residents living in the immediate vicinity of the high-standard schools have substantially more educational choices and lower payments for enrollment. Finally, the appearance of gentrification has no obvious relevance to the commercial facilities in these neighbourhoods. In fact, the places with the highest proportion of commercial land-use present the lowest probability of gentrification and even display a concentration of poverty, which might be partly impacted by the large share of low-paid employment in consumer service industries in districts with extensive commercial land-use. For instance, in Yanshikou, more than half of which is apportioned for commercial land-use, the socioeconomic profile experienced downward mobility from 2000 to 2010 (Table 3.3).

The gentrified landscape reflects a consumer preference among new gentrifiers for areas with cultural resources and favourable social fabric. Moreover, it has highlighted the influence of the state-led creation of new urbanism in the inner city on the cultivation of consumer culture among high-income consumers. Since 2000, Chengdu has ushered in a period of rapid development, responding to national strategies and policies encouraging development in the western part of China. To date, four waves of large-scale urban renewal programmes have been launched, in 1993, 2002, 2009 and 2012. While urban

reconstruction before 2000 initiated the renovation of waterfront areas, the two waves of urban renewal in the 2000s, led by Secretary Li Chuncheng, have notably guided the renovation of historic sites in the inner city (Shaocheng, Caoshijie, Hejiangting and Jiangxijie). Meanwhile, as mentioned earlier, together with the relocation plan for factories since 2007, the government has increasingly shifted its focus to upgrading not only the built environment but also, substantially, industries. These state-led projects overlap with the geography of residential gentrification, which explains the efficacy of state-led place changes in stimulating the spatial consumption and residential mobility of gentrifiers. The most recent wave of redevelopment was set in motion in 2012. Chenghua District, which still contains a large proportion of factories and *danwei* compounds of state-owned enterprises, has now become the new frontier of investment in high-end residential and commercial estates.

Similar to the new middle class embracing inner-city urbanism, China's new rich are also stimulated by a new urbanism in inner-city areas but in a particularly twisted form. The new urbanism has been characterised by a new housing pattern, good quality education, and enriched resources representing historical culture. The distinctive cityscape conveys different causes and characteristics of sociocultural change in contemporary Chinese cities. Most notably, rather than being produced in a cultural trend of lifestyle change among the new middle class in quaternary industries, the new urbanism in China is produced by the new market regime with support from the reformist state. It represents an imagined new modern landscape after the dystopia of Mao's envisaged socialist city. Correspondingly, it characterises a cultural transformation towards a new Chinese modernity, wherein China's new consumers are at the cutting-edge of cultural delivery.

The dependencies of gentrification on spatial commodification and newly built urbanism ultimately bring the forces of production and the consumption of space into gentrification in the Chinese context. On the basis of public land ownership and welfare housing systems, political-economic elites have led institutional change towards spatial commodification and the production of new landscapes in contemporary Chinese cities. The social production of space will cultivate new types of urban lifestyles and consumer culture. Meanwhile, the gentrifiers have expressed a propensity towards new urbanism

and homeownership in the inner city in their quest for landscape and neighbourhood credentials, socially, culturally and economically. An explanation for gentrification must discern the social class dynamics induced by interaction between the forces of production and consumption in the inner city.

3.4 Conclusion: Gentrification as a mechanism for economic development and social change

Gentrification in the post-socialist cities, as well as in other Southern cities that seem on a fast track to economic take-off, appears in a time of profoundly urban transformation of which the gentrification process is a part. The urban transformation in Chengdu creates a fundamental urban reality for gentrification in the 2000s. Multiple urban processes are entangled with each other and led not to a piecemeal but to revolutionary change in the social space. The urban reality is a direct reason rendering gentrification in these Southern cities less observable and comprehensible. This chapter is an attempt to disentangle the thread of gentrification from a complex urban transformation, through materialising the process and articulating it with major societal change in the post-socialist era. We thereby clarify three characteristics of the process in Chengdu that will embed the gentrification process within the post-socialist social contexts.

First, the presence of gentrification relies on urban strategies of development pushed ahead by local state actors. Compared with advanced post-industrial societies, the degree of development of quaternary industries is modest in post-socialist cities; a highly educated service class may not yet have taken form. Within this socioeconomic context, urban plans stimulated by the state and its economic alliances are the impetus of the incomplete transformation to a post-industrial society in the inner city. As a result, gentrification over the 2000s concentrated in fewer localities in the inner city of Chengdu, and in particular, manufacturing neighbourhoods that were planned and redeveloped so as to kick-start a new growth cycle. Moreover, the tendency of urban and social change could be juxtaposed against the wider urban restructuring in the inner city which is adapting to the socioeconomic context of expanded low-skilled service workers. As an urban strategy, gentrification in the contemporary Southern city is thus

characterised by distinctive signification. It is a unique urban process, reflecting the most innovative practices in the city, that tends to transcend the developmental trajectory and catalyse rapid social and economic advancement.

Consequently, state-facilitated gentrification in China should be read as a *cause* rather than as an *outcome* of social change. In contrast to communal consumption in urban society under Mao Zedong, the recovery of individual consumption in line with release of economic liberation activities motivates China's new rich to seek class distinction and identity. Moreover, the engagement of the new rich in individual consumption displays a relatively high degree of heterogeneity in terms of economic sectors, systems of production and cultural capital. The sociocultural situation in post-socialist China thus represents a unique context for urban and social change in gentrification, which is the *emergence* of middle-class consumers. Based on this sociocultural context, the study has rejected the assumption that a highly educated service class drives gentrification in China. Instead, it emphasises the variety of gentrifiers when considering industrial sectors and production systems. Furthermore, the analysis also demonstrates a strong dependency between social upgrading in place and private housing consumption and the occupation of a newly built urbanism. Consumer consciousness and a middle-class habitus in contemporary urban society could be cultivated together with the new building of urbanism and the enablement of homeownership. The argument thus encourages an examination of the gentrification process in China accompanying intricate social change, amplifying the process beyond a straightforward struggle between two socioeconomic classes.

Finally, the course of gentrification is dependent on both social-cultural and political-economic forces exerting influence via the production and consumption of space. Using correlation analysis, the privatisation of household tenure and a newly built urbanism have been consolidated and used to predict the urban and social change that occurs with gentrification. The two sets of connections not only highlight the power of individual consumption but also draw attention to the master-planned spatial layout of the inner city. Particularly, the findings underline the effectiveness of housing commodification as embraced by the reformist state and the production of social space in encouraging individual consumption and orienting consumer cultural change. Adopting

this vein, an explanation of state-facilitated gentrification should emphasise the interaction of those production and consumption forces, with a stress, as Lees et al (2016) insist, upon on the role of the state.

The three contextualised characteristics deviate from the narrative framed by the relationship between socioeconomic restructuring, sociocultural change and place change or by the connection between land reinvestment and class struggle that exemplifies the heart of capitalism. The socioeconomic conditions in a new economy, the restless society in an era of market transition and the activities of state actors have all complicated the process of gentrification in the city. They reshape the process from a direct result of the class invasion of inner city locations to a more complex scenario of economic development and social (class) change in relation to the construction of a new society through new urbanism. The three contextualised characteristics ultimately draw attention to the central nexus between urban strategies prompted by the developmental state and its economic ally, spatial production and social (class) change, in the explanation of gentrification in China.

Chapter 4 Inner-city Urbanism and the Construction of Consumer Citizenship

Based on the three contextualised characteristics revealed in the last chapter, this chapter explains the causes and patterns behind the gentrifying process. It places emphasis on the local state acting in spatial production, through its orientation to cultural and economic institutional change, and associates the state with the identity construction of the middle-class newcomers to the inner city of Chengdu. Three main themes run through the following sections. The first two themes start by discussing the spatial practices conducted by governments and economic elites in the course of urban redevelopment: new landscape formation guided by changing government aspirations for urban boosterism, and spatial commodification led by land capitalisation and housing privatisation. The two spatial practices will then be connected to two implications for social dynamics — the formation of a new urban modernity and an accompanying stimulation of housing consumption. The third theme addresses the involvement of gentrifiers in the course of change. It verifies the result of state-facilitated inner-city redevelopment in the cultural formation of gentrifiers, not as an emancipatory end but as the development of consumer citizenship.

4.1 New landscapes and new modernity

After decades of urban (re) development, large Chinese cities now present various modern, late-modern and post-modern landscapes with corresponding forms of sociability. When passing through a historic commercial district, one may see department stores with clumsily added exotic markings, and youths and migrants crowded in central squares who are shopping, walking, searching for local cuisine or seeking retail job opportunities. Close to historic commercial centres, towering buildings with light grey glass, clean walls and clean lines rise abruptly above uniformly multi-story, drab concrete buildings that represent the legacy of Mao's China. Within the high rise towers, well-known global luxury brands are for sale on the first floor, with IMAX theatres above and upscale restaurants on the roof decks. Stylish youths, and elegant women with suited men pass in and out of the buildings while others are only afforded glimpses inside. People

know well where they are allowed to go. Nearby the towering city centres, stark, low-density districts present Chinese cultural histories to tourists. Buildings are two or three stories tall with post-modern combinations of sloping roofs, glass and wood-grained walls of a deep-grey hue with Chinese characters. This style demonstrates how cities find their way between rapidly modernised cityscapes and their celebrated histories. Nearby, one will find neighbourhoods with bars, clubs, and coffee shops (with names reminiscent of Soho in Hong Kong, New York and London), the tallest and most expensive condominiums, five-star hotels and westerners jogging outside. When leaving the city centre and approaching a new urban district, one may hardly find typical suburban landscapes. Instead, rows of buildings tower line along broad avenues. In certain areas, there are shopping malls, large complexes and stadiums, and landscapes reminiscent of La Défense. As one travels away from densely urbanised districts, luxury suburban communities finally come to the fore, not next to large shopping centres but with everything one needs within gated communities, including malls, flagship stores selling global brands, laundry services, restaurants, theatres and even churches.

These landscapes are indicative of modern urban China - of a renovated and newly built large city in the post-socialist era. In the 1960-1970s, classical gentrification in advanced capitalist cities was developed in the advent of post-industrial and post-modernist urbanism that was initially driven by cultural pioneers and then championed by the new emerging middle class. In objecting to the supremacy of economic values and formalistic cultures under Fordism and mass production, the new middle class' engagement with historic preservation, neighbourhood construction, and political reform reflected a trend of social liberalisation and cultural innovation (Ley, 1996). In a way, gentrification in China is bred in a context of transformation from the modernity of the production society in the socialist China to a modernity featured by rising consumer society. Ideologically, the transformation impacts both the middle and working classes. Ong (1997) explains modernity as "an evolving process of (social) imagination and practice in particular historically situated formations"; "the social imaginaries have been called the 'constructed landscapes of collective aspirations' (Appadurai, 1990, p. 5)" (p. 171). Turning to the city, Davis (2005) terms Mao's vision of modernity as a *de-commodified modernity* defined by "increased industrial output and the triumph of

collective ownership" (p. 698). Cartier (2009, 2013, 2016) in contrast deems the landscape formation of transitional urbanism as in line with the creation of consumer modernity and the promotion of consumer economy by the state.

Based on this background, state-led urban redevelopment is a spatial practice embodying ideologies and urban imaginaries of the reformist state and elites absorbing a new urban lifestyle and a consumer culture in animated places. The creative destruction of the landscape co-exists with both the socialisation and stigmatisation of social groups, functionally impacting the subjectivities and consumption practices of gentrifiers and the working class. This section will trace the trajectory of cityscape change and representations of places resulting from state-facilitated urban redevelopment in Chengdu. Different from the gentrification with its genesis in a post-modernist cultural shift, this section shows state-led gentrification originating from a nationwide cultural project that is accompanied by an ascendancy of modernist consumer cultures and urban lifestyle that condemns alternative lifestyles to obsolescence.

4.1.1 Anti-urbanism and de-aestheticisation

The influence of Mao Zedong on Chinese modernity and social formation is fundamental. Throughout the 1950s and the later period of the Cultural Revolution, Mao stood up for a trend of anti-urbanism, encouraging an austere lifestyle with mass production, and submitting individual autonomy beneath national development (Ma, 2002; Ma & Wu, 2005; Cartier, 2009). The trend of anti-urbanism left Chinese cities with underinvestment in their built environment, de-aestheticised spaces for impoverished masses. In 1985, more than two-thirds of the total housing floor area in 323 Chinese cities was under the jurisdiction of work units, while municipal housing authorities were in charge of another 9% of the housing floor area (Wu, 1996). Up to the present, the socialist landscape still predominates in the inner city of Chinese cities (Ma, 2002) (Figure 4.1). This section reviews the cultural legacy of socialist cities managed under Mao's rule. It is beyond the scope of this chapter to trace the genealogy of socialist cities. The following brief review offers a glance into the social and cultural foundations from which gentrification has unfolded in the post-reform era, by outlining relationships between place creation, lifestyles and class distinction.

Figure 4.1 The socialist and newly built landscape in Chengdu. *Source*: Photo taken by author, 2016.
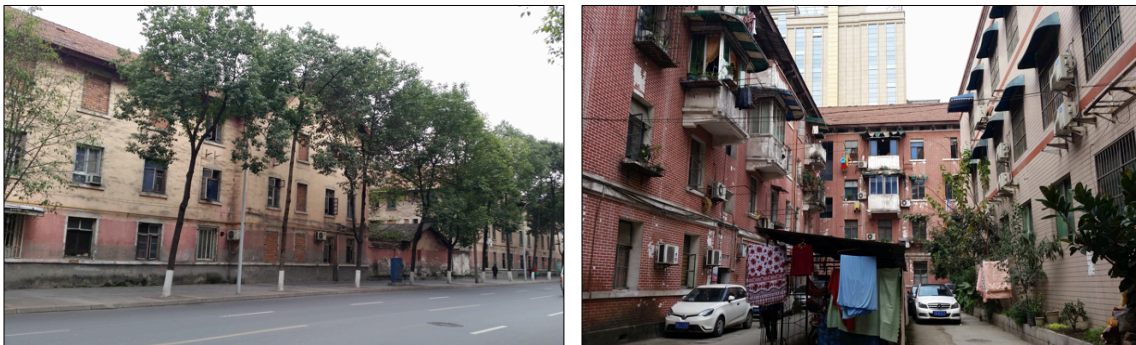
Figure 4.2 Workers' neighbourhoods in Chengdu. *Source*: Photos taken by author, 2016.

The *danwei* system of post-1949 cities entailed the establishment of public housing allocation and management systems involving two levels of institutions and enterprises and the municipal government. The "production first, living second" doctrine generated an anti-design movement for housing design. From Soviet expertise and notions of modernist typology, *danwei* housing is typically characterised by six-storey, concrete blocks of a minimalist and standardised design. Also, widely constructed workers' neighbourhoods, which accommodate production workers of state-owned enterprises, resemble bachelor apartments but of far lesser quality. The two- to three-story buildings within the workers' neighbourhoods are referred to as barrel buildings (*tongzilou,* 筒子楼) (Figure 4.2). One nuclear family may crowd together in a single room of less than 20 m^2 without a bathroom. Rooms are positioned along corridors, and residents must cook

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within these corridors and share public toilets (Liang, 2014). Within the *danwei* compound, private spaces are heavily compacted and intermingle with public spaces such as canteens, playgrounds and meeting rooms (Lu et al., 2002).

> According to the decision of the Construction Committee, "the new types of housing must give the workers maximum free time and energy for their social and cultural activities, must place at their disposal suitable leisure opportunities and facilitate the passage from an individualistic concept of housing to more collective forms." (Bray, 2005, p. 85)

Indeed, the government made preliminary attempts at residential spatial planning by importing Western concepts of the neighbourhood unit. Meanwhile, architectural forms in Beijing at one time recovered traditional cultural elements through modernist buildings, so as to create archetypes that symbolise Chinese socialism and nationalism (Lu et al., 2001). Such aesthetic trends involved waves of experiments of eclecticism in building constructions, presenting signs of Chinese and Western classicism (Liang, 1954). However, these concepts were soon criticised and replaced by politicians prioritising economically efficient construction methods. New types of housing and neighbourhood construction absorbed Soviet housing industrialisation and Mao's People's Communal system later on.[12]

Meanwhile, from 1957, the governments began to confiscate and socialise private property constructed before 1949. Such sites mainly included courtyard houses owned by capitalists of the pre-revolutionary China. There are various types of courtyard houses that adapt to geographical features of northern and southern China. While courtyard houses in north China are typically bungalows with spacious skylights, two-story houses with small skylights predominate in the south part of China. Courtyard houses often retreated from crowded streets and were positioned along small lanes (e.g., *hutong* in Beijing and *lilong* in Shanghai*)* (Knapp, 1999). After their confiscation, municipal governments divided and rented these buildings to residents as public housing. The saturation of low-income workers and a lack of investment from municipal

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[12] Within the period of Jiangxi Soviet, Mao already established a centralised system of fiscal control and redistribution in Yanan in 1932. However, due to economic difficulties faced by the CCP government in Yanan after 1939, mass mobilisation in production was initiated as a long-standing policy for boosting economy. Separate productive units were established to charge self-production and allocation of goods and welfare to members. This type of productive community was a predecessor of the People's Communal system, the lowest level of social and political unit adapting to Mao's ideas of social organisation and economic production (Bray, 2005, p.47).
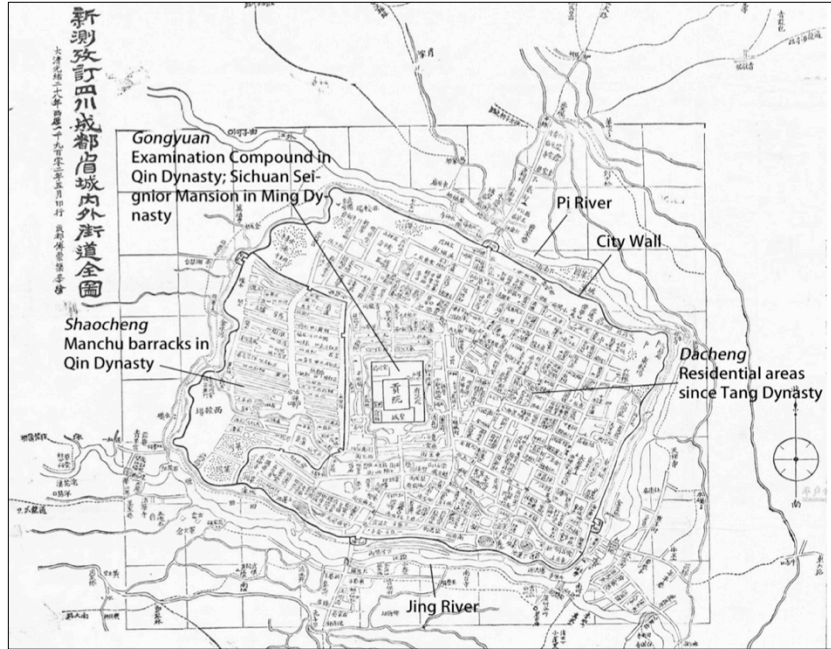
Figure 4.3 Chengdu in Qin Dynasty. *Source*: Yuan, 2010.

Figure 4.4 The central plaza of Chengdu in 1985 (above) and 2016 (below). *Source:* Yuan, 2010 (above) and photo taken by the author in 2016 (below).

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governments accelerated the degradation of those historic buildings. Following December 1968, the same year when a reformist committee of the Cultural Revolution was organised in Chengdu, the municipal government demolished an iconic building of pre-modern Chengdu located at the geometric centre of the city, which was traditionally used as an examination hall for scholar-officials and an administrative center, and also city walls of the Qin Dynasty (Figure 4.3). The area was then reconstructed into a central plaza with a sculpture of Chairman Mao positioned in the centre (Figure 4.4). The destruction of spaces of imperial China foreshadowed decades of urban modernisation in Chengdu.

The landscape of *danwei* compounds embodies the social and cultural politics of Mao's China. The de-aestheticisation of spaces implies a cultural strategy of Maoism that removes individualism and that magnifies collective subjectivity so as to submit personal pleasure to national production. It shrinks the private domain of daily life and establishes a public domain in *danwei* compounds for socialisation that has been closely associated with the values of a national totality (Bray, 2005). Still, as mentioned in the last chapter, collective consumption in *danwei* compounds constructed homogenous lifestyle and culture among cadres and workers. However, it would be a mistake to take the *danwei* society as simply a "classless" society (see Wortzel, 1987). Professionals, managers, and technicians were unified with the working classes not due to their balanced social and economic status but due to the need for alliances in the production movement. Skilled and educated cadres included think tanks, assistants and performers of the socialist state and were role models of mass society. Workers were trained as completely socialist soldiers of production but still lacked political power over decision-making. This social condition is exemplified by the status of the working-class Trade Union in socialist China. The responsibilities of the Trade Union brought it into conflicts with *danwei* administration, which ultimately raised a debate within the Party regarding the relationship between the Trade Union and *Danwei* administrative authorities. The one side suggested the Trade Union be independent of the administrative system so as to focus on affairs for workers. The other side insisted that central control is an essential principle of socialism so that the separation implies a substantial error that is a symbol of

the capitalist road. The latter won the debate, while the former was denounced as departing from socialist ideology and doctrines (Bray, 2005).

During the 1980s and mid-1990s, the state-led reconstruction of dilapidated buildings was set in motion in Chinese cities against a basic backdrop of housing shortages and unsound built environments (Gaubatz, 1999; He, 2012). This new wave of community construction inherited the compound style but improved community services and housing quality levels. Nevertheless, the central government continued to encourage compact, affordable and economical construction of new residential compounds to achieve a level "in between minimal and luxury levels" that was integral to the social objective of development towards a moderately prosperous society (*Xiaokang shehui, 小康社会*) in China (Kai, 1993). In Chengdu, the municipal government started the first large-scale redevelopment programme in 1993 to encourage waterway environmental improvements and infrastructure construction. Waterway improvements were completed in 1997 and were granted the UN-Habitat Scroll of Honour Award in 1998 (Tao & Wang, 1999). The volume of building demolition from 1992 to 2002 reached 20 million square metres and involved the movement of 110,000 households to 24 newly built communities (Li & Yang, 2014). Most of the newly built houses thus remained basic regarding design and were contained within 60 m^2 for a nuclear family of three or four people, but they also separated functions and improved overall areas. Within these communities, uniform multi-story apartments were arranged in rows with a public space positioned at the centre (Zhao, 1991) (Figure 4.5).

Figure 4.5 New residential community in Chengdu in the early 1990s. *Source*: Annual Report of Chengdu, 1999.

Housing and neighbourhood construction led by the state in the pre-reform era had a fundamental influence on cultural change in the post-reform period. Urban reconstruction before the mid-1990s has established the typology of gated communities; by fully repudiating traditional cultures and erasing signs of the past, it expedited the secularisation of Chinese culture and left a mass society with minimal aesthetic consciousness and class distinctions in habitus. Ideologically and physically speaking, the spatial practices and representations of this period flattened state-led socialisation and cultural construction via urban (re) development in the following years. After learning lessons from urban renewal projects in Shanghai and Beijing, an official from the Chengdu Housing Department recognised:

> After years of "massive destruction and reconstruction" (*dachai dajian*), we now consider protecting some old buildings, as you mentioned, such as Sichuan dwellings and Soviet buildings. The site of the central city of Chengdu has not changed over five thousand years. However now, Chengdu has nearly lost its identity as a historic city. Very early on, the municipal government started to bulldoze quadrangle dwellings in the city. Soviet buildings above a certain size are mainly located in the Chenghua District. However, most of them were demolished when the district government launched its livelihood projects for urban redevelopment and when the Chengdu municipal government decided to relocate secondary industries from the inner city to the Chenghua District. (O22, Official from the Urban-Rural Housing Department of Jinniu District)

4.1.2 Defining the image of a global city

The ideology of master-planned spatial production held by the socialist state has a path-dependent influence on the reformist state. While no doubt multi-scalar governance has increasingly come into force in the implementation of urban projects, researchers on China do continuously give attention to the Chinese state in landscape formation and representation today. Cartier (2002), for instance, in studying the CBD redevelopment in Shenzhen, presents the way the municipal government, assisted by domestic and overseas planners, imagined and designed the new city core and represented its functional role for Shenzhen to be a world-class city. Drawing on Foucault's notion of governmentality, scholars have also probed the influence of cultural practices of the state on shaping consumer subjectivity, which mirrors the connection between Mao's governance of the

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danwei society and the collective subjectivity accompanying industrial mass production (Bray, 2016; Cartier, 2009, 2013, 2016; Klingberg & Oakes, 2012; Pun, 2003).

However, it must be noted that, from the perspective of consumers, the anti-urbanism movement and class relations in socialist China have in effect preconditioned the new rich in the market society to seek for autonomy and individualisation through consumption (Davis, 2005). Moreover, without overlooking the pressure and inequalities experienced by the urban poor, authors argue that an overvaluation of consumption, like a two-edged sword, yields to contradictory experiences of consumers towards both emancipation and disempowerment (Wang, 2001). The divergence in production- and consumption-side explanations for China's landscape change here partly echoes the classical debate in gentrification research. The following two subsections explain landscape production and representation led by the local state and transnational capitalists during the process of inner-city redevelopment in Chengdu after 2000. The third theme in this chapter will further deal with the role of consumers.

A critical moment of urban change in Chengdu occurred in 2002 with the innovations of the former party secretary from 2003 to 2009. Secretary Li Chuncheng embraced theories of city marketing and paid specific attention to city branding and urban imagery. In 2001, when he was promoted as the mayor of Chengdu, Li launched a shantytown reconstruction project, which was precisely located in the most gentrified neighbourhood called Lianxin sub-district (see Figure 3.5c). The project was Mayor Li's first engagement with the city. Rather than merely encouraging demolition and reconstruction for environmental improvement, Li tended to rebuild the urban image. In 2003, Li invited a famed Chinese director to shoot a city video entitled "Chengdu: once you come you will not want to leave," representing the first account of Chengdu to the world. Told from the perspective of an outsider, the video stresses sociocultural aspects of the city more than the city's economic culture. It presents a city with friendly residents, a comfortable and leisurely lifestyle and active teahouse public life. Iconic spaces include the redeveloped Tianfu River and remaining imperial and religious spaces throughout the city.

Over the next several years, Li organised research and media reports on the branding and marketing of Chengdu. Based on the city's comfortable climate and long-established

tradition of folk culture (e.g., teahouse culture), research and media reports have constantly strengthened Chengdu's image as liveable and inclusive while stressing its need for global acclaim. One of the influential promotional tactics for Chengdu is its "Fourth city" branding, denoting the city's status as presenting the potential for development following the cities of Beijing, Shanghai and Guangzhou. As early as 2000, the New Weekly, a Guangdong-based newspaper that is well known for its creative views on social change, published a full issue on why Chengdu is considered the Fourth City of China. Four years later, the Western China City Daily of Chengdu and the New Weekly arranged a forum in Chengdu that involved reviewing the Fourth City's development in recent years. During the forum, the chief editor of the New Weekly described his views on Chengdu as a leader of urban lifestyle change and cultural innovation in China.

> Economic capacity cannot represent the identity of the city that will not be measured using statistics. A city's charm concerns its lifestyle, taste, and aesthetics. Chengdu, a city in the western region of China (known for a relatively low pace of economic growth), remains at the cutting-edge of lifestyle creation. (Wang, 2007)

The Chinese Academy of Social Science, the top think-tank in social science based in Beijing, also conducted a series of surveys to measure the efficacy of Chengdu's branding both internationally and domestically. A report showed that Chengdu receives little recognition globally but greater recognition domestically. It defines Chengdu's city identity as "an inclusive, open inland city with rich and distinctive historical cultures" (Ni & Chen, 2010, p. 105). The city of Chengdu is described as having the potential to become an "internationally notable cultural city," with the city's notable characteristics including its liveable environments, enriched historical resources, amicable and spirited residents, comfortable lifestyle and trendy, youthful aesthetics (pp. 106-108). However, the report also stresses that the level of cultural amenity remains relatively low and must be upgraded to international standards.

The city marketing strategy brought into action various plans for creating model cities of environmental and social development (i.e., "National Hygienic Cities" and "National Civilised Cities") from 2002 to 2008, such as community development, street beautification and the removal of street vendors (Sun, 2010). Cartier (2009) has given

particular focus to the National Civilised Cities programmes, as instructional programmes wherein the state acts to provide knowledge on desirable commodities to buy, establishing the model of consumer citizenry. The civilisation programmes, at least at the very beginning, were regarded as politically necessary to unify the society and balance the negative influence of the commodity economy and material consumption (Cartier, 2002, 2009, 2016). After failing in the first round of competition for the National Civilised Cities contest in 2005, the municipal government of Chengdu and local media organised a public discussion and self-reflection on "the Gap of Chengdu to Civilisation" (Guangmin Daily, 2015.11.11). This discussion finally became a social learning tool citywide.

> The city project may come to naught simply because of uncivilised conduct by any individual. We need everyone in the city, including citizens and migrants who work or do business in the city, to present their best, to obey the social and moral norms. (Tianfu Morning Post, 2005.12.30)

Meanwhile, following administrative reforms of the 1990s, communities replaced work units as the smallest administrative areas. However, the city renewed the importance of community building for social control, following President Jiang Zemin (1989-2000), who announced "community building" as "approaches that promote social development, expand grassroots democracy, raise living standards and maintain social stability" (Bray, 2006, p. 536). The functions of residents' committees were extended from the realm of service delivery to include cultural publicity, social education, policing and so on (e.g., "civilised citizens quality education") (Bray, 2006). Similarly, the central state spread moral discourse on "quality" (*shuzhi, 素质*) to motivate the self-improvement of dominant segments of labour to facilitate the country's market economic transition (e.g., young adults) (Ong, 1991). Ever since, older neighbourhoods have been stigmatised as blighted spaces that are less civilised, and subject to "control, redefine and transform" (Cartier, 2002, p. 1526). Local decision-makers view neighbourhood renewal and spatial regulation as necessary to facilitate social civility, governance and the improvement of cultural taste among citizens (O33). Rural-urban migrants have clearly suffered from redevelopment due to the rampant removal of street vendors and the formalisation of space.

For urban governors, the old and declining places in the city are obstacles to urban development. The places are insecure, concentrated with social conflicts and untouched by social governance. Floating labour, low-income citizens, and disadvantaged senior populations have occupied these kinds of places. They cause the duality of social spaces in the city and the difficulty of development (China Business News, 2016.02.01).

Based on these initiatives, Secretary Li promoted the most extensive urban redevelopment plan in Chengdu from 2002 to 2004. Over these three years, more than 5.8 million square metres of housing were cleared away, and 110,000 households were relocated (Zi & Huang, 2006). Environmental improvements and the removal of informality brought continuous investment to the inner city and spurred the first housing boom in Chengdu from 2003 to 2008. The mainland developers and a small number of Singaporean, Taiwanese and Hong Kong investors played a significant role in promoting global urban lifestyles and modernist aesthetics that have catered to a new upper class in the city. Initially, several high-end communities received investment from private developers in the south region of the city and along the Second and Third Ring Roads. The area referred to as the European city is often recognised as the first wealthy area of the reform period. Compared to the development of high-end communities on green fields, inner city redevelopment was considered likely to be constrained by the land use of places occupied by work units. Newly built communities have mostly been concentrated within the waterfront area, where land was released with the conclusion of waterfront redevelopment in 1997.

These new communities have spurred a strong trend toward Western landscapes in terms of symbolic meanings (see also Ma, 2002; Wu, 2007; Lin, 2007a). Focusing on the luxury suburban communities in Beijing, Wu (2004a) defined spatial practices at the time as based on an "imagined globalisation" (p. 229) by developers to exploit the new market for new lifestyles. Not a few developers constructed the so-called "International Communities" (e.g., the Athens International Community and International Community Foothills). Although not directly referred to as "International Communities," the other newly built communities also exhibited international qualities through foreign names (e.g., New Victoria Apartments and Gloria Regent Garden) (Feng, 2006). During the 2000s, these residential buildings were high-rise apartments, townhouses or detached houses. Luxury communities located on the outskirts could be deemed complete

reproductions of European towns, presenting various types of so-called European architecture and public space (Figure 4.6). Due to relatively limited land areas, communities in the inner city have featured high-rise apartments of a relatively simple design, although one can still find signs of Western architecture.

Figure 4.6 Suburban gated communities (International Community Foothills) in Chengdu. *Source*: Photos taken by the author.

Also, developers simply imported images of globalisation and related notions of internationalism and advanced modernity as desirable lifestyles for the new upper classes (Feng, 2006). However, most of these communities have nothing to do with true international precedents. Advertisements delivered abstract meanings of "international" related to high living standards, civilised residences and consumers who are attracted to such communities. An inner-city project called the Riverside Peak Pavilion, which was also developed by a Singaporean developer, is located along the First Ring Road in the waterfront area. In promotional documents, the developer defines the main attractions of the community as follows:

Luxury and hard-wearing apartments of an internationally advanced design; environments of a Southeast Asian style that are unique to Chengdu; high-quality Singaporean architecture; and services and facilities of a global standard. The community offers an international, modernist

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lifestyle. (Chengdu Commercial Daily, 2012.08.02).

Fairview Park, the first high-end neighbourhood in Chengdu located near the Second Ring Road, received investment from a Singapore capitalist in 1992 and was completed in 2000 when the city was designated by the central state as a city that is open to the world following Deng's southern tour. The developer declared that the community's residents were expected to be half immigrants, and bilingual services were provided. Apartments in the communities were priced at 5,000 Chinese Yuan (approximately US $ 800) per square metre in the early 1990s. The catchy sales slogan "driving a Benz and living in Fairview Park" marks the transitioning lifestyles of China's new rich (West China Video and Television Post, 2009.08.15).

> Which kind of lifestyle do people like in Chengdu? One can buy deep-fried dough sticks in his community or find a small restaurant at the corner of a street. However, the rich prefer to live in Fairview Park. It is an authentically international place, providing management and services just like a residential hotel. Living here is the real rich of Chengdu. (West China Video and Television Post, 2009.08.15)

With the trend to new landscape formation, residences in post-reform China have rapidly become associated with class distinctions. Chinese developers are tastemakers who create and guide housing consumer culture in China; moreover, they portray images of European architecture as an icon of middle- and upper-class urban life. Chengdu, a so-called ordinary city according to the rest of the world, has ultimately shaped its self-representation as a global city (Liang, 2008). Since the opening of the city to the world, this self-absorbed global image has for the first time produced a modernist, middle-class habitus and has driven the first wave of gentrification in Chengdu.

Apart from the new-build mode, another series of urban redevelopment plans is related to cultural preservation and revitalisation of historic places in the inner city. However, cultural revitalisation of historic places in large Chinese cities has mostly adopted the mode of commercialisation, focusing on functional relations between economic development, urban culture, and aestheticisation (see Deng, 2005). Moreover, modes of urban revitalisation have involved the creative destruction of authentic places, replacing these sites with modern buildings and fabricated historical structures. In four

Figure 4.7 Historic site (Wide and Narrow Alley) after commercial renovation. *Source*: Photo taken by the author.

formally designated historical sites in the inner city of Chengdu, only a few key registered historic buildings remain intact following redevelopment. A historic area featuring the spatial form of *hutong* in Chengdu (Wide and Narrow Alleys, WNA), renovated after a well-known renovation project in Shanghai called Shanghai New World (see He, 2007; He & Wu, 2005, 2007). The place was previously a neighbourhood that included historic dwellings of the Qing Dynasty and the pre-revolutionary period. The area experienced commercial redevelopment during the 2000s and was designated as a historic and cultural district by the municipal government in 2008. Most of the traditional buildings here were demolished and reconstructed using traditional construction techniques. Currently, the WNA represents the most notable landmark of the historical culture of Chengdu (Figure 4.7). While such projects are designed to advance political agendas and private interests through urban reconstruction, these modes of cultural revitalisation compromise cultural authenticity.

4.1.3 Towards cosmopolitanism?

Ironically, what brought Chengdu to the world's attention for the first time were not the tools of a self-promoted global city image but a great earthquake that occurred in 2008 in the western region of Sichuan Province, where Chengdu is the capital city. After

the earthquake, secretary Li established a City Image Office and created a marketing corporation to promptly recover the city's image after the disaster. Using the following slogan: "A lucky survivor, a better Chengdu - the image of Chengdu was enhanced after the earthquake," the city's marketing scheme explained to the world that Chengdu was not at the centre of the earthquake to eliminate negative impressions and to recover the city's tourist-friendly image.[13] Moreover, in virtue of the worldwide attention created from the earthquake, the government highlights the efficiency of rescue teams and the government's stellar performance in spurring rehabilitation to reinforce the government's trustworthiness and to reorient the city identity as competitive and creative. In addition, the campaign also takes note for investment opportunities generated through reconstruction and the resettlement of affected residents (Liu, 2009). Through this round of city marketing, a city video entitled "Where pandas live, real China, Chengdu" was aired on CNN and at New York's Times Square in 2011 (Xu, 2011.08.02).

During this period of disaster rehabilitation, Secretary Li advocated for a second round of urban redevelopment during his term in office from 2009 to 2011. Overseas investors have entered Chengdu in line with rapid housing price increases from 2009 to 2011. From 2007 to 2013, Hong Kong-based Wharf Holdings alone completed 11 commercial and residential real estate projects in Chengdu. Commercial and real estate developments, named with the "Times" prefix (e.g., Times Palace, Times First, and Times Riverside) based on a Wharf Holdings product series, exhibit Wharf Holdings' determination to guide Chengdu into a new era of internationalised consumption and life. In 2014, the Executive Director of Wharf Holdings, Ms Doreen Lee, participated in an opening ceremony for commercial real estate in International Finance Square in Chengdu (Figure 4.8). Following the Chengdu project, currently, Wharf Holdings is still producing another four International Finance Squares in other cities of Mainland China. Using a theme called "It's time……," Ms Lee described the company's reason for building in Chengdu:

> Chengdu is known as China's third largest financial market only after Beijing and Shanghai.
> *It's Time* for the city to represent a world-class and coveted landmark with the opening of
> CDIFS (Chengdu International Finance Square).

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[13] Retrieved March 24, 2016, from: http://www.apexogilvy.com/caseview.aspx?id=153

"Given the high value of Chengdu's land parcels and its impressive consumption expenditure of luxury goods, half of the Fortune 500 companies have established a presence here; Forbes, a leading business magazine from the U.S., and CBN Weekly from the Mainland both selected Chengdu as an emerging market supernova, and *It's Time* for the people of Chengdu to be proud of themselves." Ms Lee continued, "The *It's Time* theme denotes a source of pride for the Chengdu people, who can enjoy the joys and beauty of their daily lives. And *It's Time* to provide the people of Chengdu with a brand new international lifestyle and much more than just another commercial complex for shopping." (Wharf Holdings, 2014)

Figure 4.8 The International Finance Square in Chengdu. *Source*: Photos taken by the author.

Other iconic spaces include Lan Kwai Fong in Chengdu (developed by Lan Kwai Fong Group and completed in 2010) and the fifty-one-story Excellency residential apartment, Singapore Land Limited's first project in Chengdu. These new cosmopolitan spaces are all located near the financial district and waterfront areas in the inner city. Unlike residential real estate developments of the 2000s, which borrow from European styles, these foreign-based real estate areas are generally modernist, minimalist and spectacular (Figure 4.9). Also, developers no longer promote a superficial façade of internationality for these communities; instead, they stress symbols of success and elite nobility, particularly to financial and business professionals. In addition to promoting environmental quality, developers have constructed exclusive international kindergarten and primary schools for community members. Due to inner city land restrictions,

developers have built condominiums with reinforced security systems and with indoor facilities including fitness centres, cafes and clubs. Unlike inner city residences developed in the 2000s, which are characterised by undecorated apartments of more than 100 m^2, these condominiums include small furnished apartments tailored not only to the nuclear family but also to the social lives of single young to mid-aged elites.

> Apparently, East Main Avenue is truly a place created for elites. Metropolis Height (the name of the community) is located in this area; meanwhile, it is a residential area for foreigners that is close to a prosperous business centre with a river view. It is exclusively for elites. It is created for the top, minor stratum of successful people, providing high-quality social networking. Here, you can speak with celebrities and tycoons, start a business with partners, party with friends and enjoy life with families and companions. Living here completely highlights your status. (Shouhu Focal Point, 2014.06.18)

Figure 4.9 The newly built offices and condominiums in the new financial centre. *Source*: Photo taken by the author.

Oakes (1998, 1999) argues that ideas about the renovation of tourist places in Chinese cities reflect contradictions among local authenticity, state ideology and transnational capital. The state ideology of market socialism and territorialisation of cultural development has been in conflict with and challenged by transnational capital that seeks a de-territorialised consumer landscape. The cultural renovation in Chengdu in the early half of the 2000s, as shown in the last subsection, more or less responds to

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Oakes' argument. However, in contrast to the aesthetics of the transnational market, since the late 2000s the local government has tended to inject local authenticity into a transnational landscape identity. A typical project of cultural revitalisation illustrates the changing ideas and strategies of cultural construction in contemporary Chengdu. The historic conservation area of the Daci Buddhist Temple includes a historical building, the Daci temple, and its surrounding area (Figure 4.10). Zoning laws established in 2005 confined construction in this historic conservation area to traditional low-rise buildings. In 2006, the district government launched a redevelopment project in the area that involved constructing archaic buildings of Buddhist architecture and traditional Sichuan dwellings. The plan involved removing old dwellings and relocating more than 4000 original households off-site.

Figure 4.10 The renovation process of the Daci Temple area, 2004, 2009 (above), 2014 (below). *Source*: Photos taken by the author.

In 2007, the first round of building reconstruction was completed (Figure 4.10). However, in March of 2008, the local government ordered the demolition of all of these

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buildings. The reason, which is seemingly simple and straightforward, has been provided by a historical and cultural expert: "The leaders are not satisfied with the building style; it will not be a successful project, as it cannot attract commercial activities or drive real estate development in adjacent areas."[14] By the end of 2010, Swire Properties of Hong Kong and Sino-Ocean Land of Beijing bid for land use rights over the Daci Temple area. Over three years, the area was reconstructed as a shopping district with low-rise buildings and open streets offering high-end brands, reflecting cutting edge commercial buildings in Chengdu (Figure 4.10). In a local newspaper article, a manager of the development company describes the design concept:

> The place will provide all you need in terms of consumption. Using modern technologies, Chengdu Swire and Sino-Ocean created buildings of a traditional style. It integrates preserved historical buildings with the area. An international vision and creative design revive the folk culture of Chengdu. This approach respects territorial characteristics and revives the area with new commercial activities. (Chengdu Evening News, 2014.01.24)

All of these places have reshaped the landscape of the southeast corner of the inner city and finally become the most heavily gentrified areas in the 2000s in Chengdu (including the sub-districts of Hejiangting, Shuijingfang, Niushikou and Lianxin; see Figure 3.5c). In April of 2012, after the new municipal secretary Huang Xinchu assumed municipal office, he advocated for five city booster strategies that involved developing Chengdu as "the growth pole of western China." The North Chengdu Redevelopment Programme was launched, covering the two oldest urban districts, the Jinniu and Chenghua Districts, and two suburban counties covering 211 km^2 and including 1.5 million residents. Currently, while taking an express bus along the elevated Second Ring Road, upon entering the Chenghua District in the eastern area of the city, one can easily spot cranes and steel-framed structures lining several blocks alongside the road. The programme aims to create districts with "modern industries, globalised images and ecological environments" (People's Daily, 2012.03.01). The government has presented ten action plans to finish 360 projects within the next five years. Rhetorically speaking, the municipal secretary equated globalisation with the advancement of civilisation while

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[14] Expert interview (O71, 2015).

associating urban renewal with the social development of disadvantaged groups in the city.

> The level of urban modernisation and globalisation signifies the level of civilisation in a city. Civilisation development aims to advance the urban environment, to cope with difficulties experienced by citizens, to cultivate modernist citizens and to build upon comparative advantages of the city. (Chengdu Daily, 2015.03.03)

Within the new round of the Master Plan (2011-2020), the former concept of the World Garden City, which was proposed based on the natural environment and urban form of Chengdu, was replaced with a Modernist and Global Large City concept that reflected the Chengdu government's intensified goals of economic development and ascension in achieving world-class city status. The 2013 Fortune Global Forum could be a landmark event for the integration of the city economy into the global system. During the forum, the government presented the city's new marketing orientation by presenting more videos about the city. Unlike the videos released in 2003, these videos focused on the newly established district, high-technological zones and spectacular imagery that draws attention to the city's active economic culture and cosmopolitan image (Yan, 2015).

To conclude, gentrification in China is oriented and driven by the iterative imagination of transnational urbanism by state actors and large corporations, who are part of the Chinese elite. To date, the landscape change of Chengdu has experienced a trend of westernisation, which symbolises a better life for the new rich, with the modernist and postmodernist landscape presenting lifestyles of elites in a time of transnationalism. The landscape formation shows a self-representation of globalisation via spatial production by the government and developers in a Southern city. According to Ong (1997), the so-called modernity does not create an inverse relationship between the western power and non-western power; there are multiple modernities correlated to the dynamics of global capitalism and activities of transnational entrepreneurs in a region or countries. Cartier (2002) also suggested that the creation of transitional urbanism by various agents "reveals how people create landscape and ways in which they construct place-based meanings, identities, and expressions of broader scale ties to national and transnational arenas"(p.

1517). Based on the urban experience of Chengdu, primarily, a crucial role of the state lies in its initiation of landscape change based on establishing national or municipal programmes (Yang, 1997). Then, with governance power and discursive tools, the state could legitimate urban redevelopment by stigmatising other places and promoting public values of civilisation and modernisation. Moreover, place stigmatisation could be a vehicle for consolidating a uniform ideology concerning a desirable lifestyle and matching living places. However, transnational capitalists have led with the invention of styles and aesthetics of new landscapes and lifestyles within the inner city.

Nevertheless, following Davis (2005), I also suggest that the role of middle-class consumers in the process of gentrification remains to be seen. Based on this backdrop of cultural transformation, burgeoning middle-class consumers can be motivated to consume newly built housing and living places in their search for class distinctions in habitus. Moreover, new middle-class consumers may either gentrify newly constructed housing in the inner city or move into suburban housing, further fragmenting class distinctions. However, rather than simple manipulation and domination, the emergence of gentrification will be dependent on the extent to which urban redevelopment motivates the aspiration of distinction and subsequent consumption practices in gentrified inner city neighbourhoods, especially when compared with simultaneous urban processes of new city building and suburbanisation.

4.2 Spatial commodification and housing consumption

The second set of spatial practices associated with the presence of gentrification is concerned with spatial commodification via the institutional change of land-use rights and land development in post-socialist cities. A large number of studies have explored the characteristics of land marketisation in China. From a historical perspective, the authors notice ideological change of the central government in land development and management adjusting to the trajectory of economic transition, and its interactions with multiple actors, such as work units, and national and transnational developers (Ho & Lin, 2003; Hsing, 2010; Lin, 2007b; Lin, 2009; Lin, 2014; Lin et al. 2015; Lin & Ho, 2005; Lin & Yi, 2011; Lin & Zhang, 2015). With a city-region horizon, the studies have

focused on rural-urban land conversion, contextualised by administrative rescaling for rapid urbanisation and land-based revenue at the local level. The other literature investigates specific practices of institutional arrangements over land-use rights transfer and land appropriation that are often characterised by informal and illegal elements (Zhu, 2004; Wang & Zhao, 1999; Hsing 2010; Lin, 2010). Unfortunately, however, few of these studies have been contextualised for the case of neighbourhood renewal (see Lin, 2015). The processes of neighbourhood renewal provide a micro-lens for discerning the association between institutional rearrangement on land development, new landscape formation and its social consequences. It can illustrate the specific pattern of the secondary circuit capital accumulation through investment in the built environment, which has been postulated by Lees et al. (2016) as a basic driving force of contemporary gentrification in the world. As claimed by Ma (2002), "since 1990, China's urban landscape formation has been deeply affected by how urban land-use rights are transferred and marketed to developers" (p. 1559).

This section is intended to explore the relationship between state-led land redevelopment and the pattern of capital accumulation through the built environment in China. It will trace the path to land marketisation and redevelopment in neighbourhood renewal projects in the inner city and uncover the results on the character of the current real estate market. It highlights the efficacy of inner-city redevelopment in accelerating the production of "excess" in the housing market, which in turn prompts the government to step up housing consumption in large cities in China. While being consistent with Lees et al.'s argument on the economic motivation behind state-facilitated gentrification, this discussion will add insights to the Chinese pattern of capital accumulation based on real estate industries and the means of state intervention in shaping such outcomes. It will also draw attention to the significance of consumption forces in gentrification in China.

4.2.1 Two levels of land markets

In 1992, the World Bank released a report on housing reform in China with one section offering suggestions on financial reforms of urban redevelopment (Word Bank, 1992). The World Bank stated that inefficiencies in urban redevelopment primarily lie in project self-financing without outside funds, and project costs generated from relocation plans. In addition, compensation and relocation schemes have rendered projects time-

consuming and expensive, as numerous residents have relocated on-site; some remain as public tenants that pay the same rental fees they paid prior to redevelopment. With the exception of housing relocation, the report focuses on infrastructure provision from municipal governments and claims that all costs will ultimately increase housing prices for new homebuyers. However, new purchasers may be reluctant to buy, as they should be presented with better choices among non-redeveloped projects.

> It appears that serviced land is underutilised by international standards. Part of the problem lies in the planner's inability to allocate an economic value to developed land and to then have the tools and flexibility to consider trade-offs between the consumption of land and other forms of capital. The costs of using land, based on compensation costs for existing users and displaced users, are a poor proxy for economic value, as location or access to infrastructure is not considered. Even the value of infrastructure associated with a site is a poor proxy because the way that infrastructure costs are recovered often bears little relation to the amount of investment actually accruing at a given location. (Word Bank, 1992, p. 67)

The report urges systematic financial reforms of urban redevelopment based on effective capital creation and financial burden sharing. For instance, it calls for the establishment of mortgage plans that promote a cooperative mode of home financing whereby households must manage housing financing alone. Once the housing price matches an income ratio of approximately 3:1 to 4:1, it is deemed affordable for most upper- and middle-class homebuyers. The report also calls for a complete commercialisation of community facilities and criticises urban planners in China for failing to recognise the economic value of land. The World Bank thus attempts to promote the liberation of land and housing markets insofar as differential ground rents of land can be formalised, thereby producing locational gains.

Finally, in 1994, nationwide reforms of the tax-sharing system fuelled land capitalisation and roused an emerging phenomenon of land financing in Chinese cities for meeting local budgets. The State Council terminated in-kind housing allocation by state-owned enterprise in 1998 and replaced this with workplace subsidies. Against this backdrop, urban redevelopment has increasingly departed from self-financing while tending towards the use of social funds and banking loans. Meanwhile, tax reforms increased burdens on local governments responsible for providing urban services. Subnational governments must share half of their revenues with the national government

and are responsible for 80% of government expenditures (Man, 2010). Local governments have tended to seek land revenues by virtue of the economic responsibilities of local state actors (Lin & Yi, 2011; Liu & Lin, 2014; Yeh & Wu, 1996). However, unlike what was expected by the World Bank, liberalisation has not promoted the establishment of a perfect market that absorbs costs of compensation while preventing the elevation of housing prices by redevelopment. On the contrary, the 2000s witnessed increasing densification, spatial commodification and soaring inner city housing prices relative to those of new sites. Partly contextualised by complex land-use conditions on brownfields, the state does not necessarily minimise its influence in terms of land marketisation and housing provisions in the process of urban redevelopment.

Public land ownership generated two levels of land market in China. These two market levels are essential to understanding interactions between state and non-state actors in orienting land marketisation. Generally speaking, municipal land authorities act with the primary land market, either leasing land-use rights to commercial developers or allocating land to work units and village collectives at a low charge. Land transactions between commercial developers and work units and village collectives are defined as the secondary market (Lin & Ho, 2005). Lin & Ho (2005) uncovered that from 1995 to 2002, the land area illegally occupied and transacted took up 42% of land acquired through legal transactions. An important part of the illegal transactions has occurred in the secondary land market. Providing the price gap in obtaining state-allocated land and commercial land, a main pattern of the illegal transactions is to transfer state-allocated land to commercial land without mandatory administrative procedures (e.g., state expropriation of collective-owned land) and payments to the government (see also Wong & Zhao, 1999). During the same period, 86% of cases of land conveyance in the primary market have been based on informal negotiation without transparency.

State-facilitated urban redevelopment creates a formal approach to the land transaction from collective land users to private land users. However, unlike land development on green fields, interactions between the two levels of the land redevelopment regimes in inner city brownfields are affected by contextual consequences of the socialist *danwei* system in China. As a result, the work unit can *de facto* join in the primary land market with state agencies as the supplier of land. On the eve of land

reforms, local governments and state work units, which were virtually landlords based on the socialist land system, controlled inner-city land. For instance, in Beijing, 55% of Beijing's state enterprises were located within the city's core in the early 1980s (Zhou & Meng, 2000, p. 141); nationwide, approximately 30% of major cities were occupied by industrial enterprises and warehouses (Ho & Lin, 2004, p. 765). High-level work units and local governments thus form the supply side of the land market in urban redevelopment. However, it is the development companies established by municipal/district governments and work units that are the primary actors of land redevelopment. High-level work units are effective at protecting their land use rights, as they are administratively subordinated to superior ministries but are not directly controlled by lower levels of government. According to studies on the province of Guangdong in southern China, in cases of urban village redevelopment in peripheral areas, village collectivities that have managed rural land have played a similar role in work-unit systems in inner cities and can participate in the land market (Hsing, 2010).

In most cases, land reserve centres, local government platforms for financing and state-owned development companies act within the primary land market. Put simply, local government financing platforms are the marketing departments of the government. They are often founded temporally for project operations and are dismantled after project termination (Lu & Sun, 2013). The basic function of primary land development is land consolidation and reservation prior to land transactions. For instance, in 2015, Chenghua District in Chengdu was the site of 58 redevelopment projects, and the government funded 31 of them. Eight of the 31 projects were designed to promote land-use rights integration and consolidation; the others involved transportation and public facilities construction.[15] With land-use rights integration and consolidation, fragmented land use rights previously controlled by collective and private owners have been consolidated and reserved under the Land and Resource Department. The convergence of land use rights can thus be marketed within the land reserve centre. A power shift from work units to state and private developers has thus occurred within the land development regime.

After land consolidation, private developers bidding for land-use rights thus participate in design, development and construction, acting as main actors of the so-called

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[15] Document provided by the North Redevelopment Task Force in Chenghua District.

secondary land market. Municipal and district governments share land revenues acquired through the land conveyance from the primary land market to the secondary land market, but the municipal government is likely to give way to the district government so as to overcome the financial difficulty of projects. Finally, it is the state-owned financing company which makes use of the land conveyance fees to balance costs of demolition, compensation, and land consolidation. Prior to 2004, developers with political ties could secure land leasing fee discounts through personal networking, while private developers with no access to government agencies were required to purchase land through official land leasing arenas, where prices can be ten to eight times higher than a negotiated price (Hsing, 2010, p. 48). In 2004, document No. 71 issued by the Ministry of Land and Resources (MLR) and the Ministry of Supervision (MS) called for a strengthening of the supervision of land leasing procedures and the redressing of illegal, negotiated transfers of land use rights. This law requires the local state to tackle or redress the incomplete or illegal approval of land leasing prior to August 31st, 2004; since this date, private negotiation has been prohibited (Lin, 2009; Hsing, 2010). Nevertheless, scholars have doubted the efficacy of central regulations on informal land leasing in the city centre. While the reasons for this are extremely complex, at least three points should be noted here. Public (or *de facto* public sector) land ownership was retained. For restructured SOEs, CCP party branches still affect company personnel systems though the control of personnel dossiers. Even for joint ventures, foreign-owned enterprises and private enterprises that have gained tremendous discretion in doing business enjoy few institutionalised channels of political advantage; moreover, these companies typically resort to various attachments with SOEs for access to public resources such as land (Pearson, 1997). Moreover, behind the black box of personal relationships (*guanxi*) and operational procedures, it is actually difficult to determine which land auctions are illegal or fake (Zhang & Fang, 2004).

Nevertheless, it would be misleading to state that private developers are denied access to the primary land market. First, large state-owned enterprises and public institutes could call for self-organised redevelopment with land-use and construction approval. Then, the participation of primary and subsequent actors can be varied with changing strategies of state intervention in the redevelopment market. As will be

discussed later, during the 2000s, private developers charged for property acquisition, compensation and development while local governments acted as sponsors and managers of urban redevelopment, creating special policies for attracting investors and developers who can lead redevelopment projects (He, 2007). Since 2011, however, government and legal systems have managed property acquisition and compensation. In Chengdu, state actors of the primary land market currently organise land-use rights integration and the re-regulation of zoning codes, while market actors of the primary land market invest in property demolition, compensation and land consolidation and construct necessary infrastructure.

4.2.2 State intervention and spatial commodification

The two levels of land markets account for the source of state power. However, the launch of urban redevelopment contains multiple objectives of the government at both central and local levels based on not only economic but also social concerns. On the one hand, the Chinese government defines urban redevelopment as not only an economic project for "revitalising existing state-owned assets and keeping the appreciation of good state-owned assets" (*panhuo cunliangzichan baoliu zengzhi zichan*) (O22; see also Lin, 2015) together with the promotion of domestic consumerism. On the other hand, the urban redevelopment programme is widely popularised as "livelihood projects (*minsheng gongcheng*) for addressing housing difficulties for originally low-income residents" (State Council, 2013, No.25). Based on the multiple objectives, on the one hand, the local state tends to share economic benefits and to redefine territorial power by not only cooperating but also competing with economic actors and upper-level governance agencies (Hsing, 2010). On the other hand, the government is constantly faced with a basic but difficult issue: how can the state reconcile economic growth and social questions to ensure at the very least a stabilised social transition? In particular, while factoring in the socialist government, *danwei* and society relations, both the municipal state and *danwei* were required to reorient towards new social and cultural institutions when the previous welfare regime was abolished, so as to promote state legitimacy in a market society. This subsection turns to tactics and results of state actors intervening in economic and social disputes.

Primarily, like any other types of state projects, the local state could establish

institutions to pave the way for inner-city land redevelopment. For instance, with regard to the difficult part of demolition and relocation before redevelopment, in 2001, the State Council (No.305), led by former Prime Minister Zhu Rongji, limited the government's responsibility over urban redevelopment projects to supervision rather than organised demolition. Accordingly, demolition companies and developers became the principal performers in housing demolition and compensation. Developers acquire approvals for land use and construction from land and planning authorities, from which they can ask for a permit for demolition from the local government. At the local level, however, to achieve redevelopment objectives quickly, the Chengdu government actually strengthened its role in paving the path for developers during the 2000s. Following Party Secretary Li Chuncheng's support for theories of city marketing, the city advocated for modes of urban redevelopment led by the state and operated by market actors (Chengdu Daily, 2005.03.07). Rather than encouraging developers to organise demolitions when a specific project is established, the Chengdu municipality first designates a profit-oriented demolition company to perform housing demolitions. After housing demolition, the land reserve centre recovers land-use rights and then leases the land to developers. The local government can then lease consolidated land to private developers. This method has greatly improved the effectiveness of project implementation.

Then, the local state is authorised to issue project-based policy incentives in inner-city land redevelopment. In 2012, the municipal and district governments of Chengdu released policies for the North Chengdu Redevelopment Programme (see Figure 1.9) to encourage private investment, which listed a full set of specific arrangements on land taxation, land use and construction. To name a few, land users are permitted to adjust scales of land development by integrating land use in areas surrounding redeveloped areas. Land transaction fees for the North Chengdu Redevelopment projects can be reduced to as little as 5% of the standard land price, compared with 40% for land development without benefiting from special policies.[16] With the exception of land transaction fees to the government, land sale incomes would transfer to market actors (e.g., either government platforms for financing or private developers), who should bear

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[16] This policy applies to private developers or government platforms for financing who participate in the North Redevelopment Programme via public land leasing. The ratio of land transaction fees to the standard price of land use increases with the time consumption of property demolition and land consolidation, ranging from 5% to 30%.

the cost of land consolidation and compensation and resettlement for original residents. The district government, which is ranked lower than the level of the municipal government, is able to acquire all of the land transaction fees generated in North Chengdu Redevelopment projects without sharing them with the municipal government (Chengdu Municipal Government, 2012, No.20). The policy incentives that could only be gained through participating in state projects determine the work unit dependence on the government in land redevelopment. According to one *danwei* manager, although land redevelopment involves an asset drain for work units, the limited administrative power of state-owned enterprises, especially after market reforms, prevents work units from self-organising redevelopment without land transactions, which essentially reflects institutional conditions in China generated by the incomplete market transitioning of state-owned enterprises (O34). As the state continues to impose "social responsibility" on state-owned enterprises, those enterprises have access to no corresponding administrative networks to mobilise departmental sources and gain policy support.

> Without new investment in land, the *danwei*, in running redevelopment independently, cannot balance costs. So here is the point. State-owned enterprises must often assume some social responsibilities. However, they cannot mobilise resources to fulfil these responsibilities, like powers of the government. When the government initiates a programme, it mobilises all departments and sectors to release favourable policies and channels to facilitate the programme, but this is not realistic for projects organised by state-owned enterprises. However, some monopolies can do this. In this case, actually the government must rely on them. For us, lower level state-owned enterprises, we indeed have to depend on the government. (O24, manager of the district government platform for financing)

Finally, throughout the project implementation, primary land developers with the support of the district government have created a breakthrough of zoning laws and have secured profitable land-use conditions for secondary developers. In the Caojia Alley redevelopment project, for instance, the primary land developer is a local government platform company called Beixin Company. Beixin Company was organised by a state-owned real estate company affiliated with the Jinniu District Government and a real estate company subjected to the work unit who collectively owned properties in the Caojia Alley (that is a provincial enterprise called Huaxi Construction Group). It is

therefore affiliated with the construction office of the Jinniu District Government. According to both state actors and developers, high costs of compensation and resettlement and expenditures on infrastructure and public infrastructure constitute the main impetus for rezoning (O23, O34). As will be discussed in detail in the next section, the considerable amount of in-kind and monetary compensations for original residents is a result of the *danwei*-society relations institutionalised in the socialist period and the ideology of the Chinese government with social stability taking precedence over other concerns. The primary investments of a redevelopment project include three components: fiscal appropriation from the national government, work-unit investment and government and land mortgage loans to redevelopment projects by the China Development Bank (CDB). Compensation costs for original residents constitute the most significant proportion of renewal project expenditures, while the only source of revenue comes from land transactions with secondary investors or developers. According to local officials, the work unit (i.e., Huaxi Group) and the government invested 500 million Chinese Yuan (approximately US $77 million) separately in establishing Beixin Company at the very start of the project. Then, the National Special Subsidy for the Renewal of Dilapidated Areas allocated merely 600 Chinese Yuan (approximately US $92) for each square metre of district renewal construction. As a result, compensation and construction costs were largely dependent on loans issued by the China Development Bank (CDB), which would ultimately be repaid with the land conveyance amount (O23). Moreover, considerable levels of government debt, especially at the district level, place pressure on the district government to trade off costs for each project through maximising profit making of the project. In facing the vicious circle of land speculation, according to one local official, a short-term local leader (e.g., at the district level) may benefit from the redevelopment project due to the political performance achieved when he/she is in office, but over the long-term, the government as an entity is constantly defective due to the substantial loan involved.

> The Chinese government likes to make rules for the market, but the market does not need any
> individuals to make rules. The government has too much conceit in thinking that it is a
> distributor of resources that is powerful enough to make rules. However, it may be reasonable
> to say, namely, that the government is the beneficiary of market intervention because individual

leadership often achieves good performance and promotion due to a rise in GDP numbers. As an entity of the Chinese government, however, it is completely damaged while marketisation proceeds anyway. In the end, no one would make loans to the local government. The last resort would involve bankruptcy and rescaling. (O24, manager of the district government platform for financing)

The Chengdu Municipal Government launched two types of tactics that have officially created space for making zoning adjustments in redeveloped areas. The first scheme involves the establishment of a form of spatial plan that aims to facilitate the efficient implementation of North Redevelopment projects. The implementation plan combines two types of urban design and zoning adjustment plans and shortens compilation, examination and approval procedures.[17] This type of spatial plan thus not only saves time but also assembles planners, architects, government actors, developers and residents to form cooperative relationships for mitigating conflicts among various parties and for ensuring the smooth running of rezoning and urban design. Another set of noticeable tactics is related to land-use readjustments. The Chengdu Municipal Government issued a concession to state actors and developers participating in the North Redevelopment Programme to readjust land-use rights on a larger scale (3,000-6,000 m^2) than in declining areas (Bureau of Land and Resource of Chengdu, 2012, No.116). In the case of CJA redevelopment, the extension of land-use rights and the land redevelopment scale resulted in the enclosure of three commodity housing constructed in 2002 into the redevelopment project. Homeowners occupying the three buildings later became the main activists that resisted redevelopment. In addition, the local government and state-owned companies can change the planning conditions of redeveloped areas as long as a balance of codes is maintained at a larger zoning scale.[18] Some larger zoning areas include older neighbourhoods positioned close to redeveloped areas, while others may extend to a much larger scale. Under such arrangements, developers and the district government can adjust the planning conditions of redeveloped areas while transplanting

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[17] Interview with urban planner (O1, 2014).

[18] Chengdu Municipality adapts a general rule of zoning management. Zoning codes for different types of land-use are pre-established and legitimated as municipal planning regulations. Commonly, zoning codes are pre-issued to a new construction project as a plan with conditional enforcement. The first party of the project can only claim for the adjustment of land-use planning other than the general rule of zoning codes. However, the consolidated land-reuse policy connotes conditional empowerment to district government and developers to change zoning codes of the redeveloped areas.

"disadvantaged" conditions, such as sanitation facilities, to older neighbourhoods nearby that may or may not be redeveloped in the future.[19]

With the asset of an implementation plan, the district government and Beixin Company have endeavoured to win over zoning changes towards intensive commodification and commercialisation. Beixin Company prepared a land-use plan and estimated construction indicators based on economic land development calculations. Using the land-use plan and indicators, the district government then communicated with the municipal planning department and negotiated corresponding zoning adjustment methods and planning conditions. For instance, both parties often call for high-density housing and commercial facility construction; they often also speculatively seek to provide upgraded services and favourable public facilities while reducing the proportion of other types of public goods based on their own interests and expectations. According to the official informants, almost all redevelopment projects involving both residential and commercial land use, including the CJA and JW redevelopment projects examined in this study, have overstepped limitations of the pre-established zoning code for the specific district. Commercial land use has also exceeded original code levels more than residential land use. Taking the Caojia Alley redevelopment project as an example, for the rehousing of approximately 3,000 households, thirteen high-rise apartments will be built on the original site. This planning condition incites the Jinniu District government to claim a plot ratio of 7 for residential land use and a plot ratio of 11 for commercial land use, far exceeding original zoning regulations that constrain residential use to a maximised plot ratio of 4. After a number of meetings were held between the Jinniu District Government and Municipal Planning Institute, the residential land-use plot ratio has finally been adjusted from 7 to 5.3, but the district government's proposal of commercial land use remains intact.[20] This means the developers were able to construct higher density housing and commercial spaces than were previously allowed.

> The district government is still not satisfied with the final result (regarding plot ratios) in
> regards to economic results. It is also not easy for us to ask for 7. We know the area will be
> way too dense, like a concrete forest or a high-rise village in the city. So we understand why

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[19] Interview with urban planner (O20, 2015).
[20] Interview with urban planner (O1, 2014) and manager (O24, 2015) of the district government platform for financing.

the Planning Bureau rejected the proposal. The district government and Planning Bureau have negotiated several times formally and informally and almost disagreed with each other at the last meeting. However, during the last meeting, they decided to reduce the plot ratio from 7 to 5.3. Financially speaking, this ratio is far lower than what we expected. (O24, manager of the district government platform for financing)

It is not for this study to judge whether the compensation cost serves as an excuse for the developer to maximise profits and whether economic calculations of the local government platform for financing are reasonable. First, the study echoes arguments by Shin (2016) that due to the dependence of the local government on land financing, there is a strong tendency towards speculative land development and urbanisation. Then, this study also shows that in the process of urban redevelopment, the Chinese state has not only intended to spur economic growth through land marketisation but also intervened into housing improvement for low-income residents. Ideologically, the satisfaction of working-class benefits is rooted in the imperative for government legitimacy (Lin, 2015; Hsing, 2010). However, meanwhile, the Chinese state has tended to transfer costs of housing for the urban poor to the level of land capitalisation, or the so-called rent gap between currently capitalised rents and anticipated ground rents (after the first-time marketisation of land in the post-reform city). Moreover, households under the umbrella of compensation are after all only part of the original residents impacted by urban redevelopment. For rural-urban migrants are utterly excluded (see also Lin, 2015; Wu, 2016). Thus, state-facilitated urban redevelopment in China necessitates a process of redistribution of land conveyance fees and property increments among current and potentially new land users. The result of state intervention in land redevelopment cannot be simplified as capital accumulation and dispossession of original occupants. It causes contrasting social outcomes among current residents, which will be elaborated in the next chapter. Moreover, it leads to the mode of accumulation that has greatly relied on a consumer-driven economy.

4.2.3 Towards a consumer-driven economy?

The mode of land redevelopment exaggerates the degree of land capitalisation and spatial commodification, stimulating soaring land and housing prices, high-end property development in the inner city, parallel increases in compensation, and overbuilding of the

housing stock. Figure 4.11 presents the changing year-over-year percentages of investment in residential real estate development and new housing starts in Chengdu. Throughout the last 15 years, the investment in housing development has constantly been rising, even during the period of crisis, while annual new housing starts fell in 2004 and the crisis years (2007, 2008, 2009). Then, the growth of housing supply has been relatively mitigated since 2010, but from 2013 it presents a slight recovery in new housing construction. Three peaks of housing supply increase appeared in 2000, 2005 and 2011. The first peak in 2000 emerged after the termination of workplace allocation of housing and recovery from the 1998 Asian crisis. It is worth noting that the later two construction peaks directly followed the two waves of urban renewal programmes initiated by the Municipal Government from 2002 to 2004 and from 2009 to 2010. New constructions for both new consumers and relocated residents would have certainly influenced the result.
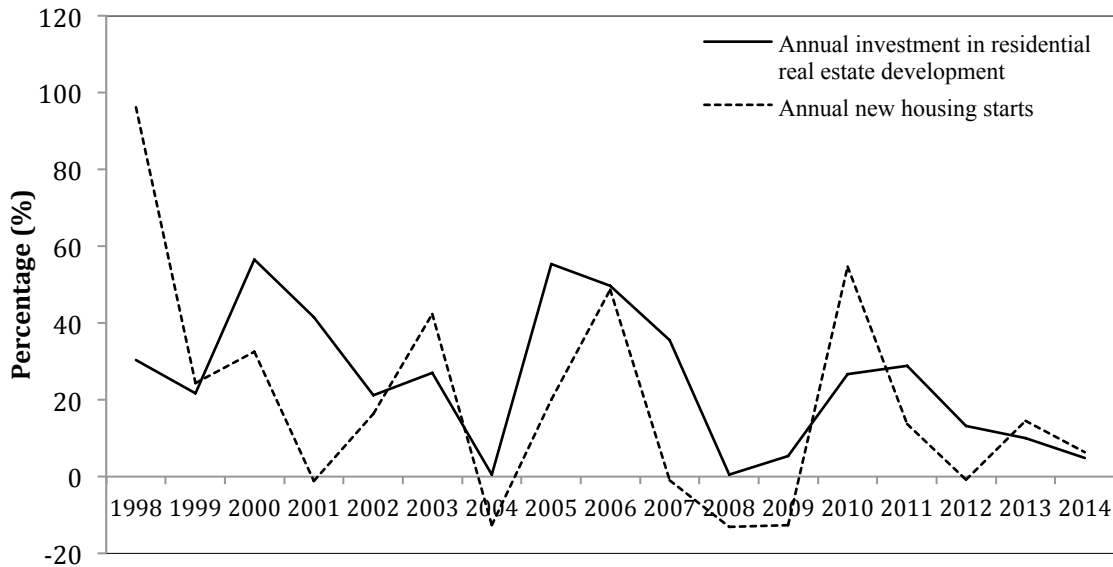
Figure 4.11 Percent increases in housing supply year-over-year in Chengdu. *Source*: Computed based on the National Bureau of Statistics of the People's Republic of China [NBSPRC] and China Index Academy [CIA], 1999-2015.

Indeed, the central government has meanwhile attempted to encourage the establishment of a new affordable housing system. In 1998, the government suggested that future housing structures be composed of low-cost rental housing for the lowest-income groups, affordable commodity housing for middle- and low-income groups and

commodity housing for higher-income groups. Low-cost rental housing for the urban poor was partly derived from previous work-unit housing, which was partly built by the local government (State Council, 1998; Lee & Zhu, 2006). Since 2007, the central government has initiated considerable structural housing adjustments. The central government issued national funds and subsidies for cheap rental housing and price-controlled commodity housing construction (State Council, 2007, No.24). It set up an ambitious goal to construct 3 million subsidised housing units by 2010 and to redevelop 2.8 million shantytown dwellings (State Council, 2010, No.10). In 2010, the crucial New Ten Articles formally suggested the construction of a new housing *provision* system dominated by housing for social security and affordable commodity housing (State Council, 2010, No.10; Huang, 2012). Since then, the central government has even considered including rural-urban migrants in public rental housing security mechanisms (Huang and Tao, 2015). Concerning urban redevelopment, the central government has urged the local state to control land expropriation and compensation fees to encourage the construction of price-controlled housing (State Council, 1998, No.23). The No. 37 Notice of the State Council of 2006 was intended to restrict unnecessary demolition and reconstruction and to retain affordable housing in the city. The policy noted the question of rising "passive housing demands" brought about through crude urban redevelopment programmes. "Passive housing demands" involve the stimulation of new housing consumption by original residents whose housing is not dilapidated completely but that has still been redeveloped (State Council, 2006, No.37).

Nevertheless, as argued by scholars, these policies failed to have the expected effects on the housing market in the 2000s. During the 2000s, new housing construction was dominated by commodity housing developed by private developers rather than by affordable housing constructed by the state (Huang, 2012). Excessive housing stock finally pushed the central government to introduce financial instruments to maintain the performance of the domestic housing consumer market. Since 1996, the Central Bank of China has formally allowed commercial banks to issue housing loans to individuals. Before 2001, the central government largely promoted housing consumption. During the 2000s, however, a series of financial and fiscal regulations were gradually established to control the housing bubble. In 2007 in particular, the People's Bank of China (PBC)

strengthened controls on housing speculation by claiming a minimal down payment of 40% of housing transaction fees for housing investments in a family's second house, with the loan interest rate being higher than 1.1 times the base rate (PBC, 2007, No.359). During the global financial crisis, the central government temporararily restored its policy incentives on housing investment. In 2008, the minimal down payment for all forms of individual housing consumption and investment was reduced to 20% of all housing purchasing fees, with the minimal rate at 0.7 times the base rate (PBC, 2008, No.302). It should be noted that since the 2008 Chengdu earthquake, additional special conditions have been offered to disaster-affected districts in Sichuan province including Chengdu, where the loan interest rate and down payment proportion have been reduced to 0.6 and 10%, respectively.

Housing investment policy incentives brought about soaring housing prices in 2009 that motivated the central government to initiate a second round of macro-regulation from 2010. In 2010 and 2011, the most influential policies to date were released to curb housing speculation. For instance, the down payment ratio for second home housing purchases was increased to 60% of the housing price. Moreover, households have avoided purchasing a third house. Other systematic factors (e.g., local *hukou*) can restrict individual behaviour in real estate investment (State Council, 2011, No.1). The second round of housing speculation regulations, however, gradually faded away following the cooling down of the housing consumer market and of the accumulated housing inventory. After advocating for nationwide urban renewal in 2013, Premier Keqiang Li launched new strategies to restore the housing market and to maintain domestic consumption. The new policies tend to strengthen regulation flexibility by differentiating and decentralising decision-making among regions and cities. For example, as it has generally de-regulated second home purchases (e.g., from 60% in 2011 to 40% in 2015 and 30% in 2016), the central government has also decentralised regulation in larger cities, especially in Beijing, Shanghai, Guangzhou and Shenzhen (MHURD et al., 2015, No.128; People's Bank of China & China Banking Regulatory Commission, 2016.02.01). In Chengdu, for example, until 2016, the ratio of down payments for second home purchases had been reduced to as low as 35% in the main urban districts and to 30% in other districts and counties (PBC, 2016.02.14). Moreover, for individuals with public funds and good credit (e.g., those

without housing debt), the down payment ratio for second home purchases could be as low as 20% (PBC, 2015, No.128). Periodically, speculative land development has been bound to the promotion of housing consumption and investment.

In examining the production and consumption relationship, Cartier (2016) argues that the urban economy in China is characterised by hybrid conditions. The urban economy relies on the *production of excess* for growth, but meanwhile "the large surpluses perpetuate the problem of how to absorb them" (p. 61). This production of excess is most evident in the construction of prior infrastructure, superfluous commercial districts, and unsold residential space. Based on these hybrid conditions, the main argument of Cartier (2002, 2009, 2016) is that the production of excess necessitates an encouragement of "excess" consumption. Moreover, the imbalance of societal transformation and overproduction in the built environment is a basic motive for the state to circulate social learning, such as the civilisation programme, to either cultivate consumer citizenry or control resistance to the rapid urban transformation.

> In the process of seeking to rebalance the economy from production-driven to consumption-driven, the production of consumer space in the built environment only sets the stage. [L]ocal urban authorities throughout China appear to widely accept the developers' mantra of "build it and they will come." Through the 1980s most households continued to prioritise savings. After slow growth in the 1990s, transfers of economic surplus to households through wages, supplemented by grey income, steadily increased in the 2000s up to the Global Financial Crisis of 2007–2009. (Cartier, 2016, p. 61)

Based on the process of land redevelopment, I argue that state-facilitated gentrification contributes to speculative surplus accumulation through overproduction and the ensuing encouragement of spatial consumption in Chengdu. In part, the result is conditioned by the specifically social and institutional settings of brownfield sites. According to the analysis in the last section, the outcome is also reinforced by the potential of inner-city places to support cultural innovation, thereby unearthing a new consumer market. In this case, the occurrence of gentrification becomes dependent on the performance of a consumer-driven economy in the city. If the government constantly issues policies to maintain efficient consumption and speculation, gentrification is more likely to emerge. Accordingly, housing consumption decline will bring about a downturn in the inner city real estate market. Moreover, a large number of high-quality gated

communities and comparable facilities and services constructed in new urban and suburban areas could be competitive over the housing market in the inner city. This revelation calls for some rethinking of the social process linking land reinvestment and the occurrence of gentrification in Chinese cities, in particular, by emphasising the consumption side in gentrification.

4.3 Inner-city urbanism and Chinese consumer citizens

The elite-oriented spatial production in China reveals the intent of governments and burgeoning private developers to remould the socialist society into a distinct middle-class consumer culture and to promote consumption behaviours. This section further explores the role of gentrifiers in inner-city gentrification in the city of Chengdu. As introduced in the last chapter, a *status quo* of class transformation in the current cities is captured in the ongoing formation/fragmentation of class-based habitus and identities. Moreover, consumption practice becomes instrumental as individuals construct and declare class distinction and identity in the market society of post-Mao's China. Based on this background, this section will uncover the particular attributes and place identity of the inner-city gentrifiers as one segment of the middle class. Unlike the urban pioneers who championed inner-city urbanism in the post-1960s in Western society, this study will show how the social and cultural temperament of Chinese gentrifiers while related to the new inner-city urbanism in China contains specifically socio-political meanings.

4.3.1 Socioeconomic attributes of gentrifiers

Two sub-districts, the most gentrified and the least gentrified, are selected to analyse the socioeconomic profile and other attributes of gentrifiers. As mentioned earlier, the census data used in this study are based on the sub-district scale that is larger than the neighbourhood scale in Chinese cities. The situation may constrain the analytical results of social upgrading. To remedy the limitations of the censuses, first, this study tends to maximise the difference in the degree of gentrification between the two sub-districts. Then, it omits sub-districts dominated by commercial land use (Yanshikou and Chunxilu), university land use (Wangjianglu) and one sub-district that experienced the loss of a

Table 4.1 Socioeconomic profile of the most and least gentrified sub-districts

	Lianxin (the most gentrified)		Hehuachi (the least gentrified)	
	2000	2010	2000	2010
Education				
Primary education	20.60	7.03	17.79	16.45
Secondary education	61.96	41.04	61.00	63.93
College degree	8.28	20.18	11.75	10.83
University and graduate degree	4.08	28.06	5.50	6.71
Household registration status				
Rural hukou population	20.06	17.88	20.15	35.68
Migrants	48.48	39.82	49.11	53.18
Industry				
Manufacturing workers	34.39	18.58	14.00	5.05
Retail trade workers	13.91	17.74	14.38	27.21
Personal service workers	8.96	10.51	24.7	32.89
Producer service workers	6.96	14.53	4.17	6.03
* FIRE workers*	4.40	9.63	2.02	4.00
* Business services workers*	2.55	4.89	2.15	2.03
Social service and public administration	12.52	15.06	11.45	6.77
* Public administration workers*	4.25	4.66	3.89	1.71
* Social service workers*	8.27	10.4	7.57	5.07
Occupation				
Managers	4.80	8.87	3.26	0.36
* Enterprise directors*	3.03	8.68	2.21	0.30
* Managers in public institutions*	1.31	0.11	0.05	0.02
* Managers in government sectors*	0.46	0.08	1.00	0.04
Professionals	17.77	29.63	16.59	8.92
* Financial business workers*	.54	4.20	.48	1.04
Clerk and related workers	12.04	13.88	14.00	16.42
Commerce, service trade personnel	35.70	34.90	43.28	62.76
Production workers	28.90	12.39	21.33	13.60
Tenure type				
Self-built house owners	2.83	1.16	0.67	0.4
Public tenants	26.44	3.06	19.87	2.91
Private tenants	3.73	13.29	3.82	32.42
Owner occupants of commercial apartments	5.85	49.91	3.82	16.04
Subsidised owners	26.74	25.05	51.57	34.87
Owner occupants of price-controlled housing	17.15	4.31	9.43	2.74
Expenditure on housing				
Average monthly rent	130.27	1050.00	215.73	721.63
Locational character				
Middle schooling		6.50		3.50
Distance to financial and business center		2.50		4.00
Distance to historical and cultural sites		2.50		4.00
Distance to traditional commercial and business centre		4.00		4.50
Housing condition				
Households in housing built after 1990	55.23	82.87	36.53	47.40
Average floor space of building (per population)	19.47	30.41	18.01	23.58
Households with independent bath	69.32	89.49	76.10	86.64
Households in building over than 7 stories	40.80	67.79	19.37	41.14
Households in reinforced concrete building	49.49	71.70	15.75	43.44

Note: The numbers in this table refer to the "percentage of total population." See also note for Table 3.4.
Source: Computed based on PCOSC, 2000, 2010 census data provided by the district governments in Chengdu, and spatial planning materials provided by the Chengdu Urban Planning and Research Institute.

university campus (Jianshelu). Finally, the study also disregards sub-districts that experienced an early wave of gentrification before 2000 and then displayed an apparently low level of social upgrading during the 2000s (Tiaosanta). Lianxin sub-district and Hehuachi sub-district are used in the comparison.

Table 4.1 presents the socioeconomic attributes of the most (Lianxin) and least (Hehuachi) gentrified sub-districts in both 2000 and 2010. From the perspective of education and *hukou* population, the two neighbourhoods presented comparable conditions in 2000, with the secondary educated population being the largest group (approximately 61% of the total population over 6 years old) in each sub-district and with rural-urban migrants amounting to 20% of the entire population. Nevertheless, by 2010, 28.06% of Lianxin's total population had a university degree, while Hehuachi continued to principally accommodate a secondary educated population (63.93%). Meanwhile, rural-urban migrants were reduced to 17.88% in Lianxin, compared with 35.68% in Hehuachi.

From 2000 to 2010, the employed population nearly doubled in Lianxin, the most gentrified sub-district, expanding from 15,440 to 26,160. When classified by industry, these workers were evenly distributed between personal, producer, and social and public service sectors, with the lowest portion being from the personal service industries (10.51%). The labour force working in producer services accounted for 14.53% among all employees, while the share of employment in financial, insurance and real estate (FIRE) industries reached 9.63%. In absolute numbers, the communities in Lianxin sub-district attracted an additional 2726 producer service workers in ten years, of which 1840 were engaged in FIRE businesses. Unlike the uptrend in producer service workers, social and public service workers in effect shrunk in a majority of the inner-city sub-districts. In particular, Lianxin witnessed minimal growth of the social group by 2.54% from 2000 to 2010, while it fell by 4.68% in Hehuachi. In addition, although in decline, Lianxin still has a group of manufacturing workers representing 18.58% of the employed population in 2010. The proportion is much higher than in the sub-district of Hehuachi (5.05%), due to the established function of Hehuachi as a base of personal services (32.89%) and retail trade industries (27.21%) in 2010.

In comparison, professionals and managers (38.5%) were dominant among all socioeconomic groups in Lianxin in 2010. During the 2000s, the absolute percentage change of professionals and managers (16%) was more than twice that of producer service workers, deriving from a cohort of new arrivals, with 6590 high-paid workers. Among these, managers comprised merely 8.87%, compared with 29.63% professionals. Moreover, while managers in enterprises increased from 4.8% to 8.68%, those in both government sectors and public institutions decreased. Still, financial personnel accounted for only 4.2% of the employment in 2010, although this group experienced rapid growth. These situations recall an early statement regarding the turbulence of labour retrenchment in state sectors and rising private sectors caused by enterprise reform.

Although it has a higher share of total employment in manufacturing, undoubtedly Lianxin presented a lower share of low-paid production workers than Hehuachi neighbourhood in 2010. This condition reinforces the argument that deindustrialisation has cleared the inner-city areas due to the exit of the working class but not necessarily of high-ranking persons in manufacturing enterprises. The percentage of commerce and service workers has increased in almost every sub-district in the inner city, except for the most gentrified area (Lianxin). In 2010, Lianxin accommodated 34.90% of all employment in low-skill services (35.7% in 2000), while these workers comprised 62.76% in Hehuachi (43.28% in 2000).

Among all of these variables, the change in housing tenure structure in the two sub-districts is the most pronounced, which explains the force of spatial commodification and housing consumption in gathering gentrifiers into certain places. The ratio of private homeowners in the most gentrified neighbourhood changed from 5.84% to 49.91%, a far more rapid growth than that seen for professionals and managers. In absolute numbers, this indicates an expansion of 10,320 households with homeownership in the open market (21,600 households total in 2010). The drop in public tenants in Lianxin reached -23.38% (2200 households), compared with -16.96% in Hehuachi. Both areas contained only approximately 3% public tenants by 2010. Similar to the change in low-paid service workers, private tenants actually generally increased in the inner city following the housing reform. However, the number of new private tenants is much lower in Lianxin (1920 households) than in Hehucahi (6450 households). In 2010, Lianxin presented a

high degree of homeownership for commercial apartments (49.91%) and a low share of private tenants (13.29%); the opposite situation is found in Hehuachi (16.04% and 32.42%, respectively). In line with the structural change in tenure, the actual rental payments by households in Lianxin in 2010 grew to more than eight times the price in 2000, so that this sub-district shifted from being among the most affordable to being the most expensive area in the inner city.

Finally, regarding the physical structures in place, by 2010, 82.87% and 67.79% of all households in Lianxin occupied housing constructed after 1990 and higher than 7 stories, compared with less than half in Hehuachi. In the most gentrified sub-district, the middle school score was the highest among all sub-districts in the inner city in 2010. Residents in this sub-district have the opportunity to enrol in two nationally ranked schools, two provincially ranked schools and one municipally designated school. In the least gentrified sub-district, however, residents can only choose from between one provincially designated school and four municipally designated schools. The above details thus confirm the proposition that while the increase of producer service workers in the inner city is a crucial indicator for the appearance of gentrification, currently the cohort of gentrifiers in Chengdu is still characterised by a relatively mixed industrial structure but a common high workplace ranking. This social condition emphasises the homogeneity in economic capital but not necessarily an established cultural attribute among gentrifiers. Instead, the new urbanism and homeownership, representing a form of cultural capital, could cultivate distinction among the gentrifiers during the course of gentrifying an area.

4.3.2 Place-based identity of inner-city urbanites

For understanding the housing choice of inner-city gentrifiers, the study interviewed residential gentrifiers in three newly built communities and young pioneers (i.e., retail gentrifiers) who set up a personal business in areas adjacent to two renovated historic sites but do not live in the gentrified areas in the inner city. The second group could be deemed as a potential cohort of gentrifiers with high cultural capital but low economic capital. They shape a contrasting group with the residential gentrifiers, highlighting the distinctive results of the elite-oriented gentrification from pioneer-driven gentrification.

The residential gentrifiers have moved into the current community for less than ten years, and from either *danwei* allocated housing or subsidised government housing. Currently, two newly built communities are located along the waterfront areas, another is located near one of the financial centre (Figure 4.12). The three communities were constructed during the 2000s. The residential gentrifiers are aged from 50 to 60, except

Figure 4.12 Gentrified landscape (Chengdunese Paradise and Times Riverside) in the 2000s. *Source*: photos taken by the author.

one who is younger than 35. They are mostly managers in public sector, state-owned enterprises or private entrepreneurs who, however, once worked in public sector or state-owned enterprises. These gentrifiers emerging in the 2000s show common social ties with the *danwei* system. They may have transitioned to businessmen following Deng's strategy of "get rich first and common prosperity later" for market reform, which encouraged specific sectors, industries and skilled men to create wealth via market tools. Currently, the average housing price in the three neighbourhoods is around 20, 000 Chinese Yuan (approximately US $3077) per square metre, more than twice the average price in Chengdu metropolitan area, while the price of new housing in these areas reaches

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25, 000 Yuan per square metre. For a few real estate projects with celebrated residential design in the city, the price can peak to more than 40, 000 Yuan per square metre.[21] Moreover, excepting the young gentrifier, the middle-aged gentrifiers all possess multiple apartment units. Not a few of them purchased the current apartment without a loan.[22] The other homes are located in either the inner city or the outskirts, and either house family members or are rented out.

Like many of the new homeowners in China, these inner-city gentrifiers give primary consideration in settlement to community environment, educational and leisure facilities, which generally indicate a high quality of life. Still, convenient services constitute a basic locational advantage of residence in the central city. Notably, the informants were concerned with the social composition of the community, appreciating the homogeneity of community members who are mostly highly educated, culturally and socially minded, namely, those with not only economic capital but also highly regarded political and social capital.[23] In part, the social networks of gentrifiers are formed in either central city workplaces or intensively within the *danwei* system. Some of the gentrifiers thus selected communities where former colleagues lived. The reform of the housing and land markets in the inner city can produce an economic stimulus for the managers to gentrify inner-city space. At the early stage of reform, it was primarily the *danwei*-founded development companies that predominated in land redevelopment. Due to personal ties with the *danwei*-founded companies, the managers could purchase commercial apartments with an informal discount. The informal market embodies a contextual outcome of China's path-dependent reform.

Basically, housing selection reflects the way gentrifiers establish social recognition or seize the ladder of upward mobility through housing consumption. Typically, this was exemplified by an informant who had just moved into one of the communities for one year. The community, called Upper Town Chengdunese Paradise, was completed in 2009,

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[21] For example, the Versace Apartment and Armani Artist Apartment are designed by the two fashion companies, which are said to bring in new lifestyles to the city.

[22] Being asked about the cost of housing purchase and the debt situation, gentrifier informants were usually reluctant to answer exactly. Instead, they tended to compare the price range of apartments in their neighbourhoods with adjacent neighbourhoods so to show the comparative advantages of the neighbourhoods. But some did mention that they had no debt on the gentrified apartment, which was for residential use, but they might borrow to buy other properties for investment.

[23] Interviews with G93, 94, 100, 101, 103, 105.

and is the third phase of a large project constructed by Dalian Wanda group since 2000. Mr Chen (G98) is 52 years old and working as a manager in the public health sector in Chengdu. Chen had moved from a small city due to a job transfer and then purchased a second hand house in 2015 in Upper Town Chengdunese Paradise. The community was attractive to Chen due to its favourable social environment, with lifestyles compatible to Chen; also, his approval is based on public recognition of the district, which is widely acknowledged as a place traditionally inhabited by people with high prestige and educational attainment. Living in the community facilitates social networking and career development for Chen; it is also where he gains a sense of territorial recognition and its privileges.

However, in attaining social status, Chen had to live in a second-hand housing unit rather than a new one. Moreover, Chen paid a housing price in the community one-fifth higher than the average housing price nearby (1.7 million Chinese Yuan for 104 m^2), which in effect exceeded his budget. Chiefly the high price is because the neighbourhood contains a kindergarten and primary school with high educational quality and exclusive for community members. Chen was informed that residents outside the neighbourhood would pay more than 100, 000 Chinese Yuan to have their child educated in the primary school. Since the late 2000s, educational facilities have become increasingly an important factor for stimulating housing purchase in the inner city. The educational policy in Chengdu has linked the community affiliation of residents (identified by the location of one's household registration) with educational opportunities to specific primary schools. The policy has encouraged residents to purchase inner-city apartments for not necessarily living but simply winning a local *hukou*. The phenomenon has stirred up unusual price elevation for housing near to the well-known schools. In addition, located in the inner city, the gentrified area has been densely developed and is notoriously congested with traffic, although within the community, high-quality green space, services and housing design are provided.

> Yang: could you please tell me the reason you chose this community?
>
> Chen: A first reason is we have known many people who are living in this district. In particular, this community is said conventionally to be high-end real estate in the inner city. The manager of XX Group (a large state-owned enterprise in Chengdu) also selected this community, even though they have been lived in the United States for many years. When

they come back, they have purchased a second-hand house here. Nearby this community and at the opposite side of the road, another luxury community, which is invisible on the sidewalk due to a dark wall of trees, is only sold to people who have a specific rank of entitlement. We are not even welcome to visit it. It is said this community also contains many managers from other public sectors. My wife also considered the environment and the schools in this community. We have even tackled the question of schooling for our grandson in the further.

     Yang: Does this mean the price is very high?

     Chen: of course, it is much higher than other communities who do not include schools within the community. This school in our community is an international school. Moreover, there is a heavy traffic jam in this district. (G98, residential gentrifier)

Residential mobility brought accordingly changes in Chen's consumption patterns, such as treating friends to a fancy restaurant, whose numbers have grown as the district gentrified. Changing consumption patterns, according to Chen, are by no means to show off one's status, but are social activities to be learned to belong to the social circle he aspires to. Thus, these gentrifiers may not have a clear-cut, pre-established disposition on lifestyle, but once they moved into the new community, they have readjusted their personal lifestyle so as to achieve status and forge class identity.

In the urban society, on the surface, what is real and what is fake in a person? Consumer goods, undeniably, are a way to make you trustworthy among the society, for the others to judge whether or not you are allied with them. The inner city, and in particular this district, is conventionally inhabited by people of high social reputation. So even though you found that the inner city is congested, the community is not as deluxe as the suburban ones, people here are the real noble ones. Our community is constructed in the 2000s. When you're visiting the new housing at the east side (of the inner city), you will find it's changed. It is very modernist and internationalised; a large share of high-rise apartments reach to 200 m^2. As the Chengdu people may know, if this district is a so-called traditionally high-end community, then that is the new wealthier area. It is more favoured by what you may call young elites; our child really loves that place. However, the price has been much higher than our housing. It could be the top end of the housing price in the city, even though they are apartments not houses. They pay property management fees more than four Chinese Yuan per square meter (G107, residential gentrifier).

Partly owing to the recognition of people with a high social reputation, the inner-city gentrifiers stress the cultural demands of daily life and the symbolic meaning of their living places. According to their terms, a basic reason for them to choose the inner city

area has been related to its "authentic urban lifestyle."[24] The emergence of gentrification in China was often located in places near rich cultural resources, although these places usually present a lower degree of reinvestment or experienced only commercial revitalisation. Historic places and buildings *per se* in China do not usually constitute an attraction to *residential* gentrifiers, but they offer opportunities for creative products and consumption experiences after renovation. Thus, as the middle class has presented a primary consumption inclination towards the new, or so-called modernist urbanism rather than historical features in housing design, living in the historic city still enables residents to gain a sense of accessing Chengdu culture or the city identity. For instance, the teahouse, as a place, where the Chengdu people meet and chat on politics every day, is an important component of the authentic Chengdu lifestyle (Wang, 2008). The teahouse culture can be revived in historical areas in the inner city, but in stylish ways rather than following traditional forms. However, the culture is largely disappeared in the newly established district in the south outside the Third Ring Road, to be replaced by coffee shops. During the 2000s, the residents usually made their first housing choice adjacent to the city core, but declining living conditions obliged them to finally select the high-end real estate initially developed in outlying areas of the inner city, such as the waterfront area and the near to Second Ring Road.

With their social and cultural capital concerns, the residential gentrifiers tended to distinguish themselves from the other segments of the middle class in the city. The middle-class stratum the gentrifiers belong to or aspire to is more consistent with a conventional definition of middle class, which is foremost characterised by a higher social status and educational attainment. Thus, they do not need to have great wealth, but a stable income and career. Noticing the emerging large number of economically middle-class households in Chengdu, the gentrifiers treat them as speculators whose wealth could be ephemeral, and so their social status is less solid. When asked for distinctions compared with the suburban population, the inner-city gentrifiers often questioned the disinterest of suburbanites in social and political affairs. They distinguished themselves from residents in luxury suburban housing as having relatively lower personal wealth but

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[24] Interviews with G93, 98, 103, 102.

possibly higher cultural capital, which makes them appreciate the symbolic meaning of living in the inner city.

> For me, the middle class is first defined by income, and then, it must be concerned with culture quality, somehow related to where you live. In terms of the cultural quality, the one you mentioned, who's living in the luxury suburban housing, shall not be attributed to the middle class. The cultural assets include education, personal improvement and cultural taste; they are all capital. The real middle class is the one with a stable income, much more important than currently how much money I have. The purely wealthy man is not the stable social group; they could be rich overnight but also go broke in one day. Moreover, this is definitely something related to one's educational level and cultural capital. However, of course, the middle class does have a certain level of economic capital. For instance, they shall be able to afford housing of more than 1 million in my option. However, someone with sudden wealth may choose luxury suburban housing, pretending they are the upper class. But we choose to be among the middle to high class of communities. (G103, residential gentrifier)

Figure 4.13 High-end communities newly built in the current wave of gentrification. *Source*: photos taken by the author.

The gentrifiers interviewed in this study appeared in the 2000s in Chengdu. Absorbing certain aesthetics of Western cities, the landscape of gentrification in the 2000s represented an early attempt of developers and local governments to materialise

the dream of good life for urban residents. As introduced earlier, the landscape of gentrification in the new round of urban redevelopment has been clearly distinct from the early phase in the 2000s (Figure 4.13). Being more frequently introduced by transnational developers via participation in urban redevelopment programmes, those new commercial and residential places, together with the new functions and activities they support, are delivered as opening a new cosmopolitan era of the city. The new residential spaces have been advertised as introducing new forms of elite lifestyle associated with the rising highly educated migrants and immigrants and young adults working in the new industries developed in the city. Thus, as the mode of gentrification is changing, new types of spaces and representations might be produced, and gentrifiers with different social characteristics are expected to emerge. In comparison with land development in other parts of the city, state-led, inner-city gentrification in China is at the vanguard of leading sociocultural change through the creative destruction of past urbanism and through its innovative potential in introducing new types of landscapes and lifestyles. Notwithstanding possible changes, all of these concepts, namely, cultural advancement, authenticity, cosmopolitanism and elitism, tend to portray inner-city urbanism as a cultural product ahead of the times that will whet middle-class consumers' appetite for cultural and social capital embedded in the renewed spaces.

Thus, compared with middle-class gentrifiers in post-industrial societies, potential gentrifiers in Chengdu had a less distinctive lifestyle from the working class in the socialist era. Also, the middle class did not previously have a tendency towards suburbanisation, but continuously preferred dense urbanism with sufficient facilities and services (see Song et al., 2010; Wang & Lau, 2009; Zhang et al. 2014). Accompanying the growing consumer consciousness, gentrifiers present a clear claim on a distinctive lifestyle, by which they seek social recognition and increasingly distinguish themselves from others. Specifically, the consumer culture of gentrifiers is reflected in not only a preference for locational advantage in, for example, access to public services and education, but also to cultural resources in the inner city and various symbolic meanings attributed to inner-city places, such as authenticity and transnationalism.

In line with the new consumer culture incubated in the inner-city spaces, a place-related identity is cultivated among the gentrifiers. Following the body of work on the

spatialisation of the middle class in China, which has been largely rooted in the luxury enclaves in suburbs, the study throws light on the distinction in the place-based identity among the inner-city gentrifiers. Compared with the other segments of the middle class in the city, the gentrifiers tend to distinguish themselves according to social reputation, educational level, cultural cultivation and political privilege. The inner-city terrain is at the cutting edge of place-making for new urbanism, which is subsumed in the process of cultural globalisation of the city. The new urbanism creates spatial capital, materially and symbolically, that assures a sense of advantage among the gentrifiers selecting inner-city lifestyles. Basically, the relatively blurred definition of the Chinese middle class currently has amplified gentrifiers' yearning to seek distinction from the other segments of the new rich as expressed in living space and housing consumption. Finally, inner-city gentrifiers are affiliated with a particularly middle-class stratum owing to the possession of both high economic and cultural capital, or at the very least, the possession of a strong aspiration to accumulate cultural capital.

4.3.3 Emancipation or reproduction?

Nevertheless, the gentrified properties and the symbolic meanings attached to them are derivative of the urban imaginary of urban elites, and their fundamental purpose to create urban spaces of consumption. More than cultural liberation, they produce a large profit margin for redevelopers and investors. The experience of young pioneers in the inner city bears evidence of the economic end of gentrification. The young pioneers can be deemed retail gentrifiers, setting up personal businesses or studios related to the cultural industries in areas near historic sites that have experienced commercial and cultural revitalisation in the inner city (Figure 4.14). They are highly educated but with lower economic wealth than the residential gentrifiers. All of them have a university degree. They once worked as designers, in the print media, architecture, as an art teacher and so on, not a few of them have quit their former jobs and transferred to the cultural industries, such as running a handicraft store, art supplies, teahouse and so on. Often they co-invest with friends and jointly manage their business.

Figure 4.14 The landscape of retail gentrification in old neighbourhoods in the inner city. *Source*: photos taken by the author.

Most of the young pioneers do not live in the inner city, although a few rent apartments in less gentrified, old neighbourhoods in the inner city. With a strong preference to settle in the inner city, however, the young pioneers consider the inner city substantially unaffordable, regarding both the newly built housing and second-hand housing in a secure community. Meanwhile, the disinvestment in maintenance impeded them from purchasing old residential properties in areas where they set up their businesses. The disintegration of the social fabric of the old communities as a result of redevelopment and incoming migrants can also raise concerns about security and frustrate the decisions by young commercial gentrifiers to settle there.[25] The situation also explains why, compared with new-build gentrification, the old residences are usually immune to being gentrified. In contrast to a nostalgia for traditional values, these young pioneers made an acute criticism of the government responsible for the robust mode of urban development, the fever of real estate speculation, and the rampant materialism of the consumer society.

> G63: China, the Chinese city, has constructed many houses, similar and spectacular, but
> not for the people who really need houses. The officials, the wealthy could buy multiple
> houses, more than ten for example. Lower- to middle- class people, who have working
> capability and a certain level of economic capital, need a house. However, house purchase is a
> considerable consumption item for these people. That's why Chinese young adults cannot live
> with their dreams.
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> Yang: Why particularly young adults?

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[25] Interviews with G62, 63, 66, 69.

G63: Chinese culture is different from the western culture. The westerners accept a status of tenancy. Chinese people equate house with home. Thus, the demand for a private housing becomes very evident and realistic for young adults when considering marriage.

Yang: So how do you see your social status?

G63: I am of course not belonging to the middle class. We are in the cohort who gave up a so-called settled life. Actually, the salaried person in contemporary China can hardly become the middle class, because accumulation is too slow, compared with consumption. Only families having experienced several generations of accumulation can be easily affiliated with the middle class. (G80, retail gentrifier)

Ultimately, the classical, individual-based gentrification in the inner city has rarely prevailed in Chinese cities. Young pioneers are from the very beginning expelled from the gentrified market, because of the unaffordable price of the newly built housing in the inner city and the sweeping commercialisation of historical sites led by the state. On a small scale, the classical, individual gentrifiers are often the high-income cultured class rather than youth pioneers, targeting buildings with significant historical and cultural values rather than common old properties. For instance, in a commercialised historic site in Chengdu, several highly ranked officials purchased housing at the early stage of the 1990s and invested in physical improvement. The buildings were heightened from one story to three stories, and the walls are painted of course, but the form of a courtyard house remains intact (R77). In cities with more diversified cultural buildings, such as Beijing and Shanghai, individual-based gentrification can be more common than it is in second- or third-tier cities. Nevertheless, this type of individual-based gentrification can hardly spread generally to the middle class to the extent of orienting urbanism, concerning the affordability of historic buildings to middle-class families and the cultural penetration of the newly built gated community. One of my informants was a manager in the leading urban planning institute in Beijing. In 2009, the urban planner and his wife were planning to have a house in the city. The overpriced housing market at that time made them consider giving up the idea of purchasing a new apartment for instead a rental house in a quadrangle dwelling in Beijing's *hutong*. An old woman, who was the homeowner of a quadrangle dwelling in Zhonglouwan *hutong*, required the couple to restore the sanitation and heating systems of her dwelling and redecorate the rooms, with a rental price of less than 4,000 Chinese Yuan per month. The planner and his wife

finally spent 50,000 Chinese Yuan on the maintenance of the dwelling. After about one year living in the rental house, however, the couple moved to Chongqing because of job changes. The planner sublet the dwelling to his sister, who has used it as a small studio for residence and for starting her business of headhunting.

Against the background of consumption promotion by the reformist state of China, a body of literature has deployed the notion of the development of consumer citizenship to describe the characteristics of social change, in particular, from a socio-political perspective. The discourse of "citizen" in public and political spheres in China prevails together with the dissolving of the discourse of "mass (*qunzhong, 群众*)" or "people (*Renmin, 人民*)" in the socialist collective society (Keane, 2001; Anagnost, 1997; Solinger, 1999). The development of consumer citizenship, then, embodies the practices of, on the one hand, the institutionalisation of various rights and obligations of consumer subjects and, on the other hand, the internalisation of consumer behaviours and identities (see Davis, 2006). While the Western literature has often articulated the idea of citizenship with the enhancement of civil and individual rights, the literature in China has largely pertained to a central issue on the new form of state-society relations in the post-reform China (see typically, Davis, 2000, 2006; Ren, 2013; Hooper, 2005). For instance, through reviewing media reports and national laws and interviewing homeowners in a gated community in Shanghai, Davis (2006) emphasised the characteristics of the development of consumer citizenship as the delegated authority of the state to balance the power of consumers with a low level of consumer activism in the political realm. Ren (2010) analysed the relationship between the middle class and the Chinese state in what he called the neoliberal era in China. He deems the encouragement of middle-class consumer behaviours as a way the Chinese state may transfer its economic responsibility to society, more precisely, to individuals. By doing so, it meanwhile empowers and disempowers middle-class consumers by embedding entrepreneurship in the society and by filling economic risk into the every life of the buyers and speculators.

The social status of gentrifiers adds evidence to the development of the Chinese consumer citizens depicted by these authors. The social politics implied within the emerging consumer citizens in China is in contrast with the cultural politics of the new middle class in gentrification in post-industrial society. At least at the very beginning,

gentrification in post-industrial society symbolised a tide of cultural innovation and social liberalisation promoted by social transformation sourced from economic restructuring. In the first place, classical gentrification led by urban pioneers revealed a critical social practice among the new middle class, a vision of an emancipatory city supporting a tolerant form of urbanism and a diverse urban culture (see Caulfield, 1994; Ley, 1996; Lees, 2000). From the consumption side, the eagerness of the Chinese gentrifiers for new types of lifestyles also constitutes a basic cause of inner-city gentrification in China. Ostensibly, the gentrifiers' participation in the inner-city consumer market is conducive to cultural innovation in the city. However, while the urban pioneer tends to revitalise blighted places and subcultures, Chinese consumers are motived to pursue prestige lifestyles, contributing to the decay of cultural otherness. Moreover, the consumption practices of those cultural consumers are concomitant with the speculative nature of the real estate market, which tends to sustain economic accumulation by selling new lifestyles to people in the city. The social and cultural conditions inherited from the pre-reform cities have made it convenient for the political-economic elite to implant their cultural imaginary into the city.

However, this is not to say that high-income consumers have fallen into passive rather than creative roles in the consumer culture. The emergence of a transnational population and the development of consumer consciousness can create new demands among the consumer middle class as they seek for new distinctions in habitus. Accordingly, urban redevelopment could periodically unearth a new consumer market based on the potential of inner-city areas to support cultural innovation. Once the cultural strategy and consumption stimulation take effect, gentrification will surge. Finally, the new middle class and political-economic elites take the role of the so-called creative class in large Chinese cities today. The result is a recurrent cultural hegemony from elites that undercuts, indeed, makes obsolete, older inner city cultures.

4.4 Conclusion: Elite-oriented place-making, middle-class consumer culture and the development of consumer citizenship

By examining the agency of both political-economic actors and consumers, this Chapter uncovers three features that explain the causes and patterns of a state-facilitated gentrifying process in Chengdu. First, state-facilitated gentrification occurs

simultaneously with the elite-oriented construction of consumer modernity, transcending and replacing the socialist modernity that reduced class distinctions in consumption practices. The government and economic elites have imagined and re-invented transitional urbanism and greatly impacted the formation of middle-class culture. In Chengdu, the landscape is gentrified in parallel with the construction and self-construction of middle-class consumers in terms of consumer preference and class identity. But the state does not merely urge on middle-class consumer culture. It has also tended to re-work the ideology and aspirations of the working class through place stigmatisation and its model of social governance in order to establish ostensible conformity with urban restructuring. Thus, in the newly developed city, where globalisation is an imaginary more than an actual, existing phenomenon, the urban place *per se* is a tool for the political-economic elites to define and redefine the meaning of the cityscape so as to direct social change. The relationship between the state and economic elites, landscape formation and sociocultural change indicates the politics beneath the occurrence of gentrification in China. Different from the cultural politics of progressive cultural pioneers and the new middle class in post-industrial society, landscape formation represents a tool of middle-class politics employed by the reformist state.

Second, state-facilitated gentrification fits into local state strategies that encourage the overproduction of properties, which lead to the stimulation of spatial consumption in the city. In part, this is because land marketisation in China contains conflated economic and social objectives and signifies not only the expropriation of a putative rent gap but also the fulfilment of state legitimacy in a time of market transition. The occurrence of gentrification is thus conditioned by the animation of a consumer market. This statement questions the explanation that limits the cause of gentrification to a package of global capitalism and the secondary circuit of capital accumulation (Lees et al., 2016). Today, state-facilitated gentrification in both the global North and South responds to the mandate of economic growth (Lees, 2012; Lees et al., 2015). As the state becomes the main driving force of gentrification, it is important to ask how gentrification is envisaged by the state as an urban strategy of development or accumulation in different contexts. In Chengdu, the relationship between a *strategic state* and *the production* and *consumption of excess* explains the political-economic impetus behind gentrification.

Finally, turning to the gentrifiers, the study reveals a process of self-identification and self-distinction among inner-city housing consumers from other middle-class segments, who may choose a residence relatively distant from the inner city. Rather than being an inner-city invasion by a specific economic sector, the gentrifying process assembles residents with high consumption capability and facilitates collective cultural construction. In particular, historical and cultural resources and the cultural symbolism of authenticity and globalism provide scarce and territorially bounded resources, material or spiritual, that enable gentrifiers to pursue a sense of advantage and esteem by living in the inner city. However, the cultural symbolism is imagined and (re) defined by the elites, rather than by individual urban pioneers, based on not only the symbols of Chinese historical culture but also the signs of modernism and cosmopolitanism. The gentrifiers thus distinguish themselves from other segments of the middle class by already established social credentials and cultural capital in urban society, in addition to a moderate economic affluence.

Gentrification in Chengdu thus appears as a socio-spatial reclassifying process among the middle-class consumers. It is caused by spatial commodification and recurrent cultural place-making in inner-city space by productive forces and by the urbane self-identification of a segment of the middle class distinguished by high economic and cultural capital. Compared with the return of an established socioeconomic class or cultural group to an inner-city lifestyle, the process of socio-spatial upgrading in Chengdu has been complicated by the place-induced social change of gentrifiers towards class formation. The force of changing middle-class consumer culture has an imperative agency that joins the production- and consumption-side forces and ultimately addresses societal change. However, the intermediary role of culture in the Chinese city diverges somewhat from that for post-industrial society as observed by Zukin (1987) and has led to different results in socio-spatial transformation.

Generalising from the case of Chengdu, middle-class consumer culture activates agency linked to consumerism as an economic development strategy and to consumer citizenship as a genre in urban society. While maintaining the marketing of a consumer-driven economy in the city, elite-oriented place-making has guided the aestheticisation of new middle-class living spaces (see also Pow, 2009) and created new landscapes of

privilege in the inner city. As a result, by occupying those redeveloped locations, Chinese gentrifiers have gained power in terms of access to competitive resources in education, health, culture and so on and have embraced place-based reputational identities. Middle-class consumers are characterised by an overwhelming homogeneous appetite for living styles. Still, they have been widely encouraged to consume, and the importance of this may have been overvalued in a rising consumer society. The orientation of social change thus signifies the formation of an ideological alliance between the new middle class and the political-economic elites in the market society. As such, the gentrification process serves the grand engineering of state-led social change and economic growth in a transitional society. Consequently, state-facilitated gentrification can hardly be expected to lead to emancipatory activities for sociocultural diversity. Instead, it leads to the construction of homogenous and conservative identity politics in a consumer society. Its task is not emancipation but reproduction.

Chapter 5 Residential Relocation and the Working Class in Gentrification

Examining the process of residential relocation in Chengdu, this chapter draws attention to the working class in the gentrification process. It strengthens the previous understanding of displacement by unravelling the *divergent* experiences and ideologies of the working class during and after state-facilitated neighbourhood redevelopment. The three sections in this chapter focus on three working-class groups separately. They are low-income workers living in public or subsidised housing, homeowners living in commodity housing, historical dwellings or self-built housing in the old neighbourhoods, and migrant tenants. The analysis draws on three series of empirical studies. First, it elucidates policies and decisions for relocating and compensating working-class residents impacted by inner-city redevelopment and documents the compensation results for various social groups. These policies and decisions indicate institutional change in housing low-income residents towards homeownership promotion and cultural assimilation. As well, they demonstrate the forceful continuity of both a property rights system and the *hukou* system, which completely excludes migrant tenants from participating in the relocation plan (see also Wu, 2016). As a consequence of the varying methods of compensation or direct displacement, this chapter then explains place-based social and cultural changes that various working-class groups experienced differently. Finally, it also uncovers the process of consensus building that led to demolition and removal.

5.1 The social and tenure diversity in the old inner-city neighbourhoods

Before unfolding the working class experiences, we provide a brief introduction to the tenure and social composition in the redeveloped neighbourhoods under investigation. Work-unit (*danwei*) compounds and historical and dilapidated residential quarters are two main types of dwellings in these neighbourhoods before redevelopment, while *danwei* compounds constitute the largest proportion (Figure 5.1a and c). *Danwei* compounds can include housing built by work units and municipal housing authorities (Zhang, 1997; Zhang & Fang, 2004). Historical areas in the inner city include dwellings dating back to

imperial China. The government confiscated the majority of these buildings when the Chinese Communist Party assumed power over Chinese cities. The government then rented these buildings to residents as public housing. However, certain buildings remain in the possession of individuals (Liang, 2014). Other types of properties include a limited proportion of commercial real estate housing built during the early stages of housing reform and (often without full legal permission) ad hoc shelters built by citizens or migrants. While this research does not specifically focus on the redevelopment of urban villages, it does include a discussion on a small amount of housing built by land-lost farmers on former peasant-owned land (Figure 5.1d). Urban villages refer to settlements converted from rural villages during the process of rapid industrialisation and urban expansion (Liu et al., 2010). Instead of the inner city, urban villages constitute a main landscape of the urban-rural fringes in China's metropolises today (Wu et al., 2013; Cheng, 2012).

Figure 5.1 The types of buildings in old neighbourhoods: a. public rental housing in CJA (above left); b. commercial apartments in CJA (above right); c. historic buildings in WNA (below left); d. Urban village in the city (below right). *Source*: Photos taken by the author in 2015 and 2016 and provided by a resident in WNA (5.1c).

The share of each housing type varies in each neighbourhood under investigation in this research. However, in general, long-established homeowners and tenants housed by municipal authorities and in socialist work units (*danwei*s) together with private tenants constitute the principal groups that compose the working class. The following three sections divide the working class into three groups to analyse their experiences in residential relocation. There are, first, socialist workers (subsidised owners and public tenants) who win opportunities of tenure conversion from public/subsidised housing to private housing and monetary compensation; second, activists who are private owners and are eligible for in-kind or monetary compensation; and third, migrant tenants who are disempowered to make any claim.

Of course, it is not the purpose of this thesis to attribute *all* members in a social group to one static attitude. In fact, it is impossible to do so. On the one hand, it has repeatedly been found that the resistance to urban redevelopment in China fails as an organised, clearly targeted movement (Wu, 2004b; Shin, 2013). Resistance is mostly individual and case based rather than collectively oriented, and the reasons for resistance are highly contingent upon family property circumstances. It is interesting to see that, in the case of Guangzhou, Lin (2015) revealed financial gains for landlords in a village in the city, derived from both the value of compensation and the increase of rental incomes following the greatly inflated housing price after land redevelopment. Shin and Li (2013), to the contrary, emphasised sufferings on the part of the landlords, who had illegally built additions on their properties, from a loss of rental incomes due to the decrease of housing size after compensation and resettlement. On the other hand, the reactions of residents are variable. Even for the activists, compensation that leaves them a better offer may diminish the primary motivation of resistance. I thus suggest that, instead of documenting the immediate material gains and losses of individual households, we probe the social, cultural and subjectivity changes that the working class experienced as a result of state-facilitated gentrification.

5.2 Homeownership and upward social mobility?

The public tenants and subsidised owners in the gentrified neighbourhoods are

mostly retired or laid-off workers in state-owned production enterprises or industries affiliated with the government agency at the sub-district level, which is known as the Street Office (*jiedao banshichu, 街道办事处*), at an earlier stage of the evolution of the People's Republic of China. They own urban *hukou* and are low-income citizens born in the first and second generations of post-1949 China. The public tenants and subsidised homeowners are almost exclusively the first and second generations of modern China, born in the 1930s and 1960s. The younger generations born in the 1980s and 1990s in households of intergenerational residence generally do not own property. Since China's housing reforms were enacted, households who improved their personal housing conditions have left, selling their old dwellings and moving into new commodity housing, while residents who cannot afford purchasing fees for a newly built dwelling have remained in increasingly dilapidated public or subsidised housing (Leaf, 1995; Wu, 2005). The remaining occupants are generally poor, rank low in the workplace and lack the social and economic resources to improve their housing conditions. In this thesis, individuals in this group of the population are termed socialist workers.

The experience of socialist workers in gentrification is noteworthy because they embody the pre-reform social formation and economy in China, which provides a starting point for studying variations in gentrification in China deriving from the capitalist economy. Practically, these differences originated from the compensation policies that created the likelihood for the socialist workers, who were previously tenants, to access homeownership after redevelopment and resettlement. Studies on socialist workers can arguably strengthen the comprehension of the "positive" side of gentrification up to a point. However, departing from the simple debate regarding positive *or* negative gentrification, this section raises discussions on *how* gentrification brings about social inequalities. Prior studies have approached social change by chiefly examining the life chances of residents after gentrification, including the resulting hardships of relocated individuals in, for example, the shortage of amenities, commuting costs and even unemployment (He, 2010; He & Wu, 2007; Hsing, 2010; Shin, 2009ab). The present discussion adds a new perspective by identifying the social transformation of socialist workers associated with a sense of upward mobility. The social transformation is triggered by an access to homeownership, which enables these socialist workers to forge

a new identity of "propertied stratum (*youcanjiecent, 有产阶层*)." [26] However, the transformative process is internally contradictory. On the one hand, possessing a private apartment can empower production workers in a market society even more than improving their housing conditions. On the other hand, housing privatisation engenders new dilemmas for the working class in resettlement communities that may eventually *dis*empower them.

5.2.1 Consumerism and pro-homeownership reform

The compensation methods for current residents in urban redevelopment programmes are changing, conforming to the changing reform strategies for the low-income housing system. It has been widely argued that during the 1980s and mid-1990s, housing reform could be understood as involving housing finance and management reforms rather than direct housing privatisation and marketisation (see Wang & Murie, 1996; Wu, 1996). As an important result of fiscal reforms of this period, the work-unit system increasingly became the main body for housing employees (Bian et al., 1997). In the urban reconstruction plan, except for encouraging housing purchase of the higher income residents, large *danweis* would continue to provide rental housing for their low-income employees after redevelopment. *Danweis* that were financially under-resourced could transfer the responsibility of housing low-income worker to the municipal government based on a certain amount of payment; low-income workers, in turn, remained in public rental housing. According to the 1991 *Regulation on Housing Demolition,* the Chinese government did attempt to maintain the supply of rental housing throughout urban reconstruction in this period. It specified that owner occupants of rental housing were only allowed to secure in-kind compensation. Moreover, the policy clearly prevented forced evictions of private tenants by property owners and required a stabilisation of the private rental price before and after property exchange (State Council, 1991, No.78). These stipulations effectively reduced housing-induced displacement for

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[26] The term is commonly invoked by informants in this study. Zhang (2010) has offered a similar translation, namely the "new middle propertied strata," to define the middle class in Chinese cities (p. 6). With this term, on the one hand, Zhang kept consistent with the narrative of "stratum (*jieceng*)" in both the political and public realms of China, which more or less maintained ambiguity of the term deliberately, in particular, regarding its political connotations. On the other hand, the author intends to underline a *status quo* of the middle strata in contemporary China, who share in common economic status, specifically the possession of private assets, rather than other attributes (e.g., cultural capital).

both public and private renters in the inner city.

After a profound reform of the housing provision system in 1998, urban redevelopment regimes unleashed the deregulation of rental markets and the widespread displacement of working-class residents from the inner city. The *Urban Housing Demolition and Compensation Regulation* was amended in 2001 to deregulate rental prices. It leaves decisions on maintaining public and private leasehold relations to property owners. The decision on compensation methods thereafter varied by city and project. For socialist public tenants, subsidised owners and private owners who are formally eligible for claiming compensation, a common trend had involved purchase encouragement and monetary compensation (see Wu, 2004b; Day, 2013; Kou, 2013; Li et al., 2014). In Chengdu, conventionally, municipal housing authorities have encouraged public tenants to purchase public housing before being resettled to a new site; however, since 2008, the compensation scheme has shown a trend towards monetary compensation (Chengdu Municipal Government, 2008, No.75). From 2002 to 2010, the municipal government no longer participated in the construction of resettlement communities. Only for infrastructure projects led by the state did the municipal government tend to purchase housing stock from the market for relocation. In cases of developer-led redevelopment, redevelopers undertook the costs of compensation and the construction of resettlement communities, but developers have mostly encouraged monetary compensation for original households (Li & Yang, 2014).

Since 2011, the Chinese government has initiated two phases of change in urban redevelopment policy. First, a number of self-immolation incidents in resistance to forcible demolition and removal in the late 2000s prompted an intensive review of the demolition regulation by the State Council in 2011. [27] The No.590 *Regulation on Conveyance of Buildings on State-owned Land and Compensation* shifted the agents of demolition from profit-oriented developers/demolition companies to government sectors or non-profit institutions mandated by the government. The notion of property *demolition and removal (chaiqian, 拆迁)* in former policy discourses was terminated, replaced by property *conveyance (zhengshou, 征收)* and *removal* (*banqian, 搬迁*). While previously

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[27] For example, the self-immolation incidents in Heilongjiang Province in 2010, Jiangsu Province in 2010, Jiangxi Province in 2011, Hunan Province in 2011 and Henan Province in 2011. Most of these incidents were caused by the expropriation of *rural* properties for infrastructure and public facilities construction.

property demolition was defined as acquisition and compensation conducted, sometimes violently, by demolition agents in the free market, conveyance means an *administrative* act of recovering state-owned land by state actors while legally transferring or cancelling the registration of previous properties. The regulation also abrogates the right of local government to exert forcible tools of demolition and removal while assigning the task to the municipal legal rather than political system. The No. 590 Regulation thus brings back the principal role of the state in conducting housing conveyance and compensation. So urban redevelopment transitions from a period featured by developer-led demolition and redevelopment to one of state-led conveyance and market-led redevelopment.

Against the background of housing structural adjustment since 2010, urban redevelopment was included in the agenda of housing improvement for the urban poor. In the executive meetings of the State Council on 26 June 2013, Premier Li Keqiang tended to associate urban redevelopment of old and dilapidated areas (*penghuqu, 棚户区*) with a strategy leading to dual objectives of poverty alleviation and economic growth through the promotion of domestic demand and consumption. A primary strategy targeting the twofold goals of low-income housing improvement and economic growth, put forward by the central government, is to mobilise the consumption of private housing by low-income residents by means of in-kind or, more appropriately, monetary compensation in redevelopment projects. This strategy is designed as also a means to reduce the inventory of commercial apartments, given the large vacancy rate and a slowdown in the housing consumer market in many cities. In 2015, a new central policy encouraged monetary compensation for existing households in dilapidated areas (State Council, 2015, No. 37), which replaced a proposal of on-site relocation in the 2011 regulation (State Council, 2011, No.590). The Ministry of Housing and Urban-Rural Development (MHURD) and the China Development Bank (CDB) (2014, No.155) recently urged local governments to establish agencies and standards in order to assist the transaction between former residents in redeveloped neighbourhoods and developers of unsold housing stock.

After a decade of urban redevelopment exerting leverage on land capitalisation and housing commodification, dilapidated housing redevelopment is now discursively linked to low-income housing provision. The central government has returned to its focus on the housing issue of low-income households, while incorporating this objective with market

boosterism via the promotion of housing consumption by the working class. The encouragement of monetary compensation and private housing consumption in gentrification projects implies a strategic change of the low-income housing provision from welfare provision by work units before 1998 to state subsidies for public tenancy and affordable commodity housing in the 2000s, to currently marketisation and homeownership promotion.

The trajectory of low-income housing strategies lays a foundation for decision-making to promote homeownership for socialist workers within gentrification projects. As mentioned earlier, in 2012 the municipal secretary, Huang Xingchu, introduced the North Chengdu Redevelopment Programme as one of the strategies for building the city as the growth pole of the west of China. Before the latest advocacy of monetary compensation by the central government, the compensation policies of the North Redevelopment projects followed the 2011 Regulation, where private owners could select either monetary compensation or property exchange.[28] Compensation for public tenants is accompanied by public-private tenure conversion. Public tenants are obliged to pay a tenure conversion fee to the property's previous owners, but at a heavily discounted price compared to the market price. Practically, though, the payment is directly deducted from the amount of compensation fees for public tenants once they have transferred to private owners. However, note that private tenants, who are almost always unentitled rural-urban migrants, accounting for nearly two-thirds of the original residents in the study neighbourhoods, are excluded from any type of compensation.

A direct reason for public-private tenure conversion is to win over residents to demolition and removal and maintain social stability. However, essentially, the decision is a result of the retreat of both socialist employers and the local government from responsibility for the housing welfare of work-unit employees. In Chengdu, according to the Municipal Housing Department, residents are allowed to conduct unified conversions from public tenancy to private ownership *only* through public projects, such as urban renewal work (O22).

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[28] The new properties are located in the so-called resettlement communities. Some communities are constructed at the time of redevelopment and the tenure of the properties is not clearly defined, while other sources of resettlement housing are from the established, price-controlled communities that have been constructed before the redevelopment projects. Some are located in the inner city or inner suburbs; the others are at the distant outskirts.

In terms of the work-unit housing, a change of tenancy follows the management regulations of the work-unit and the administrative systems with which it is affiliated. Negotiations between the Housing Management Department and socialist employers, however, are not easy. One the one hand, it is not rare that a *danwei* located in an urban district is subject to an administrative group at a higher level than local government.[29] The Housing Management Department needs to not only win support from the work unit at the locality but also to rely on the superior sectors of the administrative system that own decision-making power on the disposal of *danwei* assets. Having overlapping jurisdictions of land and housing properties in the old neighbourhoods is very likely to slow the progress of negotiations (O2, O22, O23).

The administrative sectors, however, are prudent in their decisions, as accepting public-private conversion means a drain of valuable assets. Paradoxically, old properties have long been a burden of the *danwei* at the local scale due to annual expenditures on housing maintenance fees and housing-related welfare for residents, who were mostly retired or laid off. Maintaining the collective nature of the properties means having constant post-resettlement investment, whereas housing privatisation is an effective way to quiet down the resistance of residents and thoroughly unload the socialist employers from those responsibilities, but at the cost of losing collective property ownership.

> This is the dilemma of the old neighbourhoods. They are things of little value and yet not bad enough to be thrown away (*sizhiwuwei, qizhikexi*). However, when urban redevelopment is happening, the only choice you have is to give up the property ownership. For if you did not, you would continue to have costs. It is impossible for the *danwei* to provide the money; actually, it cannot even afford it. If you provided compensation for the *danwei*, the residents would simply reject removal. Then, nobody could gain any profit. Thus, it is the top priority to ensure that the project successfully proceeds and then to maintain social stability. All of these objectives finally mean you have to offer profits to people (*rangli yumin*). (O35, Manager of the *danwei* who owned the old properties)

The local government insists on a basic principle that they can compensate only for property acquisition rather than helping employers to address their social responsibilities (O22). Conceivably, local officials and socialist employers deem housing demolition and compensation as a latent trigger to incite an uprising of

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[29] see Hsing, 2010; White, 1993 for an explanation of the administrative system in China.

residents. Ultimately, housing privatisation, according to one official, becomes "the best way to both satisfy the housing demands of residents and terminate historical problems" (O22).

> We want to tell the work units that the properties they leave are generally negative assets. They are relevant to many historical problems. How to do this (provide compensation)? The first way is to conduct public-private conversion, and then the historical problems will disappear altogether; another way, which is favoured by work units, is to let them first obtain compensation, and then to help them tackle all of those problems. This is impossible. We can only compensate for property, not answer questions. This is a difficult point. Idealistically, they indeed can gain the compensation, as they are property owners. However, if the work unit gained the compensation, you left the burden on them. They have to cope with the burden. Thus, you divided their big cake into small pieces. (O22, Official from the Urban-Rural Housing Department of Jinniu District)

Besides homeownership promotion, local state actors and *danwei* actors are also likely to satisfy multiple requirements for particularly public tenants. For instance, to achieve at least two bedrooms for each household after compensation, the district government increased the minimum compensation area for one household from 48 m^2 to 58 m^2. In addition, according to both the central and local policies on public housing privatisation, previous public tenants should pay tenure conversion fees (350-1500 Chinese Yuan per square metre) for the compensation apartment. Although the payment has been far lower than the corresponding market price, the local government has covered the payments for socialist workers under the name of various subsidies, such as moving fees, property management fees, housing decoration fees and a signing bonus (Bureau of Urban-Rural Housing of Chengdu, 2012, No. 27).

The withdrawal of both local state and socialist employers from housing welfare provisions has thus directly strengthened homeownership promotion for the working class. However, note that, as discussed in the previous section, increased compensation for the poor is ironically transferred to the exchange value of the land. In 2013, following the advocacy of neighbourhood redevelopment by Premier Li Keqiang, Chengdu Municipal government established an Office of Dilapidated Housing Redevelopment under the jurisdiction of the Housing Department. Following the encouragement of

monetary compensation, former stipulations requiring on-site resettlement of original residents are now omitted in the policies related to inner-city urban renewal (e.g., Chengdu Municipal Government, No.57, 2013). In addition, Chengdu Municipal Government has established a network for gathering information on housing stock in the city and for assisting residents to purchase housing post-gentrification with the monetary compensation. Private developers with unsold housing are encouraged to participate in the programme. Residents are only allowed to use the monetary compensation to purchase housing or retail businesses. As a result, the proportion receiving monetary compensation has increased from 53% of the eligible households in 2012 to over 70% in 2014 in Chengdu (China Business News, 2015.05.01; O23).

5.2.2 Transforming to a propertied stratum?

The government policy of homeownership promotion for socialist workers has significantly affected the attitudes of socialist workers regarding gentrification projects. Through participating in redevelopment projects, these urban workers have overtly sought monetary and in-kind gains, expecting to attain upward mobility. The use value of the new residence exchanged with the demolished one remains the primary motivation for socialist workers in agreeing to gentrification and moving out of the inner city. The old CJA neighbourhood was the most densely occupied shantytown in the city. The basic housing unit was a single room with an average of 16 m^2, which accommodated two generations with four to five members. Residents shared common kitchens and washrooms. Thus, these residents were crying out for housing solutions to accommodate family members.

> Our demands are simple: the compensation unit shall be able to accommodate all the family members and ensure functional separation between generations. We wish to live in a partitioned apartment. We use a common kitchen and washroom for a whole lifetime. It is really inconvenient and dirty. I like the community (housing) because it has a big central garden and is nearby a city park. The space between buildings is also large. It is understandable that the facilities are not enough at this stage. This is a new community; it takes time to construct. (R11, off-site relocated resident)

Nevertheless, it must be emphasised that a precondition for housing impoverishment

has been the spartan housing system in socialist cities and the shortage of housing for low-income residents in the new housing market. Until the end of the 1990s, when central policies terminated housing allocations based on *danwei*, residents were allowed to resort to socialist employers for a supplement of housing welfare. In most cases, low-income citizens would periodically claim an alternative subsidised or allocated unit, but only to coincide with an extension of family size or the adolescence of their children. During the 2000s, the new construction of housing was dominated by commodity housing rather than affordable housing, and the prices of all types of housing skyrocketed in urban China (Huang, 2012). This situation further hindered the improvement of housing for low-income citizens. Since 2010, the central government has advocated for the establishment of a new low-income housing provision system in post-socialist cities. As reviewed in the previous chapter, the success of such advocacy remains to be seen, especially concerning the insurmountable problems associated with central-local differences and fiscal obstacles.

> Yang: Did you ever plan to buy a commodity house?
>
> R6: Salaried people like us can by no means afford commodity housing in a lifetime, unless by the support of government.
>
> Yang: Why didn't you apply for low-rent housing?
>
> R6: Some have indeed applied, but more for their children. Actually, you have to wait for several years, especially when you have no social relationship (*guanxi*). There are many conditions (for application) nobody fully understands. Sometimes they asked you to provide a certification from your work unit, but I have not been subject to any work unit. I think the Residential Committee shall provide certification for people like us. Anyways, there are always various difficulties when poor people want to do something. Moreover, if it is still rental housing, who would like to move to the outside of Third Ring Road? (R6, resident off-site relocated)

Ultimately, overwhelmed by the deficiencies of the new housing security system, the soaring housing prices and the fervour of urban redevelopment, low-income homeowners and public tenants have been driven to place their expectations in the so-called demolition and relocation (*chaiqian*). Moreover, the special policies of homeownership promotion offer them a welcome opportunity of state-subsidised homeownership: "We have to wait for a long time for demolition. If it is not for the compensation policy, we would no longer flee from this dilapidated place" (R5). During

the urban redevelopment in the 1990s, the policy of purchase encouragement was constructed as a response to the strategies of housing welfare reform with an extension of financing channels. Most recently, this policy has functioned as an incentive for residents to retreat from the inner city, given the greatly widened gap between the market price of housing and the tenure conversion fees. For example, in the CJA project, the public/subsidised housing was compensated based on an average price of 8000 Chinese Yuan (approximately US $1231) per square metre of the old property. The government offered a discount price (4500 Chinese Yuan (approximately US $692) for off-site, 7000 Chinese Yuan (approximately US $1077) for on-site) as a concession to residents selecting the new properties. [30] Factoring in the other types of subsidies, a public tenant previously living in a dwelling of 58 m^2 could exchange it for an apartment of 90 m^2 priced on the open market at approximately one million Chinese Yuan (approximately US $153,846) by paying less than 20,000 Chinese Yuan (approximately US $3077) of a tenure conversion fee. [31] The off-site rebuilt apartment could be 1.5 times larger than the on-site option because of the difference in housing prices. It worth remembering that due to attention from the central government, the CJA case later became a showcase of Chengdu's achievement in urban redevelopment *and* social care for low-income residents. In this vein, the value of compensation for the working class could be relatively higher in the CJA project than the other project.

Housing privatisation and resettlement not only improve housing conditions for the working class. During the process of gentrification and compensation, residents experienced an identity change, in the words of one, "from previously proletariats to a *propertied stratum* by owning fixed assets" (R5). For the working-class residents, the concepts of "possession" and "real estate" are new inventions of market society.[32] The old public housing represents a living place analogous to daily necessary goods allocated by welfare providers, instead of being embellished with the meaning of possession (see Bian et al., 1997). Compared with public tenants, owner-occupants of subsidised housing may experience relatively stronger recognition as homeowners. For example, they consider the compensation available to them as less satisfactory than do the tenants, for

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[30] Interview with O24
[31] Interview with R5
[32] Interviews with R5, 6, 7, 8, 10.

property exchange without tenure change brings a lesser value-added effect than that received by the public tenants.[33] However, being commonly subject to the work-unit system and relatively low income, the owner-occupants still value the larger size of their new subsidised housing both functionally and as an enhanced asset.

The socialist workers thus treat homeownership as a primary factor of social mobility. Homeownership raises self-satisfaction and the potential standing of the relocated households in the market society of China (Ley & Teo, 2014). For instance, the new apartment may enable a young man of a relocated family to establish a marriage or a young couple to begin a family post-resettlement. The senior generation expects to reserve a valuable heritage for their descendants, which will assist the children's families to break the cycle of poverty in the future.

> Indeed this will be my son's house, his capital to develop his family after we all have gone. This makes me select on-site relocation. The off-site option could win me one more apartment, where we could live separately, but the on-site apartment will leave them more wealth in the near future. (R5, resident relocated on-site)

The experiences of public tenants and subsidised homeowners indicate that individuals recognise gentrification premised on an existing ideology of possession. This argument echoes Shin et al.'s (2016) observation on the pivotal role of distinctive property and tenure systems at the local level in contextualising gentrification. However, it is a slightly different argument from one in a society like socialist China without a completely transformed land and housing market, where "dispossession of their (original residents') right to properties and to the city" is a precursor to the occurrence of gentrification (Shin, 2016, p. 484). We suggest that from the diverse perspectives of residents, a sense of dispossession of the right to the inner city is more obvious among private homeowners of both commercial apartments and also self-built housing in urban villages when they face expulsion from a redeveloped neighbourhood, rather than among the self-identified proletariat. When compensation policies purposively enable an opportunity to "own," the attitudes of a previous proletariat diverge from those of existing private homeowners. As residents commonly acknowledge, "generally

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[33] Interviews with R5, R12.

households with homeownership do not want the old housing to be demolished, while those without private housing hope for demolition and resettlement" (R7). So we might say that gentrification in China does not only presuppose a process of dispossession for accumulation by the market regime, but as well necessitates, as we shall see, a process of societal reconstruction towards a fully commodified system in everyday subjectivities.

Apart from a sense of possession, the relocated residents are also aware of a place-based privilege by living in newly built communities. The sense of privilege stems not only from the embodiments of a middle-class status in the private housing and the spatial form of a gated community but also from the sense of participation in new cultures in the new communities compared to the stigma of living in the work-unit compounds. Since the 1990s developers have introduced new types of communities, such as multi-storey developments with a central garden, elevator apartments and large-scale, suburban projects (Pow & Kong, 2007). Concomitantly, private consumption prevails and replaces the *danwei*-based communal consumption (Bray, 2005). Against this context, gentrification lubricated the process of social re-stratification and filtered out privileged middle-class consumers from the work-unit compounds. The working class, in contrast, had to encounter disinvestment of the *danwei*-owned properties due to the bankruptcy of small work-units and market reform of previously state-owned enterprises (Bray, 2005).

> Things have changed since the end of the 1980s. The rich, I mean the cadres, moved out. Rural migrants set up business here. We were unable to afford a new house, so we stayed. Gradually, the *danwei* no longer assisted us, say, in repairing the sanitary system. I contacted them several times, they always postponed coming. Caojia Alley thus became a dirty place, disorderly and inferior. (R9, resident relocated off-site)

The recent trend of gentrification and compensation thus occurs as a step that concretises the preconceived vision of modernity and a middle-class lifestyle in front of the working class (Figure 5.2). It signifies an opportunity for them to complete the path of social transformation, based on a sober view of the economic transition and regime shift in the city. An old man in the CJA neighbourhood was a public tenant and had occupied two rooms with 38 m^2. He exchanged these rooms for an on-site rebuilt apartment with 68 m^2 after redevelopment, which is estimated to cost approximately 0.7

million Chinese Yuan (approximately US $107,692) based on the real market price in 2013. When asked to describe the changes in his life before and after neighbourhood redevelopment, he sighed:

> Here was once the fanciest residence of the city. In the 1950s, our *danwei* founded the first brickyard in the city and used bricks they produced to build those red brick buildings. They invited the Soviet designers to do the architectural design. Now they abandoned them; they have abandoned us for a long time. Evergrande (the name of the developer) will become its master. We are thrown into the housing market, finally. It's time to leave the place we have lived for a half century. But we are now property owners. The best part is to have our own assets. (R4, resident relocated on-site)

Figure 5.2 Redeveloped communities and resettlement communities: a. Jinniu Wanda before (2008) and after (2016) redevelopment and on-site resettlement; b. Caojia Alley before (2013) redevelopment and the off-site resettlement community (below) (2016). *Source*: Photos taken by the author.

At first a very elementary kind of consciousness as middle-class consumers arises among the resettled residents. Working-class good fortune comes from "obtaining a very important thing that originally the workers can by no means afford, also have never dreamed of consuming" (R12). The relocated residents were emphatic that a main change from the old to the new community lies in diversified consumer goods in the gated community, such as a garden and sports facilities, and

services typically provided by the property managers to proprietors. A sense of social respect can be simply reinforced by the influential branding of real estate.

> We are now paying the property management fees to Wanda. They will manage the community, provide facilities and maintain the elevators. Previously we only paid waste disposal costs, merely several dollars every month. A villager who is working here said to me: "your life must be really good now. You live in Wanda; it must be very comfortable." (R21, resident relocated on-site)

The working-class homeowners enjoy an enriched identity in resettlement housing. Their new identity as homeowner becomes a basic rationale for relocated residents to assert claims for rights in the new communities and to form homeowner associations to participate in community management. Moreover, gentrification and compensation stimulate individual behaviours of unself-conscious and conspicuous consumption among both on-site and off-site relocated residents. Ultimately, nearly all of the on-site resettled residents among JW community members indicated a sense of upward mobility of social status by living in the resettlement communities. However, off-site resettlement may discourage relocated residents from perceiving upward social mobility, even though they have become homeowners in larger units. For instance, when residents were relocated into communities that were originally built for farmers dispossessed during urban expansion, the social composition of the resettlement communities may even bring relocated socialist workers a sense of downward social mobility. In other types of resettlement communities with favourable physical and social environments (e.g., communities with price-controlled commodity housing), off-site relocated residents may still perceive some level of privilege. Also, off-site relocated residents have witnessed changing consumption behaviours and consumer identity.

> The social reputation is indeed going down. However, the living condition becomes better. Previously we are people in the city centre; we are Chengdu people. Now we are people in the village, we live together with villagers. You want to survive; you want a big house to house all the families. There is no way but to move here. (R10, off-site relocated resident in farmers' resettlement community)

Besides social status, the relocated residents have also experienced a high level of individual autonomy by leaving the work-unit compounds. Not a few residents stated that a decisive factor that had frustrated their road to success and kept them impoverished was the social and political context in Mao's China. Entering into a gated community signifies a termination of the *danwei*-workers relationship and corresponding expressions of identity enhancement.

> Now we have a sense of autonomy. This is (due to) what they called "returning the power to the people" (*huanquan yumin*). If you have nothing, where is the power? Now you are the property owner. You gain discursive power. Now the Street Office (the government agency at the sub-district level), rather than *danwei*, keeps my archive. Nobody can watch it and change it informally. (R14, resident relocated off-site)

Thus, seizing the advantage of housing privatisation, socialist workers have increasingly used urban redevelopment and compensation as a critical vehicle to change their lives: "Please feel free to demolish it; you demolish once, my life gets better. The more you demolish buildings, the more my life becomes better and better" (R17). Urban redevelopment and compensation as a social ladder have led to speculative activities among residents seeking windfall profits. However, this is most obviously exemplified by the phenomenon of nouveau riche people living among the previous homeowners of rural housing in China (see also Wu et al., 2013). As for the urban poor, it is manifested in persistent bargaining with the demolition parties for higher compensation to win conditions in order to address housing difficulties and economic impoverishment for not only themselves but also the next generations.

In addition, the speculative tendency of residents has also fostered a vividly informal sector of the housing market on the "gentrification frontier," which especially emerges before the official launch of an urban redevelopment project. Speculators are either absentee owners of the old properties or investors from outside the old neighbourhoods. They deem investing in old dwellings in a potentially gentrifiable area as a channel of profit making. Usually, they rank economically higher than the original residents. They are also capable of accessing information about urban redevelopment projects in advance and are more powerful in mobilising personal relationship for purchasing publicly and collectively owned housing. They are perhaps managers in the housing management

sectors of the *danwei*, higher-level officials in the *danwei* systems or housing brokers. Based on asymmetric information, they would purchase one or more units in the old neighbourhoods before the efforts for gentrification and would benefit from price differences in compensation. In addition, there are residents who tend to revise the entitlement of the property certificate or transfer informal shelters into formal ones to win lawful property rights and compensation rights.

Finally, the material gains of socialist workers have impacted their behaviours in participating in consensus building about demolition and relocation. Among the working-class groups, socialist workers, who were retired or laid-off workers in state enterprises in urban areas and welfare recipients of housing, are most likely to be mobilised in state-facilitated gentrification in China. Indeed, the participation is derived from the socio-political basis established since the socialist era. According to Walder (1983, 1984, 1989, 1991), the post-1949 industrial revolution thoroughly reconfigured the working class structure in China. In brief, workers in urban state sectors are defined by three features. First, there is a division in self-consciousness from the other working-class segments (i.e., workers in collective enterprises in urban and rural areas, temporary workers, and rural-urban migrants) due not only to their economic and social status but also to the political advantages granted by the bureaucratic economic system in the urban state sector. Second, they are trained in loyalty to the Party-state because party membership has been integral to personal performance in a *danwei*. Third, they have formed a tight organisational dependence on the state sectors due to the extremely immobile labour force and exceedingly close community life in the work units. Under this socio-political environment, this social group has played an important role in consensus building over demolition and removal in the later stages of negotiations. Although dissidents remain, their arguments mostly pertain to the fairness of compensation, suspicions regarding property evaluations and questions about the construction and site selection of resettlement communities rather than the legitimacy of demolition and relocation.

Here, it is worth noting the differences between off-site and on-site relocated workers. In this study, both the JW and CJA projects involve a majority of on-site relocation and monetary compensation and a minority of off-site relocation (see

Table 1.1). A main backdrop underlying the case selection was that the study was conducted during a time when the central government tended to reinforce central control regarding forcible eviction in urban redevelopment. In Chengdu, the tipping point was in 2009, after a self-immolation event during the redevelopment of an urbanised village.

It might be presumed that projects offering a large number of off-site relocations could trigger more intensive activism, even though they involve socialist workers. Consequently, on-site relocated residents can be differentiated from off-site relocated residents in terms of outcomes and perceptions post-resettlement. Thus, during the second round of the fieldwork, I directly visited several resettlement communities at the outskirts of the city, which were built during the middle 2000s, in order to enhance data collection on off-site residents. The results first show that in projects with both on-site and off-site opinions, residents who relocated off site often value the larger area of the compensation apartments and the better community environment at the expense of a poorer location and low exchange potential. Usually, the off-site relocated families have a larger family size of co-residents than on-site resettled households.

Conflicts emerge for multiple, extremely contingent reasons and among all social groups; in general, socialist workers are concerned with housing conditions more than challenging displacement *per se*. The most intense criticism to displacement derives from the social group that will be introduced in the next section. Even in projects with a large proportion of off-site relocation, socialist workers are more likely to interact with officials in patterns of cooperation and negotiation rather than resistance from the very beginning. Most importantly, socialist workers care less about culture and property rights than private owners, but they do have a sense of place attachment. In our interviews, socialist workers provided substantial information on their engagement with officials and developers, uncovering policy unfairness and corruption, but they were consistent about the origin of neighbourhood redevelopment, and they barely talked about the cultural values of the neighbourhood. Nevertheless, among residents occupying historic sites, commercial real estate and informally built housing, I found most of the activism.

Thus, variability between on-site and off-site relocation *per se* is not sufficient to explain opposition to state-facilitated urban redevelopment in China, because the policy making in compensation methods is contingent to each case. Socialist workers are granted an institutional space in which to deal with the government.

5.2.3 The uncertain game of upward mobility

The emergent identity of the socialist workers, as members of the "propertied stratum," however, is fragile. A new mechanism of social inequality is reproduced and reconfigured in the rising consumer society. The perceived privileges could arouse higher consumption desires among relocated residents, but by no means support fully-fledged levels of private consumption. The vulnerability of the relocated residents from the old CJA and JW neighbourhoods is especially apparent in the potential risk of impaired consumption in the long run. Residents, especially those resettled on-site, are burdened by their deficiency as consumers. Residing in the JW community near an ostentatious shopping mall, the on-site resettled residents indicated that they rarely purchased daily goods nearby, instead turning to cheaper services in old neighbourhoods.[34] In the meantime, in particular among the younger generations of relocated families, rising consumption behaviours have generated numerous social issues, such as the increase of gambling and debt among indolent individuals.

> Previously, she (the friend of the interviewee) was poor but beautiful. Now she gets a house.
> She borrowed a lot of money to decorate the house. The decoration is really exquisite. She also
> bought a car. She said it cost her more than a hundred thousand. People thought she was
> becoming rich. But it was actually a second-hand car that cost only twenty or thirty thousands.
> Now she daren't live here. She just disappeared. She cannot even afford the salaries of the
> decoration workers! (R10, CJA resident off-site relocated)

Although residents have to a certain degree won autonomy in becoming self-governing homeowners in a gated community, it remains to be seen if they are capable of defending their position, especially those in the inner city. After losing their ability to rely on the government and previous employers, former welfare recipients must now bear the housing-related expenditures themselves. However, low-income citizens are hard pressed

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[34] Interviews with R42, 43, 45, 46, 75.

before the needs for perennial capital inputs for home maintenance. Nonetheless, there are still residents who cannot afford property management fees each month. After fruitless requests to property managers and the developer for repairs, helpless residents may turn to the government anew.

> Many people cannot even afford the property management fees. Some resisted paying it. Some paid it, but they said because they have paid the fees, the property management company should be responsible for all maintenance costs for us. However, it is indeed troublesome concerning housing maintenance. The construction company only took half a year to finish the construction of our community. The wall is rough; the window is slanting. The key is the sewer leakage. I have repaired it four times during the past half year. I cannot afford it if it needs to be constantly repaired. Do you know who I should approach? (R46, resident relocated on-site)

In addition, the changing consumption pattern alters the types of social interactions in the neighbourhoods, which could damage the social capital of the working class. In the *danwei* compound, a communal consumption pattern has encouraged the establishment of a working-class collectivity upon which the working class can negotiate with government and employers for welfare improvement. When transformed to homeowners, property rights are important for organising social interactions. As argued in the literature on China's middle class, along with spatial privatisation, the gated community becomes a decisive, practical field for forming new dimensions of collective interests and mobilisation in the market society (Tomba, 2005; Zhang, 2010). Indeed, in the resettlement communities, the working-class residents have been mobilised to adopt an entrepreneurial persona, self-governing, organising homeowner associations, and dealing with community problems. However, in fact the sense of self-protection, plus a geographic separation of neighbours in high-rise apartments, has cultivated growing estrangement and distrust among community members. This distrust has been manifested particularly towards the residential representatives in the homeowner association by the rest of the community members who believe that the residential representatives only represent personal interests when engaging in community management.[35]

This tendency towards social isolation, even alienation, is reinforced by the complex social composition of the resettlement communities and the conflicting claims for

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[35] Interviews with R41, 74, 75, 76.

property rights. For instance, households who own multiple properties may either lease the other apartment or modify it for commercial use to generate extra income. In addition, apart from socialist workers, who were relocated from the old, inner-city neighbourhoods, the resettlement communities have also assembled residents relocated from previously urbanised villages. Unlike socialist workers, urbanised villagers are likely to occupy public space for private use. A resettlement community thus reorganises working classes transformed from former lifestyles and encompasses all the disputes and conflicts.

> This (resettlement) community is near a large wholesale market and the railway station. Like the old neighbourhood, where there were about 70% who were outsiders and renters. They used the apartment as storage or a self-employed business. The community members are divided into small groups. Still, the city residents can hardly get along with the rural people. They are not rational and poorly educated, merely expressing personal interests, or that of their small groups. They do not know how to participate in community management (R42, JW resident on-site relocated)

It is because of these contradictions that some rehoused residents have improvised in the face of consumption pressures. Some sold the on-site resettled apartment and purchased a second-hand unit at a location relatively far from the inner city. Others may re-use the apartments as hotels, shops or sub-divide the apartments into small rooms and rent them separately. Also, residents are likely to spend more time in public space. Some resettlement communities have evolved into places that absorb welfare-deficient urban citizens, underemployed farmers and new incoming migrant tenants. This situation raises another series of problems concerning community disorder and management challenges. It is thus reasonable to question whether the promotion of working-class homeownership may bring the resettled sites, like the old neighbourhoods, to the end result of disinvestment and uneven development. Will the disorder of resettlement communities be a symbol of another round of poverty concentration? Two years after moving to the JW resettlement community, a voluntary mover started to reassess their choice:

> Sometimes I feel it may be even better to live in our former house. They would only repair the sewage system, toilets and kitchens for us. We would not feel so lonely, helpless; also in the community there would be no troublesome issues. People who are still expecting wealth from demolition will one day know the situation, once they are resettled in a new place. (R44, resident relocated on-site)

Finally, we should remember that even though the compensation scheme has enabled formerly public tenants to gain homeownership, at present official policies lack a clear-cut definition of the tenure type of the resettlement housing. The definition remains flexible to permit the state to rearrange the public or private natures of the housing and accordingly property rights. In other words, there are spaces in Chinese cities that are quite obscure in their public or private attributes (e.g., resettlement communities for urban populations or land-lost farmers). The above evidence confirms that the ambiguity of the property rights system allows leeway for the Chinese state to arbitrate between the market and the society (Ho, 2001; Lin & Ho, 2005). Also, following Lin (2015)'s finding that the municipal government in urban redevelopment has endeavoured to define "who gains what rather than who owns what," the study reveals that the decision-making on gains is subject to change according to variable definitions of rights attached to various tenure types.

By investigating the rising consumption practices of female workers in China, the sociologist Pun (2003) links the emerging working-class consumers with the changing production and consumption relationship in China confronting global capitalism. Compatible with the middle-class consumption practices, the author attributes the working-class consumer identity to the governmentality of the Chinese state accommodating to new economic strategies (see Davis, 2000, 2005). However, unlike the middle class, the consumer identity of workers reflects state strategies that subsume the value of production to achieve the purpose of consumption, through an overvaluation of consumption as a way of self-transformation. The overvaluation of consumption produces desires to consume among working-class members, which in turn, encourages production and optimistically contributes to a so-called homogenising difference in a consumer society. Nevertheless, Pun (2003) raises the danger of exacerbating class inequalities due to the condition of "economic deficit" (p. 471) of the working class and its participation in the "risky world of credit spending" (p. 477).

The experience of socialist workers in gentrification can be read as a consequence of the celebration of homeownership. The access to homeownership transmits a systematic consumer identity to the working class in the large Chinese cities and enables them to gain a sense of personal transformation to the so-called propertied stratum.

Correspondingly, the state and working class relations have also changed along with housing privatisation. This aspect of social change is not equivalent to some convergence of the middle class and working class as increasingly alike in lifestyle and wealth, but critically, is part of the sociocultural transformation of the working class along with the transition from the socialist society to a consumer society. It indicates the efforts of the Chinese state to reconcile its economic ambitions with social legitimacy in gentrification.

Ley and Teo (2014) suggest an epistemological critique of an ownership ideology among residents in Hong Kong who presented often ambivalent responses to gentrification. The authors argue that the ideological influence of housing aspirations may thwart a full understanding of urban redevelopment by residents. As housing inequality is increasingly severe, and the growth coalition is increasingly overt, however, a resistant and critical voice is growing, and there might be an awakening recognition of "negative" gentrification. The present thesis adds to the point by arguing that after incorporating the socialist workers into the consumer society, the actual development of life chances for the resettled residents is not assured. As the social change through residential relocation incorporates a housing benefit, it also consolidates the reproduction of social inequality that shall continue to threaten the life chances of the socialist workers in a consumer society.

5.3 Cultural exclusion and social activism

In the course of gentrification, disagreements and resistance emerge for multiple reasons and varying motivations among the discontented. Both the media and academics have been attentive to property activists in China, particularly to the phenomenon of the nail-households (*dingzihu, 钉子户*) usually mobilised by homeowners in urban redevelopment (Hsing, 2010; Shin, 2013; He, 2012; Zhang, 2004). "Nail-householders stubbornly refuse to vacate their houses, hindering the progress of urban development projects like nails sticking out and hard to be removed" (Shin, 2013, p.1167). Meanwhile, although residents have submitted numerous petitions, authors also noted that the resistance movements by residents against the decisions regarding urban redevelopment are kept under wraps by the state. The confrontations, individually and collectively, have

usually run into a series of bureaucratic holdups; only few may gain a certain degree of success (Wu, 2004b; Zhang & Fang, 2004; Hsing, 2010). This study also found that not all discontents necessarily challenged the rationale of gentrification per se. For instance, disputes frequently occurred because of the unclear ownership and leasehold of state- and collective-provided properties. Members of a family might also compete for property rights and compensation. Still, more than a few grievances were directed at the fundamental inconsistency of payment standards and non-transparency of policy implementation at the local level. Such discontent might be relatively easy to address through reconciliation between family members and social groupings or through an adjustment of the amount of compensation.

Instead of elaborating on all these types of disputes in gentrification, this section concentrates on property and cultural activism that substantially questions the legitimacy of gentrification and dispossession *per se*. It investigates the reasons for activism, so as to uncover the meanings and social outcomes of gentrification and displacement experienced by the property activists in comparison to other working-class groups. Then, it traces the process through which antagonism is restrained (but perhaps *de facto* endures after the project), to highlight the influence of the hegemonic power of the state to society in China. The study identifies three groups of activists, a majority of whom are private homeowners in old, inner-city neighbourhoods. Although these homeowners have been offered compensation consistent with a so-called equivalent value of their former properties, activism is provoked by the isolation of distinctive housing consumers and the demolition of self-built housing in the city. The first group comprises the owner-occupants of courtyard dwellings, particularly in the former WNA neighbourhood. Most of the buildings in the WNA area were confiscated by the government and shifted to public housing. Buildings that remained in the possession of individuals eventually became potential sources of activism by the current homeowners. The second group consists of residents who purchased commercial apartments developed by private developers during the early stage of land and housing marketisation. The last group comprises homeowners of housing constructed by villagers in the city, which often lacks legal permit for *urban* land-use and construction. Merely based on economic status, the categories of homeowners can be strictly defined not as the working class but as the

lower middle class. For instance, private homeowner interviewees in this study include middle-ranking and retired cadres in *danwei*, self-employed entrepreneurs and artists. However, they were all equipped with a distinct cultural identity compatible with the modernist values prevailing in the city. All three groups of homeowners do not necessarily appear in each case of inner-city redevelopment, as it is dependent on the tenure composition of a redeveloped neighbourhood. In particular, rural housing owned by urbanised villagers is less common in inner cities than in the peripheral areas of Chinese cities.

5.3.1 Property and cultural activism

Private owners are offered two forms of compensation (State Council, No.590). They can exchange their old property for either a new property or an amount of cash equivalent to the value of the old property. According to national and municipal policies on urban housing demolition issued in 2001 and thereafter, property owners constitute the only social group that is able to participate in a redistribution of assets after gentrification (State Council, 2001, No.305; 2011, No.509; Wu, 2004b). In the policies, "property owners" refer to homeowners of commercial apartments or subsidised owners of originally publicly owned housing. Private homeowners can claim property exchange (*canquan zhihuan, 产权置换*) or cash compensation (*zuojia buchang, 作价补偿*) on their own right. The compensation methods for private owners have also applied to the subsidised owners. For migrant homeowners of self-built houses, once their dwellings are designated as "illegal constructions" or "temporary buildings beyond the legal deadline of existence" (State Council, 2011, No.590; Zhang, 1997; Shin, 2013; Shin & Li, 2013), they are permitted compensation only for construction costs rather than property rights.

Before the national policy in 2011, the size of the demolished structure determined the value of compensation. For in-kind compensation, homeowners were promised an *equal size* after rehousing. They could pay or gain payment for a price difference between the original property and rehousing based on either the market price or the construction costs of rehousing. Based on this policy, the location of resettlement in effect did not alter the unit size of the rehousing, but could alter the price difference. Moreover, the location did affect the rehousing costs of developers. Developers were able to adjust their costs of

construction or to buy rehousing once they committed to the area of rehousing.

The 2011 regulation (No.590) has introduced a new article that defines compensation to previous property owners as compensation for the (market) value of acquired properties rather than the size. Evaluation regarding the compensation amount is thus based on a basic rule of "equivalent exchange of properties or cash payment" (*dengjia zhihuan,* 等价置换). This means that "the amount of the evaluated market price of in-kind or cash compensation shall be equal to an evaluated market price of the old property" (O22). Based on this policy, the value of in-kind cash compensation for each household is determined only by the value of the original property rather than by the location of the rehousing. However, the unit size of a rehousing is altered along with the site of resettlement. Moreover, an appraisal of the value of old properties and compensated properties is conditioned on the basic *marketable* prices of land in the old sites and relocated sites estimated by the Municipal Land and Resource Department.[36] Thus, given the value of their previous house, residents can hardly afford new market housing on-site of equal size, unless a policy arrangement for on-site resettlement applies. In the same policy in 2011, the central government temporarily encouraged local governments to offer the option of on-site relocation for original residents, but recently the central government has shown a strong tendency to replace it by monetary compensation.

The resettlement properties are high-rise apartments located in gated communities either adjacent to the original sites or at the outskirts of the city (Li & Song, 2009). For the most part, private homeowners showed greater sensitivity to property rights and on-site living rights than did tenants and subsidised owners. Hsing (2010) highlighted the historical context that could incite the homeowners' awareness of property protection at the time of redevelopment. Private owners of historic dwellings may have surrendered individual property rights and benefits to the state on many occasions, either based on the system of Mao's anti-capitalism or later state-led capitalism. The informants clearly distinguished their status in the redevelopment project by asserting the violation of property rights. In contrast, tenants and subsidised owners could benefit more from the

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[36] The price is calculated and standardised according to various conditions such as location and land-use category. It does not necessarily equal realistic market prices, but does reflect differential ground rent.

government's compensation policies.

> From the perspective of residents living in public housing, they think the government is right, conforming to their benefits, by which they mean the benefits of the majority. However, for us, in effect, this is illegal. We are private homeowners (R16, homeowner compensated in cash).

Private homeowners not only paid more for their owner-occupancy arrangements but also maintain greater consistency between their lifestyles and residential choice than subsidised residents. In the old CJA neighbourhood, the local officials and developers incorporated three commercial apartments into the redevelopment area without informing the residents (Figure 5.1b). The commercial apartments were built in 2002. They are multi-storied and located alongside open streets and lanes (Figure 5.1b). Rooms in this type of apartment are often more spacious than rooms in a high-rise apartment. Buildings are displayed alongside open streets and lanes; thus the neighbourhood has inherited the spatial form of neighbourhoods in the period of Mao's China (see Gaubatz, 1998; Friedmann, 2007). Originally, the three buildings were not subject to the category of so-called "dilapidated housing." However, the Chengdu Municipal Government issued a concession to state actors and developers participating in the North Redevelopment Programme to readjust land-use rights on a larger scale (3,000-6,000 m^2) in this area than in the declining areas (Bureau of Land and Resource of Chengdu, 2012, No.116). The three commodity-housing buildings were included based on an extension of land-use rights and the land redevelopment scale. A middle-aged man, who has conducted self-employed business in the CJA district for more than ten years, purchased a commodity housing unit only one year before the establishment of the project. The man indicated that although he clearly knew the old buildings in the CJA neighbourhood would be demolished soon, he never realised that the three buildings had been covered by the project (R95).

The historic neighbourhood of Wide and Narrow Alley (WNA), which has been redeveloped for commercial use, previously featured *hutong* (alley, or narrow street) neighbourhoods and courtyard dwellings that were constructed in late imperial China (Figure 5.3). Neighbourhood relationships constitute a key indicator that distinguishes lifestyles in these types of old neighbourhoods from those in the gated communities.

Figure 5.3 Wide and Narrow Alley before (2004) and after commercial redevelopment (2016). *Source*: Photos taken by the author and provided by a local resident in WNA.

From 2003 to 2005, the first phase of the commercial redevelopment of the WNA area affected three streets and adjacent dwellings (*hutong, 胡同)*. The project involved completely off-site resettlement. One year after the initiation of the revitalisation of the WNA area, 300 of the 891 original households rejected the offer to move (Li & Wang, 2007). Most of these households were homeowners. According to a social survey conducted by the Urban Planning and Architecture School in Chongqing University in 2005 (Li & Wang, 2007), 70% of the informants were demanding housing improvements but without relocation; another 20% of the informants simply desired to stay put. The common reasons why these households did not want to move included their communal lifestyle, neighbourhood relationships and place attachment. Fieldwork in this study also showed that residents in the historic neighbourhoods attach more importance to cultural identity than those in *danwei* compounds. When asked about the meaning of the old dwellings and neighbourhoods, indigenous residents specified that the notions of *zai* (residence) and *hutong* (street in a neighbourhood) represent the nucleus of Chinese mass culture, which draws its roots from Confucianism (R77). The spatial pattern, characterised by dwellings, inward courtyards and narrow streets, allows *hutong* neighbourhoods to be a purely residential space, while, according to residents, the introduction of retail stores to the streets and projects to widen the roads have ultimately invaded the residential space.

> *Zai* lived in by the masses reflects the aestheticism of modesty; just like mansions accommodating government officials concretise the aestheticism of elegance. *Yuan* (inward courtyard) and *hutong* present the intimate social relations in mass neighbourhoods. But since

the road was widened and retail shops were arriving, the ties have been completely broken. Previously, we could easily go to neighbours' homes and chat with each other. (R77, property activist)

Compared with Chengdu, urban redevelopment in large cities with a greater volume of architectural heritage, such as Shanghai and Beijing, may face further cultural conflicts. In reference to Nanluoguxiang renovations in Beijing, Shin (2010) found that although residents supported the state's views of cultural conservation for the renewal project, they were less confident in the methods used and results attained. This is attributable to the fact that so-called conservation has been characterised by, on the one hand, large-scale commercialisation and residential relocation, and on the other hand, the reconstruction of large structures while retaining only a small number of authentic originals. Based on these concerns among local residents in historical sites, property activists highlighted the nature of the redevelopment project as involving a re-creation of urban imagery and over-commercialisation led by local officials.

Thus, for private property owners, property requisition and compensation are not relevant to a change in tenure type; rather they connote a forced transition of housing character. The project is not a welfare project, and it does not necessarily reflect the expropriation of benefits by private developers through land capitalisation and housing commodification. Rather, it is undertaken by local government and officials to seek political achievements and a historically themed tourist place through urban reconstruction.[37] Unlike residents who depend on housing welfare, private property owners are more likely to recognise the irrationality of property acquisition and the emotional damage inflicted by a forced lifestyle change.

> When they (staff of a demolition office) asked my opinion, I told them I didn't want the housing to be demolished. Our house does not need redevelopment. They were commodity housing and built in 2002. This is commodity housing, while the other so-called private housing in the CJA neighbourhood is in effect subsidised housing. My living room is as large as 38 m^2. There are still two big bedrooms. Each is more than 16 m^2. The bedroom of the current high-rise apartments is regularly around 10 m^2. I also don't want to do property speculation. We only have this house. It's not an illegal house; the building has no question

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[37] Interviews with R16, 77, 80, 87, 96.

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marks. We have completed two certificates (land-use certificate and property ownership certificate). Isn't it legal for us to reject demolition? What's the problem for us to continue living here? (R16, residents with cash compensation)

Following the redevelopment of the WNA and CJA neighbourhoods, most of the activists ultimately moved out, as they either acquiesced to the higher amount of compensation or submitted to coercion. For residents who have a weak awareness of property rights, the negotiations with the state have easily interwoven and blurred with the request for residential rights on-site, the preference for a distinctive lifestyle and an existing tendency for profit seeking. Thus, the claim for economic compensation easily becomes the only tool for private owners to achieve high levels of "equality." However, those with a higher legal consciousness would argue for the protection of consolidated private property rights. For instance, they may argue for in-kind compensation located at an adjacent location and for similar styles of housing and neighbourhoods to the previous one.

> They explained that this is based on urban planning and policies. I told them you were deceiving me. I am working in the construction industry. I know urban planning. The three buildings are located alongside the road, nearby the border of this land. It will not impact your use of the land. Planning is subject to change while not fixed. However, later I also said: "if you forced me to move, and were concerned with the responsibility of your sector, the performance of your government, to satisfy you, I had only one demand. Please find me a similar house with a similar dwelling design, a similar location as well as a similar community. It shall be multi-storey not high-rise. (R16, residents with cash compensation)

Some of the activists, including those who have moved out from former neighbourhoods or stayed put, have involved themselves in an extremely laborious and distressing process of confrontation with the government and developers, in condemning unfair treatment in the process of redevelopment and resettlement or in continuously protecting their housing. After being forced to move out, Shun, one of the homeowners of the commercial apartments in the CJA neighbourhood, involved himself in administrative lawsuits against the District Public Security Department and the District Government for more than two years. However, the absence of a legally permitted and publically acknowledged channel of protection of private property rights has largely reduced the

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efficiency of resistance (see Phan, 2005; Shih, 2010; Wilhelm, 2004). For instance, having been forced to sign an agreement of demolition and removal, Shun could only charge the District Public Security Department with their brutal treatment of him, instead of directly accusing the District Government of perpetrating illegal demolition and removal (R95).

Mr Yang is the only activist who preserved his dwelling in the WNA neighbourhood, but his family no longer lives there because the area has been substantially commercialised (Figure 5.1c). Yang is a retired professor of Art at a local university. He is 70 years old and Manchu. Yang has devoted his whole life to cultural undertakings, particularly Manchu cultural preservation. Yang and his family have been living in the WNA area for more than a half century; his wife inherited the house from her mother before the liberation of China. To date, Yang's resistance to allow his property to be demolished has lasted for seven years and is currently at a stalemate. Even several years after the street was redeveloped for commercial use, the developer could still demolish the wall of Yang's courtyard at any time and occupy part of his dwelling. Moreover, the fact that people in the city seldom care about tradition and culture and that they refused to align themselves in resisting the takeover hugely disappointed the activists. Ironically, as Yang stated, "It is owing to my acquaintance with foreign friends that the house has been preserved so far" (R77). According to Yang, one of the cultural activists from the WNA area finally emigrated from China as a result of the detrimental effects of confrontations with the government and developers.

As we were walking around the shopping street of the WNA area, Yang pointed out to me one by one, which apparently "old" structures are actually fake, providing a striking contrast to tour guides who were introducing fabricated stories to tourists. Passing through the door of Yang's property, I saw that the yard is divided into two parts by a wall. One half is redeveloped as a theatre, and the other half has been reused by Yang as a teahouse. In the yard of the teahouse, Yang has reserved tiles and bricks of the old structures at the time of demolition. In front of the door, two young waitresses hold a shop sign and receive guests to the theatre, while the small teahouse has been largely ignored by tourists. The shop sign notes the name of the yard, and it was made and written by Yang with a kind of Chinese calligraphy.

5.3.2 Claiming legitimacy for informality

Another source of property activism derives from the clearance of informal shelter. The removal of informal structures and their replacement with formal, governable landscapes threatens an alternative urbanism—the economic activities, lifestyles and social relations in the sectors of urban informality. In a central debate in studies on informal land uses, informal sectors are deemed either as a historical legacy due to underdevelopment and marginalisation by the formal economy (i.e., the traditional viewpoint) or as a permanent part of urban society and the economy (AlSayyad, 2004). The latter viewpoint stresses that urban informality is a part of the diversity of urbanisation in developing societies (Roy, 2005; Roy & AlSayyad, 2004). Self-help housing is necessary, it is argued, to alleviate the economic poverty and housing difficulties of the urban poor, especially against a shortage of available housing in the collective and private housing market in the city (Turner, 1976; Mooya & Cloete, 2007). The dichotomy in the understanding of urban informality leads to disputes on the methods for tackling questions regarding informality. The former position may advocate incorporation into the formal system in order to enable actors in informal sectors to hold legal property rights and permit participation in the formal economy (De Soto, 1989, 2000; Deininger & Binswanger, 1999). The latter position, however, challenges the efficacy of formalisation through simply legal entitlement, because a straightforward method of formalisation may have ignored the established economic patterns and practices of the informal sectors and the obstacles for them to participate in the formal sectors. Such a method may engender other difficulties for the informal inhabitants because it has unwittingly created the exclusive mechanism of the formal system (Roy, 2003; 2005; Razzaz, 1997; Gilbert, 2002, Kagawa & Turkstra, 2002).

In urban redevelopment in China, nevertheless, there have been neither policies oriented to the formalisation of informal land use nor alternative attempts to secure the property rights or demands for self-built homeowners. The informal sectors refer to shelters and dwellings built by citizens and the rural population without legal permission for land use and construction. In China, urban informality has attracted considerable attention from urban researchers on urban villages (following strong criticism of rapid urbanisation and land acquisition in China). Wu et al. (2013) revealed that informal

settlements in the city are first developed due to the shortage of supply of low-income rental housing. More importantly, in effect, many of the so-called illegal structures essentially exist because of the dual urban-rural land system and the failure of property rights registration and redistribution during the process of urban expansion to rural districts. Nonetheless, the informal structures identified as "illegal" are erased, and the areas will then be reconstructed as master-planned communities. Displaced residents are entitled to compensation for only construction, materials and decoration expenses.

Acquisition and compensation for established rural properties, notably through urban sprawl and land acquisition in established villages, is different from that for informal properties. Compensation for rural properties is related to property rights on collective rural land rather than merely housing. In Chengdu, based on the most recent policies, each family member of a farmer household was compensated for 60 m^2. Thus, in most cases, the amount of full compensation has been much higher than that for urban dwellings, which has created a series of parvenu figures, such as so-called "becoming affluent through demolition" households (*chaiqianfu,* 拆迁富) and the "demolition second generation" (*caierdai,* 拆二代), which borrows from the term, the second generation of the rich (Xinhua Net, 2012.07.20). Among my informants, a 30-year-old lady who was previously a villager was compensated for five apartments because of urban redevelopment. The four family members were living in one apartment, and the other four apartments were up for rent. The woman is unemployed, and her husband works in a steel mill. The rental income of the four apartments was the predominant economic source for her household. Her story is actually typical of the social phenomenon of living from displacement revenues among families who experienced demolition and material compensation.

Unlike land conveyance in established villages, the most severe resistance is stirred up by homeowners of the titled informal structures in urban areas and villages in the city. The reason for their resistance, I would argue, is not simply the desire to receive the amount of compensation equal to that based on complete property rights—or even a claim on property rights. Rather, the resistance is due to an insecurity engendered from changes to economic functions and livelihoods achieved only through informal structures. For instance, Fuzhen Tang, the subject of a self-immolation event in Chengdu in 2009,

which caused nationwide concern, was in effect a successful, affluent entrepreneur in the family business of garment production and wholesaling. Her demolished three-storey housing was more than 2000 m^2 and used as a garment processing factory, an office and a residence (New York Times, 2010.01.25). About two decades ago, Tang and her husband were working in Chengdu in wholesale clothing. The village committee invited them to return to Tang's rural hometown and invest in village industries. They acquired the land-use agreements from the village committee and built the factory and house—but without legally issued permits for land use and construction (Deng, 2011). Disregarding the significance of the building for Tang's business, the local officials have judged Tang's self-burning behaviour as violent resistance against the law. For Tang had demanded cash compensation as high as eight million Chinese Yuan (approximately US $ 1,230,769), compared with the two million Chinese Yuan (approximately US $307,692) in compensation for the construction cost promised by the local government (New Hunan Newspaper, 2009.11.26).

The conditions of self-built homeowners in the *danwei* compounds are slightly different from those of landlords on previously rural land. While the landlords mostly acquired the land from village committees (Chung 2010; Shin, 2013; Wu et al., 2013), the urban homeowners usually built informal structures in public space. Therefore, the size of the independent, multi-storey dwellings in urban villages is much larger than the additional structures in old inner-city neighbourhoods. In the old CJA neighbourhood, ownership claims on the informal structures are mostly overlaid with claims by homeowners of formal subsidised housing or by public tenants. The informal structures were used by the locals to either accommodate their growing family or set up a personal business. Vendors use the informal structures to sell daily necessities and food to their neighbours at a relatively lower price compared with those in the formal market. The small stalls brought the locals and migrant vendors significant income by means of self-employed business or rent. Local residents might use the rental income to pay for a larger, rental apartment in order to adapt to an increase in family size.

Mrs Yu, a sub-tenant in Caojia Alley, built two booths in the informal market in 2002. After the first few years selling rice wine, she leased them to another vendor, who maintained the rice wine business. It earns her more than 4,000 Chinese Yuan

(approximately US $615) in rent every month. However, the initial tenant of the apartment where she is living with her son is her former husband. Thus, she has no direct right to either renew the tenancy of the public housing or purchase the rental housing now in order to exchange it for private housing. In front of the lens of the national media, she declared her demands：

> I don't have any residence. I only have the two shop fronts. They are the source of my son's school fees. If you are going to demolish here, I will insist on the compensation of my shop fronts. Moreover, I have been selling the rice wine here for up to ten years. It is so popular here. Actually, the rice wine should be seen as part of the "intangible cultural heritage" in Chengdu. You should protect it. (Resident interview by China Central Television, 2012)

The demands of homeowners of shanties are mostly for familial privacy. They constructed shelters in public areas, such as a staircase or veranda, thereby creating spatial separation between different generations in the home and avoiding embarrassment and inconvenience. Because the in-kind compensation does not include the areas of shelters, they may still be living in crowded spaces. Meanwhile, residents have argued that they would lose the opportunity to build any additional structures for future separation. Even worse, such a limited living space will continue to affect the childbearing of their children's families.

> Now I am living in the staircase …… I only need an apartment with two bedrooms so that I will not impact my son and his wife. Also, they can consider having a baby. I have no choice. Because I am the retired employee, I cannot gain the basic subsistence allowances. Without the basic subsistence allowances, I cannot apply for low-rent public housing. The only place I can live in is the exchanged apartment. If I chose monetary compensation, I could only gain about 200,000 Chinese Yuan that actually was not enough even for the down payment in the market housing now. (Resident interview by China Central Television, 2012)

The current literature has mostly focused on the harm to homeowners of the informal structures due to the decline in their rental income generated by multi-storey redevelopment (Shin, 2013; Chung & Zhou, 2011; Hsing, 2010). The above analyses indicate that informal structures signify the work and lifestyle of the inhabitants, which have been established based on their socioeconomic positions in the city and institutional

environments. Through examining the correlation between urban informality and the socioeconomic performance of inhabitants, Li and Wu (2013) and Webster et al. (2016) proved that residential satisfaction is not necessarily low in informal settlements; indeed, residents could take advantage from the ambiguity of property rights of informal structures to overcome poverty. The study found that the resistance of homeowners might even not be necessarily a result of poverty (see also Roy, 2005). The urban villagers may have accumulated substantial wealth from the economic activities in the informal sectors. State-facilitated gentrification in China, replacing spontaneous spatial formation with spatial regulation and commodification, is associated with not only the issue of property rights but also the reconfiguration of economic activities and lifestyles of in-situ social groups. The strict control of urban informality has led Chinese cities to become a predominantly spectacular landscape with a relative lack of visible slums. As Wu et al. (2013) have argued, the redevelopment of urban villages has been based on the idea of erasing informal spaces and recreating "governable spaces through formal land development" (p.1919).

5.3.3 Mass mobilisation and consensus building

In the face of fierce confrontation from homeowners of old commercial apartments and informal dwellings, the local government has employed multiple tools of social governance. The first tactic of social governance derives from a policy innovation at the local level. The local government has adaptably combined two national policies of property conveyance and compensation, with the purpose of enhancing the efficiency of consensus building among the majority of residents and maintaining state actors' power in wielding instruments of forcible eviction against property activists.

Before 2011, according to the central policies of *Housing Demolition and Compensation*, private companies were allowed to charge for the property demolition in an urban redevelopment project. Private participants had to apply for a permit for demolition from the local governments to be authorised to undertake the housing acquisition, consensus building and compensation process. This property demolition led by private companies was defined as a *market* behaviour of property acquisition based on the principle of negotiation in a free market. Based on the policy context, the local government initiated a technical approach called "preliminary agreements on demolition

and removal" (*moni chaiqian xieyi, 模拟拆迁协议*) to arrange consensus building regarding demolition and removal among residents. The step of preliminary agreements on demolition and removal occurred before a redevelopment project was officially launched. Within a deadline, the demolition party must gain approval from a certain number of residents with respect to demolition and removal based on a series of pre-determined conditions regarding demolition, removal and compensation. Only when 95% of all the households approve the project would it be officially established;[38] various sources would then start to fund the project (Bureau of Urban-Rural Housing of Chengdu [BURHC], 2008, No. 146; 2012, No.36; Chengdu Municipal Government, 2013, No. 57). The other 5% of the households—the so-called nail households—would be forced to accept property demolition and removal based on the demolition policy of administrative enforcement (i.e., by the government or local housing authorities). If the required proportion of approval from the original homeowners were not reached during the process of obtaining preliminary agreements on demolition and removal, the project would be postponed. In practice, the method of obtaining preliminary agreements on demolition and removal greatly encouraged willing movers to participate in consensus building. Willing movers and speculators worried about delays to the project and spontaneously worked to provide conflict mediation and persuade holdouts. In principle, the method also shortened the cycle of the redevelopment project and brought about the greatest efficiency of fund usage.

Since 2011, however, the State Council has redefined property conveyance as an *administrative* behaviour that is essentially justified by the state authority, and only the government is accountable, accompanied by replacing discourse of "property demolition (*fangwuchaiqian, 房屋拆迁*)" in the central policies with "property expropriation (*fangwuzhengshou, 房屋征收*)" (State Council, 2011, No. 590). Through the policy of property expropriation, the central government also prohibits local governments from releasing demolition permits to private companies and terminates government execution of forcible demolition. Rather, the enforcement of demolition is transferred to judiciary departments. Under the policy of property expropriation, the launch of an urban redevelopment project and subsequent property acquisition should thus be submitted to

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[38] The proportion is based on the 2012 norm. It was 85% based on the 2008 norm.

extended administrative procedures.

Against this background, local governments have continued to adopt a mode of property conveyance based on market principles. Compared with the negotiable principle of property acquisition led by developers, local governments deem the administrative procedures to lack practicability and to be low in efficiency. However, to avoid direct conflicts with the central policies, the local policies of urban redevelopment have followed the regulations of the central policies forbidding the approval of demolition permits to third parties and the use of forcible demolition by the government to ensure that the government is accountable for demolition. Also, they shifted the term use in local policies from "property demolition" to "property expropriation" (BURHC, 2012, No. 131; Chengdu Municipal Government, 2013, No. 57). Simply put, the current mode of urban redevelopment and property acquisition is, in effect, operated based on partly the displacement of the corresponding central policies. Since 2011, there have been essentially no cases of urban redevelopment based on the mode of administrative expropriation (O22). This "compromise" between the two rounds of policies allows the local governments to bypass the complicated official rules and continue to promote the highly efficient mode of property acquisition and consensus building. Local governments have thus reserved the previous method of obtaining "preliminary agreements on demolition and removal" in recent projects. However, they changed the term to "preliminary agreements on *removal (moni banqian, 模拟搬迁协议)*" in order to avoid using the term "demolition."

Nevertheless, by evading the required procedures of administrative acquisition, the demolition parties lose any coercive forces supported by either the government or judiciary departments. After 95% of the residents have signed the agreements, the demolition parties have no power to evict the 5% who oppose the demolition. In this case, the local policies require complete approval from the residents in terms of removal be reached in the process of obtaining preliminary agreements on removal (Bureau of Urban-Rural Housing of Chengdu, 2012, No. 27). This approach to a certain degree restrains the occurrence of brutal behaviour while increasing the use of soft forms of governance in consensus building. However, the approach cannot fundamentally put an end to property activism. In facing cases of nail households, local governments start to

explore a new norm of property acquisition by suggesting a conflation of the modes of "market acquisition" and "administrative expropriation" for one redevelopment project. This policy is called "transferring from the stage of preliminary agreements on removal to targeted 'property expropriation (*dingxiangzhegnshou, 定向征收*)'" (O22). Targeted property expropriation denotes a re-legitimation of forcible eviction by bringing back judiciary enforcement when coercive instruments are needed for the acquisition of particular properties.

Figure 5.4 Banners resisting nail-households in the CJA area (2013) and banners resisting demolition in the WNA area (2004). *Source*: photos provided by a resident in the WNA area and taken by the author.

With all the policy making by local officials, scheming and ruthless, the demolition process has nonetheless depended on consensus building with a mobilisation of the mass society. In the CJA redevelopment project, a mode of self-governance by residents (*jumin zizhi gaizao, 居民自治改造*) led the consensus building throughout the whole project. Initially, the method of self-governance conveyed a notion that residents have the right to make decisions regarding redevelopment. A self-governance committee played the role of an intermediary between official parties and community members. Twenty-one committee members were selected from a group of former residential representatives and community activists, with residents almost all in public/subsidised housing. The project was planned to be set in motion once all the residents (eligible for compensation) reach agreements on demolition and removal within one hundred days. Figure 5.4 demonstrates the advocacy and resistance concerning demolition and removal in stark contrast. The banner on the left, which appeared in the CJA area, blamed "hateful nail-households who have damaged the homogenous society." However, the slogan in the right picture shows

activists in the WNA area against "Provincial Government using authority for forcible demolition" and calling for "the Central Government to regulate behaviours of the local government."

However, the mode of self-governance gradually evolved into a means to maximise the mobilisation of the willing movers—chiefly the low-income citizens—in participating in conflict mediation and consensus building. For local officials, it fundamentally refers to a governmental method of mobilising the masses so as to eliminate nail households (O2). A negotiation between the government and residents became, to a certain degree, a negotiation among residents themselves; social conflicts have been internalised. Committee members have largely intervened in disputes between family members and between state actors and social groups and have forced the opponents to sign the agreements regarding demolition and removal—chiefly through reconciliation and persuasion but also through deception, menace and violence. In most cases, not only the members of the self-governance committee but also the energetic willing movers have spontaneously participated in the conflict mediation. One owner-occupant of a commercial apartment, which is also called a nail household by the public, described his experience.

> At 6 pm, the demolition office sent people to my house. They didn't allow me to go out and forced me to sign the contract. Later the self-governance committee also came. They surrounded me and prohibited me from going to the toilet and drink water. Later, several hoodies entered in, with beer in their hands. People from the demolition office said to me that they took drugs. They were warning me they (the hoodies) might do something unexpected. (R16, resident with cash compensation)

The meanings of such mass mobilisation are twofold. For one side, it tends to overstate a basic idea of the majority principle of justice and stress a "moral right" of subordinating individual interests to collective interests.

> After all, those who disagree to the policy arrangements are only a minority. Then, we can mobilise the majority to reconcile their opinions and disagreements. Finally, the minority will be subordinated to the majority. The government cannot make everyone satisfied. This is a livelihood project. The government is offering profits to the mass society. (O2, official from a Task Force of urban redevelopment)

However, for the other side, the participation of the willing or voluntary movers has magnified the stigma of property activists, mainly the property owners of commodity housing and self-build units. The resistance to removal from the homeowners was indiscriminately described as an opportunistic activity for the singular purpose of maximising profit. These voluntary movers hold unanimous opinions on nail households: "the richer, the greedier" (R13). Moreover, they were reckless in opposing and behaving rudely towards the property activists, because they considered themselves to be doing something for "the good of the majority" (R11). Property rights were not what they considered, nor probably what they recognised at that moment.

> R11: The success of demolition has indeed relied on our efforts. At that time the situation of the community was really bad. But I think we also offended many neighbours. However, it should be understandable, because we were working for the good of the majority. I didn't gain any benefit by doing this job (mediating conflicts). We stayed up all seven nights.
> Yang: Why did you stay up all seven nights?
> R11: They did not agree to sign (the agreement). We just kept watch on them and forced them to sign.
> Yang: Who are the ones most likely to reject signing?
> R11: They are usually the richer ones. They have owned a large house. Some illegally constructed a room in the public space and made money for themselves.
> Yang: Why are they reluctant to sign the agreement?
> R11: They want more. Their slogan is "wealth via demolition" (*chaiqianfu*). It only reaches "wealth via demolition" when one gains another hundred thousand after acquiring a new house. Our poor people are way easier to be satisfied. (R11, resident off-site relocated)

Within only four months (from March 9 to June 17, 2013), the CJA redevelopment project achieved full approval from homeowners of subsidised housing and public tenants of the old dwellings for demolition and removal. However, 27 households in commodity housing remained as holdouts. The self-governance committee put forward suggestions to the government for an extension to obtain preliminary agreements on removal. A month later, another 13 homeowners of commodity housing signed the agreements. The demolition party and the government then decided to adjust the redevelopment scope by excluding the building of the 12 homeowners. The project was officially launched on July 15. However, currently, the government continues to claim judiciary power in the

forcible eviction of the 12 households.

Property activism in China is indeed a difficult issue. The property system in China leaves questions to be answered of "whose rights count" (Shin, 2013, p. 1170) and which kinds of rights do individuals (even property owners) have (e.g., socioeconomic benefits or political claims) (Keane, 2001). Then, the means and results of resistance are referred to an as yet incompletely formed legal system to stipulate and solve conflicts between the state and individual interests (Cai, 2007; Hsing, 2010). Still, local epistemologies on urban redevelopment and property rights may also impact the performance of social activism in China. In this intricacy, Hsing (2010) has attempted to define the state-society relation manifested in the confrontational and non-confrontational approaches to settle disputes in land acquisition. The author proposed that land expropriation and redevelopment in the city, including the inner city, urban peripheries and rural fringes, reflect a process of competition for territorial power among the society and the local state. For Hsing, the process does include societal initiatives, which embodies a distributional politics that challenges the legitimacy of the local state. With the end purpose of constructing urban modernity, local state actors endeavour to build authority through territorialisation, in contrast to industrialisation. Meanwhile, as forced eviction greatly evoked a place-based identity, the society was mobilised to find various strategies for self-protection, impacting the reconfiguration of territorial power. However, Hsing also noted that confrontational resistance in inner-city redevelopment exerts only a minor influence on the state, compared with the non-confrontational resistance in the redevelopment of villages at the urban fringe.

> Though uneven, the results of their actions have slowed down inner-city destruction and increased compensation rates. I do not foresee a more fundamental transformation of state–society relations directly provoked by inner-city residents' mobilisation, and I am reluctant to leap to the conclusion that inner-city residents' protests mark the emergence of an "urban social movement" that promises to change the power structure of the city, as defined by Manuel Castells (1983). Yet, it does indicate the beginning of a changing discourse in which accumulation through dispossession is no longer hidden behind the slogan of "development is the absolute principle"; nor is massive urban displacement considered unanimously a historical necessity on the road towards a higher modernity (Hsing, 2010, p. 16).

Hsing's analysis is notably comprehensive, based on a broad account of land redevelopment and resistance nationwide. Hsing (2010)'s fieldwork covered several provinces in China. Also, she looks at both confrontational and non-confrontational cases, both urban redevelopment and urban expansion. However, the empirical fieldwork has only focused on the political mobilisation of social actors in the process of property expropriation and urban development, but not other fields, whether cultural, social or subjective. Hsing thus subsumes all types of claims and behaviours of the society and the state under a general project of constructing power in territory. Finally the author positions the two parties, the state and the working class, in relatively balanced contests in urban redevelopment.

Through a micro-perspective of project-based activism, the above process shows the hegemonic power at work in state-facilitated gentrification, particularly in the sense of cultural hegemony. In inner-city gentrification, the most intense antagonism coincides with people who have to encounter lifestyle change and difficulties in employment after relocation. Unfortunately, the study does not find effective confrontation of residents against local elites who control the mode of land use and spatial production. Gentrification in China has led to the demolition of the pre-revolutionary and socialist dwellings and informal places after the economic reform and normalised housing consumer cultures with a spatial prototype of respectable and governable gated communities. As a result, subaltern groups with distinctive lifestyles are isolated in the making of standardised and government-approved consumer housing cultures. The property and tenure system in China renders protection of alternative urbanisms unwarranted. Moreover, the participation of groups who uphold the new social governance becomes crucial in mitigating the resistance and distorting the meanings of the activism. Eventually, the increasing disappearance of cultural distinctiveness and convergence to a standardised housing style are expected further to weaken the defenders of local identities and the living patterns of the working class. However, this is not to say the resistance does not have an influence on the state. Within limits, profit concession is a familiar and easy tool of peace-making and project acceleration. But immediate material gains are not sufficient to examine state-society relations and social outcomes in gentrification. For the property and cultural activists, the injury of displacement also

derived from "the sense of loss of places" (Shaw & Hagemans, 2015, p. 325; Davidson, 2008, 2009).

5.4 Marginalisation and outcasts

Private tenants in the inner-city's old neighbourhoods are almost all low-income migrants, and a large part are rural-urban migrants who do not share the entitlement of an urban *hukou*. As mentioned earlier, the 2001 policy of urban redevelopment has ended rental regulation on both public and private rental markets. Ever since no formal policies have protected the lease status of private tenants. As migrants cannot formally receive any compensation in the private rental market, gentrification has directly caused the eviction of low-income migrants from the old inner-city neighbourhoods.

This result is comparable with empirical studies in other cities in the Global South (see Lees et al., 2015, 2016). During the process of urban restructuring, the circumstances of low-income migrants and immigrants, who have also often suffered from institutionalised marginalisation, have generated the most solid evidence for the existence of gentrification in many Southern cities. In China, since the mid-1980s, when the household registration *(hukou)* policy adjustments legally opened the city to the rural populace (Chan & Li, 1999; Fan, 2002, 2008), the institutionalised marginalisation of rural-urban migrants in the city has been under discussion (See Solinger, 1999; Chan, 1996). A large number of authors also revealed the binding relations between urban *hukou* registration and residence rights in Chinese cities (Chan, 1994; 1996; Cheng & Selden, 1994; Fan, 2008; Huang & Tao, 2015; Wang & Murie, 2000; Wu, 2004d, 2009). Currently, rural-urban migrants have won even more attention from academics, based on the contradiction between the large proportion of this population in the city and the state that drags its heels to provide citizenship rights for them. This subsection explores the circumstances and reactions of such low-income migrants in state-facilitated gentrification, focusing on a subtle change in mechanisms that consolidate the marginal status of an already disadvantaged group in the city.

5.4.1 The silent migrants
The National Bureau of Statistics in China recorded that in 2006, 150 million people,

or 11% of the whole population, are registered as peasant migrants in the city (Fan, 2011). There are no notes on exactly how many migrants or private tenants live in the redeveloped neighbourhoods, due to the transient nature of the population. According to the census data at the sub-district level, which is slightly larger than the scope of the redeveloped neighbourhoods under investigation, migrants accounted for 70.13% of the entire registered population in the census tract including the JW neighbourhood and 40.81% in the census tract including the CJA neighbourhood in 2010. The share of migrants with rural *hukou* in the entire registered population was 50.21% and 20.02% for the JW and CJA neighbourhoods, respectively. In both of the JW and CJA neighbourhoods, private tenants accounted for the largest tenure group in the 2010 data, composing 47.21% and 44.35% of all tenure households in the sub-districts, respectively.[39] The situation of the historic site of Wide and Narrow Alley (WNA) is different from that of the above two cases, as originally it contained historic dwellings and was redeveloped in the early 2000s. In 2000, before the revitalisation of the WNA area, 34.07% of the whole population in the census tract including the WNA neighbourhood were migrants, while 12.53% were involved in agriculture (Population Census Office of the State Council [PCOSC], 2000).

Despite their considerable share of the population, there is apparently widespread apathy among the private tenants about the occurrence of inner-city gentrification. It is often the case that, without any resistance, migrants have to search for new rental housing before a redevelopment project even begins, based on either their knowledge about the project or information provided by landlords. The media also seldom bring them into the limelight, compared with the self-housing homeowners discussed in the last section. Shin (2013) thus stressed that the disadvantaged migrants have been powerless in the confrontation with the government in achieving rights to the city; the current literature has typically concentrated on homeowners rather than migrant tenants regarding anti-eviction plans. During the interviews with the displaced migrants in an old neighbourhood near the location of the CJA project, our talk frequently digressed from the event of urban redevelopment to their more general working life in the city. They did not appear to care about their place in the process of urban redevelopment, nor were they

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[39] 2010 census data at the sub-district level were collected from the five district governments in Chengdu.

resistant to displacement. The content of the interviews frustrated me until the lengthy conversations enabled me to portray a broader picture of migrants' lives in the city. Their obedience and passive responses remained in accordance with their perceptions regarding their housing and working status in the city, which has been cultivated by the long-term experiences of spatial eviction, sociocultural exclusion and institutional marginalisation in the city.

The first reason for the inactivity of migrants has been a perceived irrelevance of urban society for rural-urban migrants. This echoes Solinger (1999), who revealed that migrants could establish themselves outside the formal systems in the city. Indeed, detaching the self from the mainstream society, not a few of my interviewees conveyed that their status has nothing to do with urban affairs. However, as the study will show, experiencing urban redevelopment and displacement has made migrants increasingly recognise their livelihoods in the city are under threat, displaying more grounded understanding than even the non-migrant urban poor. Then, in comparison with migrant tenants' experiences of residential mobility, residential displacement caused by urban redevelopment is hardly unique. Within the areas of the old neighbourhoods, their informal status led to high mobility in residence and business, frequently moving from one area to another area, chiefly because of urban redevelopment but also because of job changes, the unaffordability of rental prices, conflicts with landlords and business eviction by city managers.

> I have been living in the area of Balizhuang throughout the years. Initially, we lived in the fourth block. When they began to demolish it, we started moving. The first was the eighth block, then ninth, one by one. Now we live in the sixth block of Balizhuang. Usually, when we were signing the contract, the landlords would tell us an estimated date of demolition. Then, the deadline of the contract would be about two months before the date of demolition. We would only pay a deposit of one month's rent. If the housing was not torn down on time, then we simply extended the contract about several months. (R56, displaced vendor)

Their inactivity towards displacement represents a deeply pessimistic attitude regarding their survival conditions and living rights in the city. Migrants were usually reluctant to participate in the interviews. They declined not necessarily because of wariness about my intentions but simply because of their unwillingness to talk. Talking

with a stranger like me would do nothing to better their life regardless of who I am, whether I work for the government or critical media, or how powerful I may be. Pun (2006) argued that ideologically, the negation of rural lifestyles by the state, as the antithesis of urban modernity and consumerism, and official discursive practices that tend to compress the political connotation of class difference have together contributed to the aphasia of the floating population.

> Yang: Do you think demolition is unfair to you?
>
> R36: You lived in the landlord's house. How can you say anything? Moreover, who is talking about justice now? Where is the justice? We are bullied everywhere.
>
> R37: Hey, the state only needs a policy to cease you from doing something. Previously, in the Cultural Revolution, they said that we were profiteers (*toujidaoba*). You thus made a mistake when you just sold eggs. Later they allowed peasants to enter into the city, and then we came in for business. Later, Li Chuncheng (the former mayor of Chengdu) wanted to establish the Hygienic City. They thus prohibited us from setting up stalls. They said we were dirty. Now they say the place is going to be cleared away; then you should just move. Who knows which kinds of policies they would make in the near future? (R36, 37, Displaced resident)

5.4.2 Losing spaces for livelihoods

In addition to residential eviction, rural-urban migrants have faced new types of social exclusion after being displaced from the old neighbourhoods owing to spatial commodification and formalisation in the inner city. Most significantly, the new-build mode of urban redevelopment has caused the displaced tenants to suffer from increasingly severe issues of employment displacement in the inner city. The displacees participated in this study mostly moved from the rural areas to the city during the late 1990s and later moved to the old CJA area. Currently, they live with two or three generations under one roof, where the oldest generation was born in the 1960s. The rural-urban migrant interviewees were self-employed, or they worked in low-end service and retail jobs. In particular, many earn their living by selling agricultural products or food at the farmers' market in the old CJA area (Figure 5.5).

In this case, rural-urban migrants expressed great dependence on living and working in the old neighbourhoods (see also Wu, 2012). Accordingly, these tenants are highly localised and are concentrated in different types of old neighbourhoods or in informal,

Figure 5.5 Agricultural market in Caojia Alley before demolition. *Source*: Photos taken by the author in 2013.

less desirable places of the city (see also Li & Zhu, 2014; Wu, 2002, 2006). Shortly after the beginning of the demolition of the CJA area, the vendors moved and occupied a plot of land in an adjacent old neighbourhood of the CJA area. Another farmers' market was formed soon in this old neighbourhood, called Workers' Village. This Workers' Village, however, is supposed to be demolished after the CJA redevelopment project. As a consequence of the increasing formalisation of commercial places, low-income migrants have faced an obvious confinement of locations where they compete for their livelihoods. Moreover, new patterns of consumption have sent the informal, undeveloped sectors of the city into a downward spiral. Noting the numbers and living demands of rural-urban migrants in the city, Wu et al. (2013) thus argued that demolition and rebuilding cannot eliminate urban poverty but displace the urban poor farther to the informal settlements at the urban fringe, because of their demand for unregulated living and working spaces.

> For us, the businessmen, the spaces for setting up stalls are increasingly small. They were always cleansing them from the city. After they demolished it, we would find an alternative. It is increasingly hard to find a proper place. You see, the Wusi Factory has been demolished, so has Fangzheng Road. Now it is the Caojia Alley. It is said after the reconstruction of the Caojia Alley, it will come here, to the Worker's Village. Everywhere is under demolition. I think they should give us some living spaces. (R38, displaced resident)

By suggesting that gentrification engenders a so-called neoliberal urbanism, Smith (2002) has reminded us that the marginalised can be disadvantaged from the recast role of the neoliberal state in new urbanism, which no longer sustains the social reproduction of the labour force within the city but, with a global horizon, has great influence in absorbing productive investments and labour that are either present or absent from the

city. Geographically this could result in contradictions between urban redevelopment in the metropolitan centre forcing up land prices and a population marginalised from the globalised production system who can only reside in the urban periphery while their wages are earned in the city proper. The disadvantages caused by the changing role of the state from sustaining reproduction to fostering production may provoke social outrage, which may then prompt the government to strengthen territorial governance or heighten state authoritarianism in the remaining old neighbourhoods of the inner city (Smith, 2002; Swyngedouw, 1997).

In the Workers' Village (i.e., the displacees' neighbourhood), a new committee of market management that is supported by the government agency at the sub-district level (Street Office) is responsible for reconciling disputes among vendors in land grabbing and managing the environmental health of the market. Most often, the conflicts involved competition for vending sites in the neighbourhood and experiences regarding arbitrary charges and eviction by city managers. The city managers may require a vendor to buy newspapers from them in exchange for a stall, or they may charge for unspecified service fees. Otherwise, they may avoid setting up stalls during days when district or municipal officials conduct inspections. These unofficial actions have largely threatened the stability of migrant workers' income. Social control by city managers further strengthens the passivity of migrants, who have tended to largely avoid participating in urban affairs because of a fear of being evicted by the street managers in even the remaining old neighbourhoods. The provoked outrage, however, might also induce them to talk with me, as they viewed me as someone who can potentially speak for them and inform the public of their unfair treatment. However, every time they were asked to express themselves publically, they would hold back.

With all these concerns, from the lens of low-income migrants, the defining characters of gentrification are clearly perceived and portrayed. According to low-income migrants, urban redevelopment implies the upgrading of the geography of consumption and residency and consequently soaring consumption prices and rent. In addition, it signifies the emergence of land use formalisation to accommodate high-income consumers, the obsolescence of traditional consumption patterns, and the existence of constant displacement pressure on the lowest level workers in the city.

R48: Now every marketplace is formalised. The rent of the formal market is too high. It is okay if the location is good. However, if not, you can hardly balance your rental cost. For example, if there were five or more people like us who sold fish in the formal market, it was too competitive. Especially, the formal market is often for only one community, and the consumers are too limited. The informal market is much better because it is located in the open street and serves communities all around. Now people living in the high-rise apartments are too lazy to go to this market. They like the shopping mall. They hope to buy cooked food and clean vegetables in the supermarket. It does not matter that the price would be one yuan higher than the fresh vegetables from the farmer.

Yang: So what do you think is the essential meaning of demolition and removal to you?

R48: Demolition means an increase in prices, everything, the house, the stalls, and the fish, the clothes, the vegetables. Everything goes up (R48, displaced vendor).

5.4.3 Homeownership and urban identity

Enduring residential displacement, growing living costs as well as income instability in the city, substantially, the low-income migrants face the risk of social stagnation in the city. Conceivably, housing and education are considered by the migrants as the two most important investments for them to be able to settle down in the city. Nevertheless, the residential mobility of migrant tenants with few tenure changes and high spatial concentration reflects the relative stability of their socioeconomic status in the city. Because of the public housing system during the socialist period, inner cities in China have contained a large proportion of affordable rental housing. Urban redevelopment is associated with a sharp decrease in the affordable rental market in the inner city, which subsequently contributes to the rise in housing and rental prices. Thus, although the migrants were subject to high mobility with respect to their residences and businesses, very few households purchased private apartments in the city (see also Li & Zhu, 2014). Compared with poorly-educated workers, young migrants gaining specific skills or earning a degree from a secondary vocational school are more likely to be able to afford a housing mortgage in the city. With the mortgage loan, they have purchased second-hand apartments adjacent to their previous rental housing or places of work.

Despite their plight, all of the informants, counter-intuitively, indicated that they did not expect to obtain an urban *hukou* in Chengdu. A frequently mentioned motive for maintaining the rural *hukou* was to receive the gains through the property acquisition of their rural land and housing. However, as a more underlying reason, these tenants

considered there to be a de-linkage between citizenship and their housing opportunities in the city. This finding is confusing, as urban identity may be expected to positively increase the housing opportunities in the city, given that public policies have directly associated the housing career of individuals and households with the entitlement of citizenship. A paradox emerged, as the residents explained, "if I can afford housing in the city, who cares about urban *hukou*? If the government offers me an urban *hukou*, but I can still not afford housing, what's the use of the *hukou*?" (R49). From the perspective of the migrants, housing availability and *hukou* status are not interconnected and do not mutually strengthen each other. Rather, housing status, or specifically homeownership, is more likely to determine *hukou* status. *Hukou* status loses significance when private housing cannot be afforded. This perception is also reflected in a passive attitude towards state assistance for low-income housing and, generally, extremely low faith in their relationship with the state. The migrants argued that applying for newly built subsidised housing or public housing is an "unrealistic" choice compared with housing by households. As one migrant stated, "farmers are self-sufficient; how long do you think we can wait for the state to care for people like us?" (R54).

Thus, the shortfalls in the low-income housing system have not only reduced the meanings of an urban *hukou* for migrants but also intensified the perceived significance of owning market housing in giving the migrants access to the city. Wang and Fan (2012) showed that as *hukou* continues to be a fundamental institutional barrier blocking migrants from winning equal life chance with urban residents, homeownership of commodity housing can particularly strengthen the sense of identity integration in the city. Moreover, according to policies presently in force, investing in commercial apartments is a passport of migrants to an urban *hukou* (Zhang & Wang, 2010). Right after being displaced from the CJA neighbourhood, two of the 20 displacees (aged around 35 years old) purchased second-hand apartments in the city. One is a barber who has been trained in a barber's shop for nearly ten years; the other is self-employed in the catering business, who has been in Chengdu city for 16 years. Both made down payments in part by selling housing purchased much earlier in urban areas close to their rural hometowns.[40] Both of the two residents, however, have retained at least one of the family members' rural *hukou*,

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[40] Their parents sponsored the former private apartments of the two young adults.

while registering their children as local permanent residents. The double identities offer the migrant households more resilience in personal and family development. Homeownership, in this sense, not only eliminates the institutional barrier to urban citizenship but also enhances life chance for the migrants. In our conversations, the two informants do exhibit their pride in financial success and confidence in the next generation to achieve a better life than them, owing to the educational opportunities they have created for them.

> I do not want to convert my *hukou* (from rural to urban registration), perhaps my husband will. Now, rural *hukou* is much more valuable, because once you are a citizen, you by no means can return to rural land. My families have built a house on our land. We hope the city development will soon expand to our village. Also, my mother may one day go home and live on the land, although it is small. Because we are a rural population, we could raise two children. However, our kids will be an urban population, following their father. They must have equal educational opportunities as children in the city. They must not be like us, who suffered from poor educational attainment (R31, displaced resident).

Nevertheless, most of the other migrants of the parental generation have expressed their disillusionment with being successful in the city. By successful, they mean earning sufficient money to settle down in a private house in the city. They believe that they will finally go back to their hometowns. The settlement intention of migrant workers as permanent citizens in central cities of China, according to Fan (2011), is set back by not merely the unobtainable urban *hukou*, but also unwelcome experiences in both the labour market and social interaction in the city (see also Fan et al., 2011). Remaining in the city is no longer the dream of older generations but implies an ingrained conviction towards the educational and job opportunities for their children in the city. In addition, the meagre agricultural income and de-population in rural areas also deter them from returning to their home villages (Chan, 2010). When urban policies tend to increase costs or establish other types of obstacles in schooling, individuals among the older generations are increasingly depressed. For instance, according to the policies of the Chengdu Municipal Government, since 2014, the children of migrant households have been required to purchase several kinds of social security in order to be eligible for exemptions from charges for the nine years of compulsory education (Bureau of Education of Chengdu, 2014, No. 2). These dilemmas often force migrants to make compromised decisions

about returning to the urban areas of their hometowns.

> R54: Now, it is fortunate enough that government policy allows you to do business in the city. Success? No one imagines that any more.
>
> Yang: So which kind of work do you think can bring you success?
>
> R54: I don't know. I thought a lot, tried a lot. But I don't know. Maybe we can leave the question to our next generation. If I cannot create more opportunities for him, I hope he can do it by his own right. Do not expect to make extra money by doing business, just keep up your daily necessities. Just during these years, it becomes harder and harder. Five years ago, the situation was still somehow hopeful (R54, displaced vendor).

For the other villagers in the city, ironically, the singular largest affluence in their lifetime is the hope of the awaited compensation for requisition of their land and housing in their rural hometown. They may have improved their rural residence in the urban or rural fringes or added additional structures to former houses, expecting excellent compensation on the day of demolition. For instance, a vendor living in an old neighbourhood has renovated two buildings, waiting for property acquisition due to the construction of the second new international airport in Chengdu. The land the farmers previously relied on for farming has now become a capital asset and the only asset for the sustenance of the families. However, this expectation may be another misconception that will finally awaken the farmers. One of the street vendors in the Workers' Village has been temporarily residing in an apartment on the edge of the city for five years after his rural house was demolished. The rental fees were paid by government subsidies, as part of the compensation. The vendor has pinned his hope of family development in the near future on the outstanding compensation from the government, which includes five apartments. The man planned to keep two for his parents and his own family. Through selling another two apartments, he would be able to rent a space in a formal marketplace, so as to launch a sustainable self-employed business. Optimistically, he would also sell his apartment and exchange for a smaller one, but with a better location for the schooling of his expected baby.

Peasant workers, who currently provide the largest portion of the labour force for China's industrialisation, are often discussed under the term of "disadvantaged class" (Chan, 1996) or "the new working class" (Chan & Pun, 2009; Pun & Lu, 2010ab). Others have even attributed them, together with the laid-off urban poor, as the new "underclass"

in China (Solinger, 2006). The question attended to by scholars is whether the social transformation of those peasant workers could finally integrate them into the urban society as a fully developed social class. Based on conditions in the 1990s, Solinger (1999) has argued that, during the reform period, state institutions continue to refuse to include rural-urban migrants into urban systems, but the logic of the market has created openings for the outsiders to venture into the settlements and working places. The outcome is not only deprivations for these institutional outsiders but also "narrowing down (of) state authorities on the migrants" (p. 221). The migrants act beyond institutional frameworks and create alternative, informal societies, in terms of housing, education, services and so on, that are nearly unconnected with the mainstream society. Solinger thus foresaw that the working and social life of migrants in the city would be increasingly "parallel, largely non-intersecting realms of daily life within the city-- sojourners in one realm and the state, its officers, and its beneficiaries in another" (p. 221).

Following more than one decade of reform, it seems the position of rural-urban migrants in the city has become increasingly stifled and marginalised compared to Solinger's description. Even though migrants might have established their alternative way of life, they are dependent on the working spaces in densely urbanised, less regulated places in the city. The experience of rural-urban migrants in inner-city redevelopment provides the most direct evidence of the conventional understanding of gentrification and displacement. Gentrification engenders changing mechanisms that create social inequities for rural-urban migrants. Previously, inequality derived from institutional marginalisation in welfare assessment of rural-urban migrants based on the *hukou* registration system. Currently, however, the inequalities of rural-urban migrants are worsened by consumption-based exclusion, concerning both unattainable affordability and cultural isolation. Taking into consideration not only institutional factors but also social, cultural and economic projections, Fan (2011) also remained sceptical of the smooth transformation of migrants to urban residents, instead suggesting a likely long-lasting status as sojourners. Pun and Lu (2010a) distinguish the situation of peasant workers in China as one of incomplete proletarianisation. It is a result of state policy that "allowed villagers to retain land, but this land was far from enough to ensure their survival; at the

same time, the state did not grant them the status of urban residents or the conditions to reproduce their labour-power in the city" (p. 134).

Table 5.1 The experiences of three working-class groups in gentrification

	Identities	Compensation	Perceptions	Results
Socialist workers	• Citizens • Public tenants/subsidised owners	• Profit concession (homeownership promotion)	• Personal transformation from proletariats to propertied social stratum	• Aiding consensus building • Relocation to high-rise, gated communities • Changes in consumption behaviours • Consumption and displacement pressure
Activists	• Citizens/migrants • Homeowners of commodity housing, historic dwellings, and informal buildings	• Property exchange or monetary compensation	• Property rights violation • Forced lifestyle change • Emotional damage	• Activism • Relocation to high-rise, gated communities • Prolonged confrontation with the government
Migrant tenants	• Rural-urban migrants • Private tenants	• Eviction without compensation	• Formalisation • Spatial commodification	• Inactive • Move individually to other migrant neighbourhoods • Double marginalisation by the *hukou* system and in the rising consumer society

5.5 Conclusion: Hegemonic power and socialisation and disenfranchisement

Instead of being a passive group, the working class experiencing urban redevelopment has also ridden the tide of post-socialist social transformation. The process of displacement in Chengdu has occurred not individually but based on relocation plans organised by local governments. The relocation plans have brought corresponding changes for the working class in financial gains, tenure types and the cultural norms attached to resettlement communities. These assorted changes have diversified the understanding of gentrification, short-term circumstances and the life opportunities of displacees. Critically, this chapter has highlighted three aspects of social outcomes that raise challenges for how the state orients changes related to the working class in a consumer society (Table 5.1).

First, the process of residential relocation is instrumental in the prevailing cultural ideology of consumerism in urban society in line with the place-based identity change of the working class. The process shows identity politics at work in state-facilitated gentrification. As revealed in the last chapter, urban redevelopment in China's large cities grants absolute privileges, both ideologically and substantively, to consumers conforming to the new urbanism. As a result, residents are potentially excited to seek upward social mobility by living in newly built gated communities or at least in gated high-rise apartments. Based on this background, during the process of residential relocation, the promotion of working-class homeownership has started a place-based identity change within a segment of the working class (mainly socialist workers), conforming to the cultural ideology of consumerism. Nevertheless, the promotion of working-class homeownership primarily reveals the local government and the *danwei* system's intention to avoid welfare pressure by maintaining their role as housing providers post-redevelopment. Still, homeownership is deemed to be an effective tool to stop any anticipated social unrest that develops among production workers in response to the withdrawal of the welfare provider. As a result, state-facilitated residential relocation and compensation in Chengdu do meet the housing demands of socialist workers. However, it is anticipated that consumption pressures could emerge after resettlement; the retrenchment of housing welfare among the working class is likely to end in a recurring under-investment and deprivation in the resettlement communities.

Second, and in cultural terms, the redevelopment programmes have bulldozed the socialist dwellings and informal areas and shaped a normalised housing consumer culture based on a spatial prototype of decent and governable gated communities. As a result, social groups with distinctive lifestyles may be isolated in the normalisation and formalisation processes of the housing consumer cultures. These social groups form the most intensive antagonists of gentrification. However, the participation of groups who uphold the new social governance becomes crucial in mitigating resistance and distorting the meanings of activism. Moreover, the increasing disappearance of cultural distinctions and the results of convergence into a normalised housing style are expected to further weaken the defenders of local identities and the living patterns of the working classes.

Last, the process of relocation and compensation aggravates the marginal position of

low-income migrants in the city through both institutional oversight and consumption exclusion. Unlike socialist workers and private homeowners, state-facilitated redevelopment and relocation introduces unwelcome outcomes for the rural-urban migrants who do not qualify for the compensation plans and housing upgrades we have discussed. Moreover, state-facilitated inner-city redevelopment will eventually intensify the structural inequalities experienced by the remaining unentitled households through extending spatial commodification and the overwhelming endorsement of homeownership and gated community lifestyles as a cultural norm. Any elevation in the social status of the socialist working class then separates them even farther from the impoverished and excluded rural-urban migrants without a local *hukou*. Moreover, the endorsement granted to spatial consumption and privatisation necessitates measures that reinforce social control and spatial governance over the marginalised groups, resulting in a disenfranchised group in certain territories of the inner city.

Like the middle-class gentrifiers, the experiences of the working class have continued to unmask the myth of social change in relation to place change in the Chinese city. Still, the social change of the working class pertains to the state-working-class relations in China. The way of state intervention in residential relocation indicates the central and local governments' intention to reconcile class conflicts and ideologically incorporate the working class into the new frame of the developmental strategy. On the one hand, local governments and socialist employers anticipate and therefore attempt to avoid welfare pressure by maintaining their roles as housing providers post-redevelopment. The huge costs of the demolition of old housing and resettlement of original residents also necessitate social investments, to be made through land marketisation. On the other hand, the state-*danwei*-society relations established in the socialist era, when the local state and work units shared social responsibilities, have preconditioned the decision-making of local actors. Finally, the promotion of working-class homeownership and the homogeneity of urban lifestyle can effectively stop any anticipated social unrest that develops among production workers in response to the withdrawal of the welfare provider.

As a result, taking the lens of the working class, state-facilitated gentrification in Chengdu does not directly result in middle- and working-class conflicts in residence. It

alters identity politics between the working class and the middle class in a consumer society, weeds out subaltern cultures in the city and furthers the advanced marginality of low-income migrants, which will be attributed to the cultural hegemony of urban elites. Private homeownership and new lifestyles with the prototype of gated community again have functioned as a vehicle for these changes, while resettlement communities and inner-city places densely populated by low-income migrants have embodied the hegemonic landscape. To put it more abstractly, the planned relocation within state-facilitated gentrification results in a process of socialisation and disenfranchisement of the working class in a consumer society. The process does, to a certain degree, lead to a pro-poor result in ameliorating housing quality for socialist workers. It has also created a certain degree of consensus among the working class on the transition towards highly efficient land use and spatial production for an overwhelmingly desirable middle-class urbanism. However, it is expected to eventually accentuate social inequalities by assimilating the urban poor into consumer society, but without the corresponding capability to sustain their status. Essentially, this is related to a broader interpretation of the reproduction of social inequality among the working class from socialist welfare inequalities to market-based consumption inequalities; to address these, we turn to the next chapter.

Chapter 6 Structural Inequalities in the post-Gentrification Housing Market

Gentrification research is typically critical of social injustice in the process of displacement. As reviewed in Chapter 2, the critical political meaning of gentrification is an important feature of its conceptualisation but could also be the main reason that scholars question the conceptual fit of gentrification in alternative contexts. The kaleidoscopic process of residential relocation, which is relevant to not only social conflicts but also social transformation and results in not only the marginality but also financial gains of the working class, may well challenge the rationale of subsuming those social dynamics into the theoretical framework of gentrification. The issue is particularly concerned with the realities in the Global South. In the Southern cities, where the gentrification process can be impacted by so-called extra-economic forces (e.g., state actors, grassroots initiatives, social-cultural organisation), it is more likely for the operation and result of a single project to be highly contingent on policies and tactics that are often programmatic, transient and self-contradictory. In this case, the project-based examination of social injustice would always remain contentious based on evidence generated for each case; on the other hand, simply measuring the volume of displacement may overlook the delicate social processes working alongside residential relocation.

Therefore, questions have been raised about the epistemology and methodology of studies of social injustice inherent in gentrification. A few authors have called for innovations in the methodology of displacement studies with the goal of re-clarifying the meaning and harm of displacement and the multiple approaches to it. For example, Davidson (2008, 2009) and Shaw and Hagemans (2015) ask for the abstraction of displacement to return from simple physical dislocation back to a sense of "the loss of places" (Shaw & Hagemans, 2015, p. 325). They also suggest including alternative ways of experiencing the loss of places, such as the disruption of community cohesion, consumption exclusion and cultural isolation for those low-income residents who are directed to socially mixed communities. In the advent of gentrification driven by neoliberal policies in the Global North, this revised concept and methodology of displacement is helpful for uncovering hidden inequalities behind the government rhetoric of social integration in state-led gentrification.

Following this body of work, I suggest that gentrification scholarship should explicate the relationship between gentrification and structural inequalities that would eventually damage the right to the city of the working class. These inequalities are perpetuated in the domains of the systematic changes caused by gentrification and not in the occurrence of a single project. This Chapter provides a preliminary exploration of how the occurrence of state-facilitated urban redevelopment in Chengdu could deepen structural inequalities suffered by the working class in the urban housing market. We would expect further data mining and methodological innovation that could associate the specific process of gentrification, which has clear-cut geographical limits at the neighbourhood scale and conventionally in the inner city, with urban systems (e.g., price change in housing system) at a wider scale.

6.1 Displacement and concentrated poverty in the inner city

In Chapter 3, we defined nine sets of variables to explore the correlations between gentrification and the other aspects of social and physical attributes of places in the inner city of Chengdu. Based on the analytical results, we identified the characteristics of social groups that are most likely to be burdened by the pressure of gentrification-induced displacement (Table 3.4). The first result showed that household registration is an entrenched system that causes injustice in the city as reflected in the connection between gentrification in the 2000s and the percentage change of rural-urban migrants (r = -.683). Then, there is a strong association between gentrification and the shrinking of manufacturing sectors and, specifically, of the number of low-income production workers living in the inner city (-.529). Also, the existence of gentrification was connected to the reduction of public tenants and self-built owners in a sub-district in the 2000s.

Apart from production workers and public tenants, low-skilled commerce and service trade workers (-.692) and private tenants (-.477) have also been included as candidates for displacement (see Table 3.4). The two findings require more attention. During the last decade, the central city of Chengdu has attracted a concentration of consumer service employees. Despite a lower growth rate, low-paid workers might occupy a larger share of the entire labour force than the highly educated workers

represented in large Chinese cities. Still, during the last decade, all of the sub-districts in the inner city did, in effect, experience a rapid increase in private tenants but a decrease in public tenants. The low-income private tenants are mostly migrants who are excluded from government social assistance.

This situation suggests that a conflict exists between gentrification and other ongoing urban trends in the city. Industrial transformation and urbanisation in large Chinese cities are simultaneously leading to social geographic change in the inner city, but in a way that partly conflicts with the expectations of gentrification. On the one hand, cheap labour is largely attracted to the city due to the expansion of low-skilled employment sectors, while on the other hand, the government has launched vigorous urban redevelopment plans that generate much faster change than seen in the individual-based gentrification in advanced industrial societies. Further, the urbanism imagined and created based on government policy is substantially directed towards attracting middle class and broadly high-income consumers. As a result, while searching for their livelihoods, a large pool of the working class must withstand consumption pressure and cultural isolation in the city. In the 2000s, the locations occupied by public tenants and manufacturing workers still constituted the main battlefields for gentrification. The circumstances of private tenants and of commerce and service trade workers could be more related to indirect displacement. Nevertheless, the continuous promotion of gentrification by the government is anticipated to begin reversing the trend of increased low-skilled service workers and low-income private tenants in gentrified areas, compared with the steady growth seen in the 2000s, once commercialisation matures and housing commodification is completed.

The correlation analysis draws out an initial assumption about the social injustice of gentrification. In a city where post-industrial transformation is less advanced, gentrification driven by the developmental state may cause consumption and displacement pressure on a larger population in Chinese cities, which entails a risk of socio-spatial polarisation in the city. To test the assumption, Table 6.1 lists the citywide change in the middle-class and working-class population. The two classes are indicated by the level of educational attainment and the socioeconomic classification of residents in the city. The location quotient for population by education and by occupation is

Table 6.1 Changes in population by education and occupation in Chengdu 2000-2010

	Change in the middle-class population					Change in the working-class population				
	By education		By occupation		Composite change in LQ	By education		By occupation		Composite change in LQ
	No.	%	No.	%		No.	%	No.	%	
Core-gentrified	61796	269.91	11620	27.61	0.622	-88651	-31.35	-12880	-11.25	-0.197
Less-gentrified	22021	131.23	1000	2.94	0.169	-44596	-22.51	6890	9.18	-0.054
Un-gentrified	79878	62.30	-23150	-13.48	-0.214	-54612	-6.52	68750	20.65	0.035
Inner suburb	159600	366.47	96000	238.15	0.339	299714	55.74	212200	118.48	-0.108
Outskirts	55239	268.92	25840	72.81	0.011	464866	62.61	261480	109.41	0.037
Total	378534	163.17	111310	34.32	0	576721	23.52	536440	57.03	0

Note: The middle-class population based on educational attainment includes the population with university and graduate degrees; the middle-class population based on occupational classification includes managers and professionals. The working-class population based on educational attainment refers to the population with a secondary education and lower; the working-class population based on occupational classification includes agricultural, production and commerce and trade service workers.
Sources: Computed based on Population Census Office of the State Council [PCOSC], 2000 and 2010 census data at the sub-district level provided by the five district governments in Chengdu.

calculated by dividing the percentage of a population in a sub-district by that of the main urban district of Chengdu. Then, the composite change in location quotient in this table is generated by the arithmetic mean of the changes in the location quotients for the two populations over the ten years. Meanwhile, the absolute number and percentage change in population by educational attainment and occupation are provided separately in order to show the volume of change in the two classes. The city is divided into five geographical divisions, including core-gentrified areas, less-gentrified areas, un-gentrified areas, inner suburbs and outskirts.

As marked by the change in location quotient, the core-gentrified areas witnessed the most rapid aggregation of the middle class (change in LQ = 0.622) in the 2000s; this was even faster than that seen in the inner suburban areas (change in LQ = 0.339). Moreover, while both the absolute number of high-paid and low-paid occupations actually increased in the less-gentrified areas and the inner suburbs, the two occupations presented opposing trends in the core-gentrified areas. The result verifies the influence of urbanisation and densification on socio-spatial change, while stressing the power of gentrification, which occurs contemporaneously with them, in causing displacement within the most gentrified areas. Specifically, the core-gentrified areas, comprising a mere eight sub-districts in contrast to 19 un-gentrified sub-districts, displaced 88,651 persons with a lower than secondary education and 12,880 low-paid workers over the ten years. By contrast, neighbourhood redevelopment attracted 61,796 residents with a university degree and 11,620 high-ranking employees to these areas. The four less-gentrified neighbourhoods saw a relatively small volume of change over these years, with a loss of 44,596 less-educated residents and an actual increase of 6890 low-paid occupations.

Both the un-gentrified sub-districts and outskirts gained a comparative advantage in housing working-class residents in the 2000s, but only un-gentrified sub-districts saw a loss in the middle-class population (i.e., change in LQ for the middle class= -0.214). The finding confirms an earlier observation that both the outskirts and the un-gentrified sub-districts in the inner city could be destinations for displacees and, more broadly, for the working class in the city. However, in a comparison, the un-gentrified inner-city neighbourhoods have a more dramatic gain in working-class residents, which signifies a

tendency of poverty concentration. Specifically, an extra 68,750 low-paid workers moved into those areas, compared with a tremendous number of new working-class residents moving into the larger areas of the outskirts (261,480). But the less-educated population generally declined in the inner city, including the 19 un-gentrified sub-districts.

Figure 6.1 maps the changes in the location quotients for the working class into five groups, each containing one-fifth of all urban districts. Overall, most of the sub-districts had smaller changes in the location quotients for the working-class population throughout the 2000s. It means that the ratio of working-class residents in a major part of the city altered in parallel with the average trend citywide during the 2000s. The three quintiles in the middle denote these sub-districts, for which the change ranges from -0.022 to 0.016. These sub-districts are located at the urban fringes on the north side, the inner suburbs on the west side and the outer areas of the inner city (e.g., Shaheyuan, Fenghuangsan and Qinglong).

Distinguished from the principal trend, sub-districts under the first and last quintiles presented an apparent change in the working-class population throughout the decade. Five of the gentrified areas, which are enclosed by a bold line in this map, are classified in the first group and experienced the fastest drop in the aggregation of working-class residents, while the other seven gentrified areas fall into in the second quintile. The five areas are all adjacent to the financial and business centres (i.e., XHX, LX, LZ, HJT, and NSK). Extending from the five gentrified areas, the southeast suburbs (e.g., Dongguang, Shuanggui, Shahe and Chenglong) of the city witnessed a comparable tendency in the 2000s. A few sub-districts in the south side of the city are also notable (e.g., Guixi, Xiaojiahe and Fangcaojie), as they experienced rapid industrial development and social restructuring after being included in the new high-tech zone.

Turning to the last quintile of the sub-districts, the analysis does not detect a clustering phenomenon of the working class into an *extensive* geography of the urban periphery, although the periphery is arguably the main location for the formation of working-class settlements. Instead, the growth of working-class residents in Chengdu throughout the 2000s displayed particular spatiality towards the west side of the urban
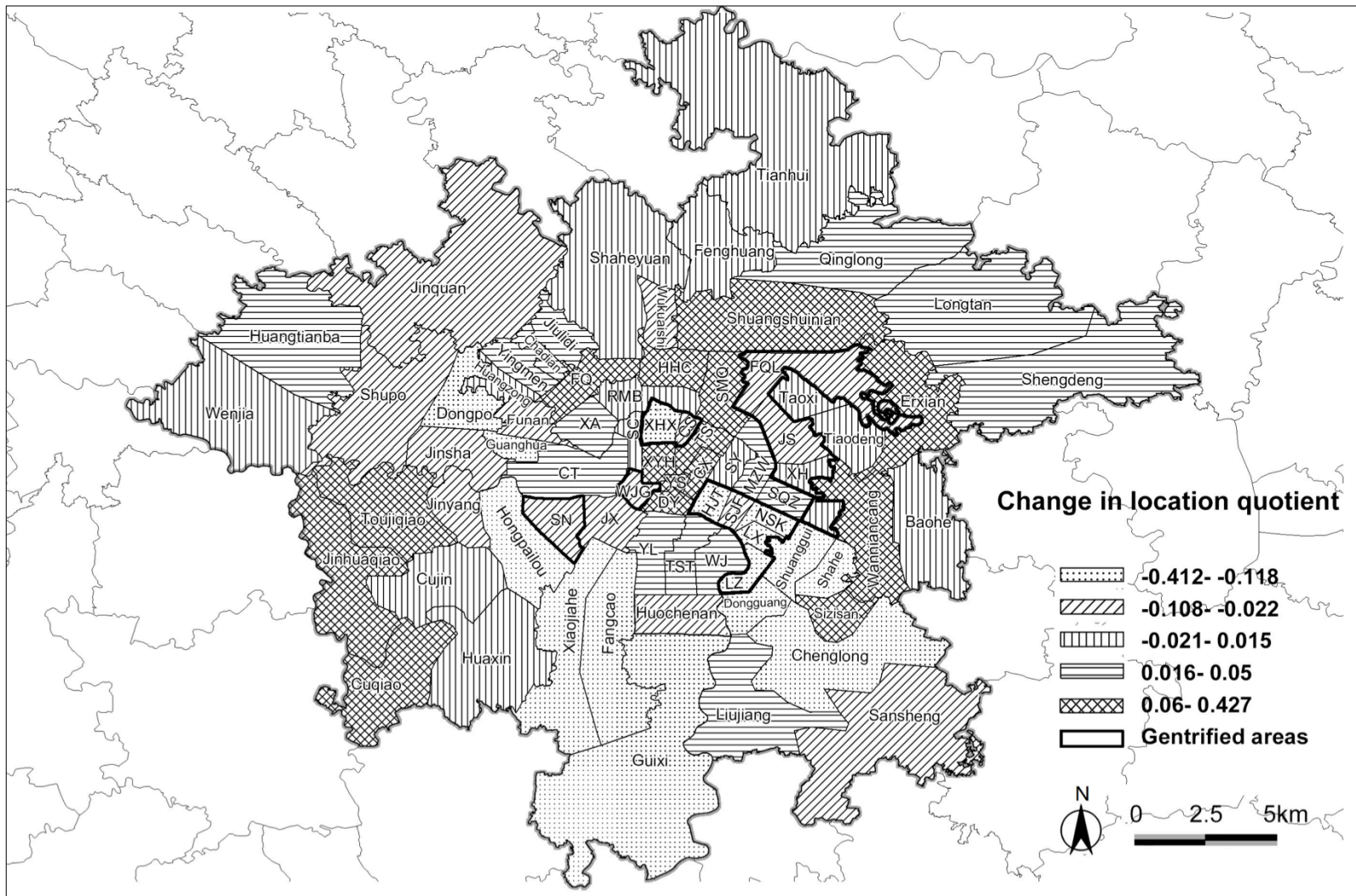
Figure 6.1 Change in the working-class location quotient in Chengdu, 2000-2010.
Source: Drawn by the author based on PCOSC, 2000 and 2010 census data at the sub-district level provided by the five district governments in Chengdu.

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fringes and the north and south side of the inner suburbs of the city. The other urban fringes even saw *de facto* social upgrading, which could be a result of suburbanisation or administrative urbanisation that converted townships into urban districts (e.g., Tianhui, Jinquan and Shaheyuan). The results again embody the interdependence of urban processes in the Southern city. Moreover, it can be a sign of the low degree of spatial mobility of working-class residents.

Eight inner-city sub-districts constitute the other set of the sub-districts that had continuously absorbed low-educated and low-paid residents from 2000 to 2010. Among these inner-city sub-districts, the most rapidly declining areas were YSK, HHC and CX, which are characterised by large-scale commercial land use. Five of these working-class sub-districts are located within the CBD areas (YSK, CX, TS, XYH and DY). In the 2000s, these areas did not attract new investment in housing but were intensively redeveloped with public facilities and commercial real estate. As a result, they experienced a reduction in residential land use in the 2000s, while the remaining housing suffered from underinvestment. However, while a redevelopment project in HHC ended in 2012, the sub-district of XYH together with another sub-district relatively distant from the CBD areas (SMQ) have been included in two new redevelopment programmes after 2012.

In contrast to the minor changes in the working-class location quotients in most of the sub-districts citywide, the conspicuous retreat of the working class from one area does not come from thin air. The above revelations highlight that gentrification has played a leading role in dislocating the working class in some inner-city neighbourhoods in the city. Moreover, except for some specific sites at the urban periphery, those inner-city areas that remain un-gentrified have shouldered the task of accepting the incoming working-class residents. To identify the inner-city areas that have attracted the working class, this study correlates the changes in location quotients for the working class from 2000 to 2010 with independent variables describing the characteristics of the inner-city sub-districts (Table 6.2). Aside from educational and occupational variables, which are two components defining the working-class index, the change in rural-urban migrants (.716) and the homeownership rate of commercial apartments (-.617) have the highest coefficients for their correlation with working-class concentration in inner-city areas.

Table 6.2 Simple correlations for 2010 and the 2000-2010 change against the change in LQ for the working class in Chengdu (N = 31)

	Correlations	
	2010	Changes
Gentrification index		-.877
Education		
Primary educated population	.590	.780
Secondary educated population	.514	.662
Population with a college degree	-.526	-.767
Population with a university or graduate degree	-.446	-.769
Occupation		
Managers	-.501	-.610
Professional and technical workers	-.461	-.745
Clerk and related workers	.272	-.103
Commerce, service trade personnel	.459	.642
Production workers	-.081	.500
Household registration status		
Rural hukou population	.534	.716
Migrants	.372	.302
Industry		
Manufacturing workers	-.478	.486
Retail service workers	.379	.509
Personal service workers	.436	.250
Producer service workers	-.168	-.554
Public service workers	-.111	-.599
Locational character		
Standard of middle school	-.383	
Standard land transfer fees	.001	
Distance to master-planned financial and business centre	.435	
Distance to master-planned historic and cultural sites	.207	
Distance to traditional commercial and business centre	-.199	
Commercial land-use	.333	
Tenure type		
Self-built house owners	-.114	.278
Public tenants	.148	.339
Private tenants	.398	.506
Owner occupants of commercial apartments	-.633	-.617
Subsidised owners	.507	-.025
Owner occupants of price-controlled housing	.023	.159
Expenditure on housing		
Average monthly rent	-.083	-.511
Housing condition		
Households in housing built after 1990	-.534	-.474
Average floor space of building (per population)	-.226	-.486
Households with independent bath	.254	-.282
Households in building over 7 stories	-.376	-.374
Households in reinforced concrete building	-.393	-.192

Note: Variables for social class in 2010 represent the percentage status, except average age, monthly rent and floor space per population, which are measured by absolute number. The value changes of the variables from 2000 to 2010 are calculated by the absolute percentage point change except for rental change and floor space change, which are defined as the growth rate. *Source*: Computed based on PCOSC, 2000, 2010 census data at the sub-district level provided by the five district governments in Chengdu, and spatial planning materials provided by the Urban Planning and Research Institute of Chengdu.

This finding continues to stress the dominant role that urbanisation plays in the demographic changes in the inner city. Moreover, housing privatisation should create consumption pressure on the working class. Among all tenure types, those sub-districts where the working class is clustered are significantly associated with an increase in private tenants (.506) and public tenants (.339).

A growing working-class concentration in inner city districts correlates positively with the expansion of retail service labour (.509) and manufacturing workers (.486), plus a high proportion of commercial land use (.333). The correlations imply that the growth of the commercial and business sectors is one basic reason for the entry of the working class into the inner city. For example, the YSK and CX sub-districts, located at the very geographic centre of the city, contain the traditional commercial and business centre of Chengdu. Only 11,183 residents resided in Yanshikou District in 2010, with one-half of the land being developed for commercial use. The TS and HHC sub-districts have been sites of large-scale wholesale markets since the 1990s. These sub-districts provide a high number of jobs in retail and trade services.

Finally, rental prices and housing conditions have limited the housing choice of the working class. Working-class districts in 2010 were more likely to have experienced a lower growth rate in rents (-.511) than the other sub-districts from 2000 to 2010 for two reasons: the working-class settlements in the inner city tended to consist of older housing that was constructed before the 1990s (-.474) at high density (-.486). Although they have smaller coefficients, the changing working-class concentrations show a negative association with all of the other indicators of housing conditions, such as housing type, housing amenities, and building materials. This indicates that the working-class residents have been crowded into the remaining old and relatively affordable rental housing in the inner city, which includes chiefly public rental housing, low-quality shelters and housing built by farmers in the city. The SMQ sub-district, one of the case studies in the last chapter, is a typical area still characterised in 2010 by a majority of low-quality rental housing.[41] Given the outward migration of the mostly *danwei* worker residents, nearly

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[41] One case study in this research—the CJA redevelopment project—is located in the SMQ sub-districts. The redevelopment project was set in motion in 2012, after the census year.

two-thirds of the inhabitants are currently low-income private tenants. In this case, the low-income residents could have encountered housing impoverishment if residing in the inner city.

I thus argue that poverty concentration in the inner city is a particular result of gentrification in the newly developed city economy. While gentrification promotes employment upgrading and social replacement, the inner cities in China, in effect, continue to play an important role by offering employment to the working class. Unlike a linear model of urban development in which re-urbanisation emerges after the suburbanisation of the middle class and the degeneration of the inner city, in China, state-led gentrification facilitates an opportunistic mode of development for new emerging sectors, in which landscape and image production is the main approach. The state-driven development of new economic sectors has accompanied urban redevelopment and the continual expansion of tertiary employment, so that the inner city has not experienced a real decline. Ultimately, low-paid workers occupy the un-gentrified inner city or even the less-gentrified areas. There is a tendency towards socio-spatial polarisation in the inner city, which has the potential to develop into a citywide phenomenon.

The result aggregates the inequality experienced by the working class into patterns of housing impoverishment. The working-class residents who stay in the inner city must endeavour to balance consumption pressures with the imperative of earning their livelihoods. Meanwhile, as we saw in the last chapter, as urban redevelopment programmes have been carried on, the government has strengthened neighbourhood administration to maintain order over economic activities in working-class neighbourhoods. However, informal sectors are still burgeoning, with most of the working-class neighbourhoods in the inner city hidden in internal blocks and behind the spectacular landscape of official buildings and hotels along the main avenues. Yet, tighter administrative rule is challenging the informal sectors within working-class neighbourhoods. As the municipality increasingly integrates gentrification with sectoral modernisation in its formal development agenda, the working class will face tension from both residential displacement and employment displacement.

6.2 Speculation and the affordability of the city

According to the field research in Chapters 4 and 5, our research has proposed that state-led gentrification encourages real estate consumption and intensifies the cultural ideology of consumerism, even for residents with lower consumption capacities. Starting from this postulate, this section provides a preliminary exploration of the wider significance of gentrification for real estate speculation and housing affordability in the city of Chengdu.

State-facilitated urban redevelopment is a rapid and robust way to enhance land investment in a short time by coordinating government support and launching mega-projects with extensive land use. Taking the North Redevelopment Programme in Chengdu as an example, at the end of 2011, the municipal secretary of Chengdu, Huang Xingchu,advocated five strategies of city boosterism for building Chengdu as the growth pole of Western China. New city construction and the launch of the North Chengdu Redevelopment Programme were initiated as components of the five strategies. The programme covers part of the two urban districts, Jinniu District and Chenghua District, and two suburban counties of Chengdu, encompassing 211 km^2 and involving 1.5 million residents living in old housing with poor transportation, housing conditions and living environments (Rong, et al., 2015.08.19; see Figure 1.5). The government presented ten action plans to complete 360 projects within five years.

From 2012, when the programme was first initiated, to 2014, 51.2, 56.8 and 71.3 billion Chinese Yuan (approximately US $7.8, 8.7 and 11 billion) per year were invested in the development of the programme. Each year, the investment amounted to approximately one-third of the total investment in real estate development in the city.[42] The areas covered by the North Redevelopment Programme (211 km^2) constituted only 1.7% of the administrative land area of Chengdu (12,121 km^2, including counties and county-level cities affiliated with Chengdu). However, compared with only the five urban districts of Chengdu (465 km^2), the share of the North Redevelopment Programme located in the urbanised area (139 km^2) amounted to 29.8% of that area (Annual Report of Chengdu, 2014). In addition to the North Redevelopment Programme, the renewal of

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[42] Calculated based on data in the Annual Report of Chengdu and Annual Statistical Report of Chengdu, 2013-2015.

urbanised villages has also been listed on the agenda by the municipal government since
2012. Since 2013, the central government has promoted new programmes under the name
of "shantytown reconstruction." The China Development Bank issued 10.2 billion
Chinese Yuan (approximately US $1.5 billion) in loans to Chengdu Municipality in 2014
to support the programme (Annual Report of Chengdu, 2015). The extraordinary scale
and pace of these urban redevelopment programmes has given them a significant role in
the total investment in real estate development in the city and in stimulating housing
consumption. Thus, compared with property investment in greenfields, state-led urban
redevelopment and gentrification include essential state interventions in the land market
for the purpose of rapidly increasing land investment as part of a heroic growth scenario.
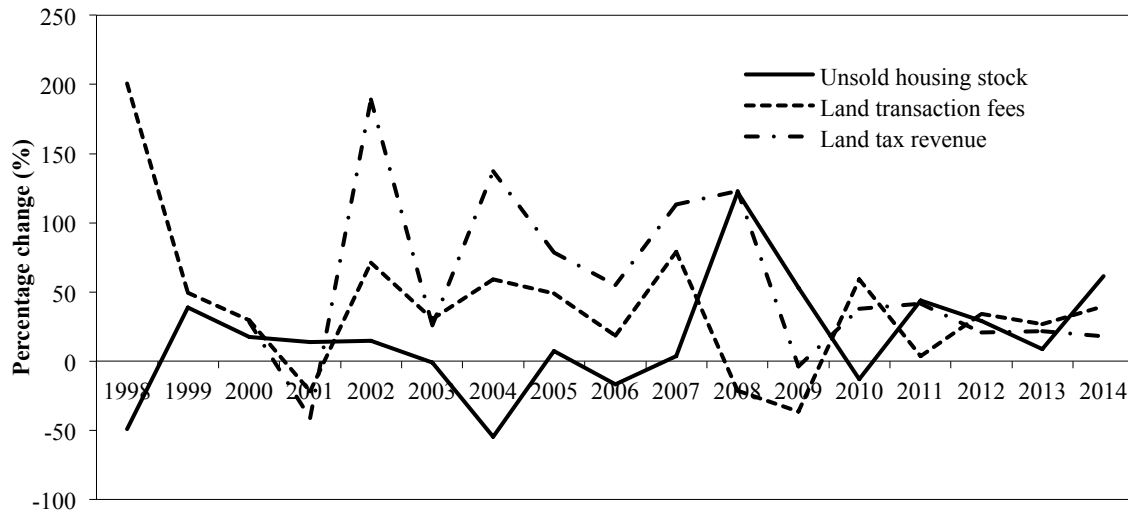
Figure 6.2 Trend in land transactions, land tax revenue and unsold housing stock in Chengdu. *Note:*
Land transaction fees include fees generated by land transactions via directly land allocation, land leasing
or land auction. Land tax revenue contains land-use tax paid by land users and land value increment tax
paid by original land-users who transferred land-use right to secondary user. *Sources*: Computed based on
the National Bureau of Statistics of the People's Republic of China [NBSPRC] and China Index Academy
[CIA], 1999-2015 and Chengdu Bureau of Statistics [CBS], 1998-2015.

Using a real estate dataset from the National Statistics Department, this study
examined the real estate market change in Chengdu from 1998 to 2014. Figure 6.2
compares the year-over-year percentage change in land transaction fees, land tax revenue
and unsold housing stock in Chengdu for these years. The indicator of unsold housing
stock represents the *accumulated* housing that remains unsold in a given year. Generally,
the figure presents a negative connection between the percentage change in unsold
housing stock and land transaction fees, meaning that as land transactions increased in a

year, the accumulated number of unsold housing units in that year actually decreased. This result reinforces the existing housing speculation underlying real estate development from 1998 to 2014, wherein housing consumers tended to consume when the land market was heating up.

Specifically, immediately after the nationwide termination of housing allocation by *danwei*s, the growth rate of unsold housing stock declined annually from 1999 to 2003; in 2004 the unsold housing units dropped by 50% of the level in 2003. The tendency indicates a fast growing housing sale in the first five years of the 2000s. The results show high consumer confidence in the housing market until 2004. However, starting in 2004, unsold housing stock accumulated through 2008 with an exception of 2006, reflecting continuous housing production in the latter half of the 2000s and gradual saturation of housing demand among eligible consumers. The years of 2009 and 2010 witnessed another recovery in housing consumption. Nevertheless, since 2011, although land transactions continue to increase, albeit at a slower rate compared with the 2000s, the size of the housing stock has also been expanding. From 2011 to 2014, new investment and consumption have apparently cooled down compared with earlier in the 2000s.

Another finding is related to the relationship between land transactions and land tax revenue received by both the central and local governments. Since 2001, land tax revenue has grown constantly, only showing a slight drop in 2009. The change in land taxes was approximately synchronous with land transaction fees. However, in the 2000s, the growth rate of tax revenue was higher than that of transaction fees, which suggests that land investment could drive the exponential increase of taxes. This difference in growth rates was due to the increase in property values, which elevated tax revenues on land use and land value increments. Nevertheless, since the 2010s, the growth rate for land tax revenue has been lower than that for land transaction fees. The change indicates a recession in the real estate industries, prompting taxation reduction and exemption as measures to encourage continuing land investment.

The trends of land investment and housing consumption have been reflected in the dynamics of housing prices in the city. According to Figure 6.3, in Chengdu city, housing prices increased continually throughout the 2000s. The three most obvious price booms appeared in 1998 to 1999, 2000 to 2004 and 2009 to 2010, in line with the increases in

land investment. In 1999, soaring housing prices were supposedly affected by a substantial increase in the supply of commercial apartments following the housing reform in 1998, which terminated housing allocation by employers to employees. From 2009 to 2010, however, the consumer housing market presented a tendency towards speculative pricing. The rapid rise in housing prices was affected by measures to remedy changes in the housing market caused by the financial crisis. In Chengdu, moreover, price gains were particularly facilitated by the special fiscal and financial policies issued by the central government to support disaster reconstruction after the great earthquake in Sichuan Province in 2008. Since 2011, the growth rate in housing prices in Chengdu has declined, following the cooling in the real estate market. In 2014, housing prices declined for the first time during the reform period in comparison with the average housing prices for 2013.
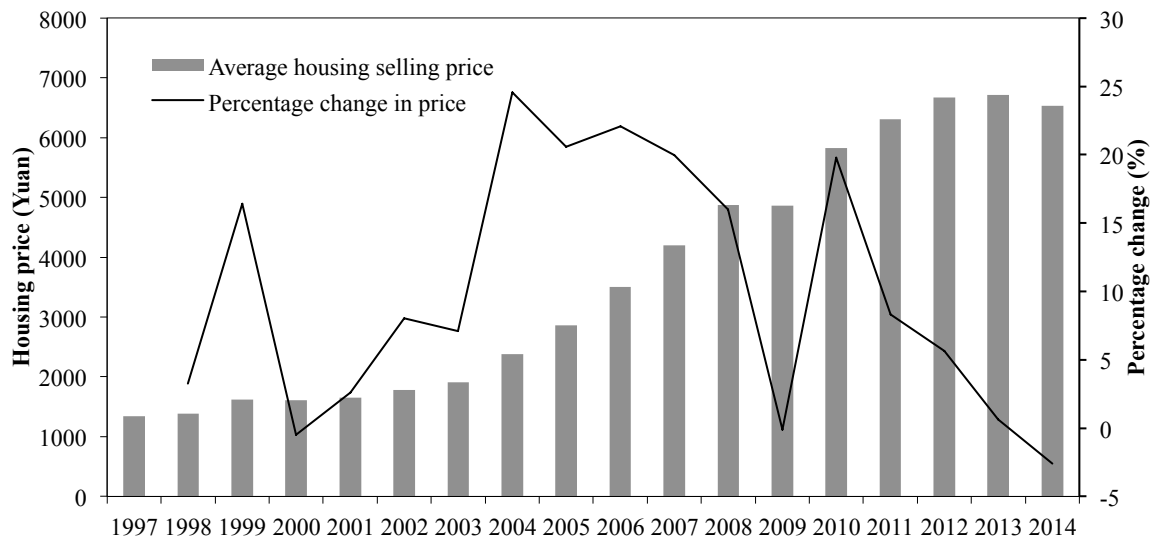
Figure 6.3 Housing price change in Chengdu, 1997-2014. *Sources*: Computed based on NBSPRC and CIA, 1999-2015; CBS, 1998-2015.

This preliminary review of the housing and land markets aims to provide evidence that the housing market has been consistently sustained by a high volume of real estate production and by the stimulation of consumption and speculation, particularly during the 2000s. It is worth noting that periods of state-led redevelopment programmes in Chengdu have been nearly concurrent with the most substantial inflation in housing prices (2002 to 2004; 2009 to 2010). Most recently, the slight recovery in the growth trend for land investment since 2012 coincided with the establishment of the North Redevelopment

Programme in 2012. As shown in Chapter 3, the increase in unsold housing in the city has consistently led the central government to promote urban redevelopment and revise compensation policies to fuel housing consumption and land market activities. The efficacy of the new round of consumption stimulation and the viability of continuous economic growth based on land finance and real estate industries remain to be seen.

The policy-driven investment and consumption and price booms have enlarged the gap in housing affordability between wealthy and disadvantaged consumers. Based on the price-to-disposable income ratio, we can identify the changing housing affordability by income group in Chengdu. First, according to Chengdu Statistics, the income groups are divided into five quintiles, with additional information on the top and bottom 10% (Figure 6.4). Clear polarisation can be seen between the highest income group and the others; this has been sustained since the early 2000s.
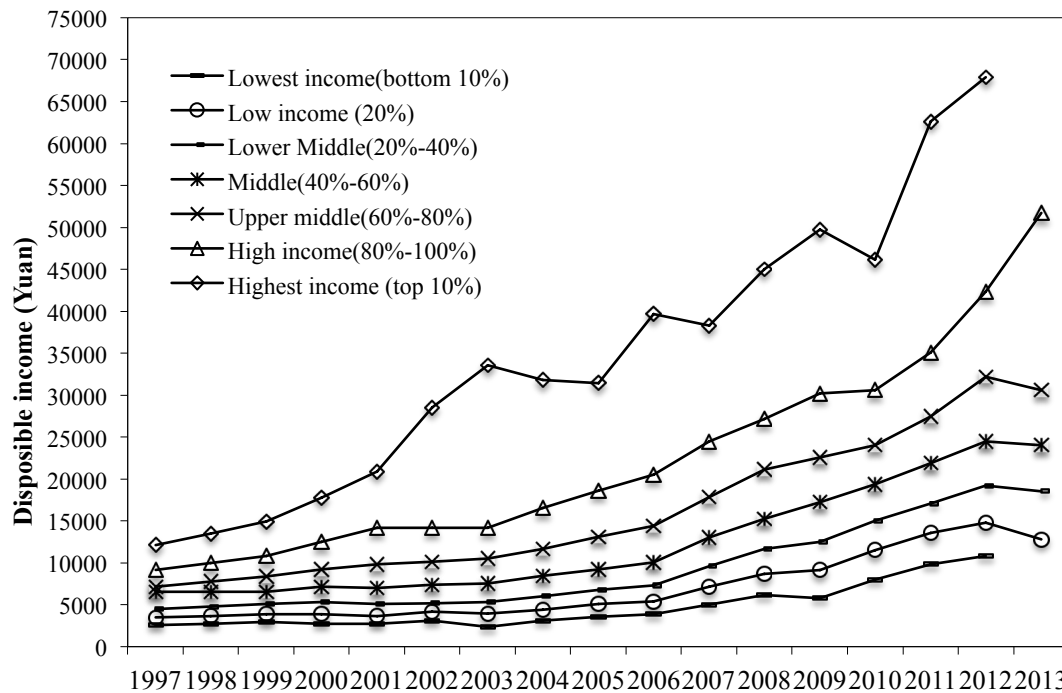
Figure 6.4 Average disposable income per capita in Chengdu. *Note*: The information for the disposable income per capita of the lowest income households and highest income households is missing for the year of 2013. *Sources*: Computed based on CBS, 1998-2014.

To examine the price-to-income ratio, most Chinese scholars identify three members as a standard nuclear family, with the living area for each household set at 90 m^2 (Chen et al., 2010). Housing reform has greatly improved the living area per capita since 1998. In

the early years of the 2000s, the living area per capita in Chengdu could be as low as 10 m², whereas the number has been increased to approximately 30 m² since 2004. In this case, using the living area for each year to estimate housing price per household will create errors. Following the price-to-income method, this study has identified the housing affordability of the seven groups in Figure 6.5.
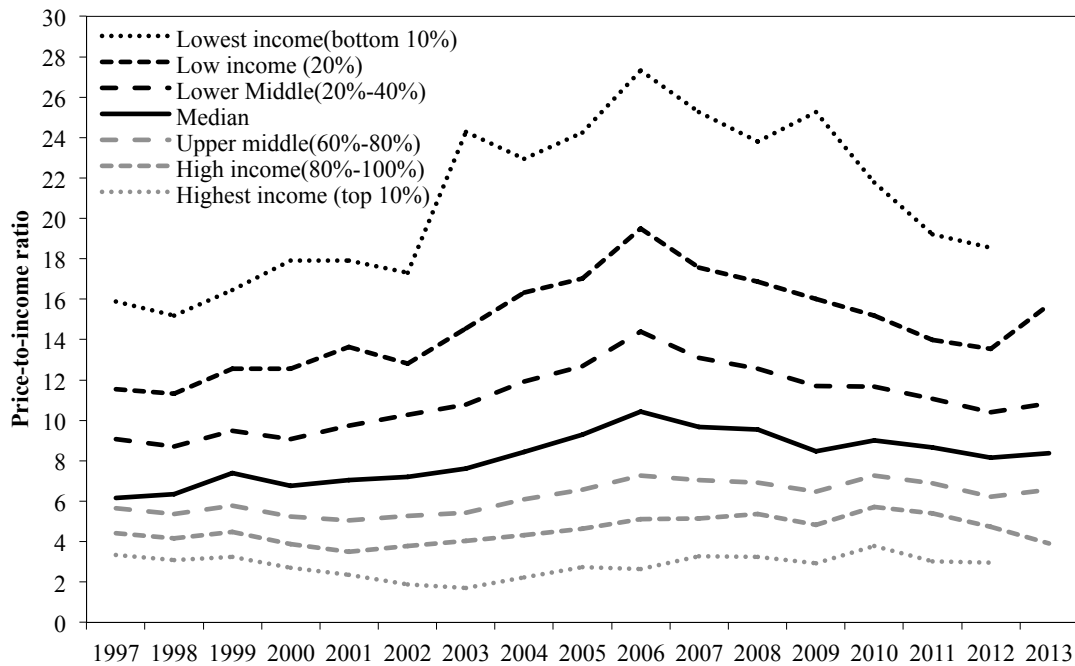
Figure 6.5 Price-to-income ratio in Chengdu. *Sources*: Computed based on CBS, 1998-2014.

First, based on the World Bank standard of 5:1 as an acceptable affordability level, housing is overvalued for all residents except for the top 20% income group. Second, the median income group has a general housing cost burden of seven to ten times the annual family income, while the low-income group must pay 12-20 times the annual family income to access homeownership. Third, similar to the wealth gap, the differentiation of housing affordability among groups is also uneven, as the gap has increasingly grown between the upper-middle class and the other income groups. For the lowest 10%, prices have fluctuated between 16 and 27 times annual family income. Additionally, housing affordability for the lower-income groups is much more volatile between its highest and lowest scores than it is for the higher income groups. It implies a relatively steady annual income of the low-income families, which engendered their vulnerability in the urban housing market.

Finally, in line with housing market dynamics, housing affordability continually worsened from 2002 to 2006. After a minor improvement initiated by price controls in the following three years, the cycle again reversed from 2009 to 2010. It is worth noting that since 2012, we have seen a trend of increasing housing unaffordability for all groups except the high-income group, and the lower the income is, the more significant this negative tendency. The variable price-to-income ratio indicates a highly overvalued housing market in Chengdu relative to local incomes and a large gap between low-income groups – who are excluded from it – and high-income groups in housing affordability. In this environment of marked house price inflation, the bottom 50% of the market faces huge barriers to achieving homeownership, and the working class will increasingly fall far short of homeownership access.

Starting with the importance of the state-led urban redevelopment programme in increasing land investment and housing consumption, this section has deepened understanding of the implications of gentrification for perpetuating the unequal status of low-income consumers in the housing market. The success of state-facilitated gentrification in China, measured by its efficacy in winning new investment, new industries and high-income residents into targeted places, relies on a consumer-driven economy to sustain economic prosperity. To maintain the strength of a consumer-driven economy, the government has continually motivated real estate investment and consumption using policy incentives. As a result, gentrification has enlarged the gap in housing affordability between the rich and low-income residents.

6.3 Tenure-based exclusion and segregation

According to the strong correlation between gentrification and change in the types of housing tenure in a place, the study has suggested that state-led gentrification forms part of the toolkit of housing reform in the Chinese cities. By mapping the geography of households by tenure type in the city of Chengdu, this section examines gentrification's effects on the changing housing supply system and the subsequent social outcomes. As mentioned earlier, the census provided by the Department of National Statistics classifies the tenure of households in each sub-district of the city into six types: homeowners of

self-built housing, public tenants, private tenants, homeowners of commercial apartments (including second-hand buyers), subsidised homeowners who purchased social housing previously owned by housing authorities, or *danwei*s, and homeowners of price-controlled housing newly constructed after systemic reform. The spatial distribution of households by tenure is compared and mapped based on the five geographical divisions of the city — core-gentrified areas, less-gentrified areas, un-gentrified areas, inner suburbs and outskirts.

Chapter 3 revealed that except for subsidised owners, changes in the other five groups of households by tenure present at a minimum a moderate correlation with gentrification. Table 6.3 lists the change in these tenure groups in the 2000s. A location quotient that divides the share of each tenure type in the sub-district by its share in the main urban districts denotes the clustering tendency for households by each type of tenure in a sub-district. From 2000 to 2010, the most salient change in the gentrified areas came from the opposing trends for homeowners of commercial apartments and public tenants. The number of homeowners of commercial apartments simultaneously increased in the five divisions of the city, with a swift aggregation of private homeowners in the core-gentrified (change in LQ = 0.634) and less-gentrified sub-districts (change in LQ = 0.451). While in the urban districts of Chengdu, the number of entirely owner-occupied private apartments increased by 6.46 times the number in 2000, private homeowners in the core-gentrified areas grew by 7.23 times. The change is equal to 39,340 new households purchasing a new apartment in the inner city in the 2000s, compared with 398,890 new homeowners in the entire city. In 2010, the ratio of homeownership to all tenure types in the core-gentrified areas reached 40.04%, much higher than the overall city level of 28.52%.[43] According to the percentage change, the outskirts and inner suburbs did experience a faster increase in the number of private homeowners than the inner city, which was preconditioned by the large-scale new construction in the wake of land use urbanisation and, subsequently, the increase in the absolute number of households of all tenure types.

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[43] Computed based on PCOSC, 2000 and 2010 census data at the sub-district level provided by the five district governments in Chengdu.

Table 6.3 Changes in households by tenure type in Chengdu 2000-2010

	Change in homeowners of commercial apartments		Change in public tenants		Change in homeowners of price-controlled housing		Change in homeowners of self-built housing		Change in private tenants		Change in subsidised homeowners	
	%	LQ	%	LQ	%	LQ	%	LQ	%	LQ	%	LQ
Core-gentrified	723.16	0.634	-91.89	-0.796	-78.30	-0.597	-81.94	-0.044	323.63	0.195	-35.93	0.325
Less-gentrified	888.41	0.451	-87.89	-0.742	-68.79	-1.178	-87.27	-0.046	427.38	0.091	2.65	0.356
Un-gentrified	295.26	-0.177	-86.30	-0.330	-60.43	-0.236	-64.52	0.034	434.77	0.325	-27.36	0.530
Inner suburb	830.15	-0.204	-62.39	-0.099	13.43	-0.014	-83.73	-0.506	262.48	-0.695	19.18	-0.013
Outskirts	1606.9	0.120	-1.24	0.834	-4.45	-0.090	-42.87	0.145	554.64	-0.013	-0.89	-0.049
Main urban districts	645.87	0.000	-70.43	0.000	-19.18	0.000	-60.01	0.000	386.93	0.000	-14.38	0.000

Sources: Computed based on PCOSC, 2000 and 2010 census data at the sub-district level provided by the five district governments in Chengdu.

Paralleling the increase in private owners was the shrinkage of public tenure households. The shrinkage was not limited to the gentrified areas but also affected the other sub-districts due to the trend in housing commodification. However, the fastest decrease was still in the core-gentrified areas. The number of public tenants in 2010 declined by 91.9% of the number in 2000 in the core-gentrified sub-districts, compared with 70.43% in all of the urban districts of Chengdu (Table 6.3). In 2010, public tenants accounted for a mere 2.13% of all tenure households in the core-gentrified areas and 3.22% of those in the entire city. Additionally, because originally the central city contained a major part of the public rental housing in the city, changes in the inner city accounted for 83.6% of the decline of public tenants in the city, equivalent to 109,160 households.[44] According to evidence generated by field studies, this result could also be attributed to the consumption motivated by gentrification and compensation. During urban redevelopment and compensation, public tenants were encouraged to shift tenure and purchase new housing by virtue of the compensation received for demolished properties and government subsidies. Otherwise, public-private tenure conversion depended on individual consumption capability and *danwei* subsidies. The same trend was found among subsidised homeowners, who bought social housing previously owned by housing authorities or *danwei*s and homeowners. However, in the case of subsidised owners, the reduction could be credited more to individual mobility and new housing purchase than to urban redevelopment providing better housing quality than public rental housing.

In China, public housing is provided by socialist employers or municipal governments and targets residents with household incomes lower than the minimum living standard. The disappearance of public tenants suggests a trend of declining affordability for the lowest-income residents in the city. In 2010, 11.4% of the total urban residents still lived on Minimum Living Standard Assistance in Chengdu (Annual Statistical Report of Chengdu, 2011). From the national housing market, Huang (2012) found that 0.55 million units of cheap rental housing were built prior to 2006, but there were still 4 million households receiving Minimum Living Standard Assistance, indicating housing difficulties (MHURD, 2006, No. 63; Huang, 2012). Moreover, in 2010, only 2.7% of all urban households lived in cheap rental housing (Huang, 2012).

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[44] Ibid.

However, it is worth noting that even when the share of public tenants and subsidised owners decreased from 48% of all households in 2000 to 18% in 2010, the great majority (64.07%) of the remaining subsidised households in the city were still located in the inner city in 2010.[45]

If the opposing trend between private homeowners and public tenants suggests the effects of gentrification in accelerating the replacement of the earlier welfare regime for housing supply by an emerging market regime, the following findings bring to light new inequalities under the new market regime. Price-controlled housing aims at securing housing affordability for the majority of low-income and lower middle-income consumers. These housing units were constructed with government subsidies and countered the special policies of land transfer (Huang, 2012). Policies of price-controlled housing construction were initially advocated in 1998 (State Council, 1998, No.23), the same year that housing allocation by work units was terminated. Examining the share of affordable units can thus allow examination of the efficacy of low-income housing policies based on the new institutions of a market economy. In 2000, these households comprised 11.97% of all resident households in the urban districts of Chengdu, but had declined to 5.96% by 2010.[46] Similar to the trend seen for public tenants, nearly all of the decrease in price-controlled housing was in the inner city, and in particular in the core-gentrified areas (reduction rate of -78.30%) (see Table 6.3). According to the annual statistics of Chengdu, from 1999 to 2001, price-controlled housing construction (1 million square metres) was approximately double the value of commodity housing construction. In 2002, the total volume of price-controlled housing construction and resettlement housing construction decreased to slightly less than one-third the volume of new commodity housing construction (Annual Report of Chengdu, 2000-2003). The newly established low-income housing system has thus fallen short in housing the urban poor in Chengdu. In addition, the rapid decline of self-built homeowners in the inner city also indicates a *hukou* system inherited by the new market regime that functionally marginalises the housing rights of farmers who have lost agricultural land and resided in the city.

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[45] Ibid.
[46] Ibid.

In the wake of housing commodification, the absolute number of private tenants increased in all of the five geographical divisions of the city throughout the 2000s, including the gentrified areas. In 2010, the share of private tenants in gentrified neighbourhoods was still lower than that at the city level, which supports an earlier argument in this thesis: although negatively correlated with the change in private tenants, gentrification does not necessarily mirror a real reduction in private tenants in a neighbourhood, owing to the broad trend of soaring demand in the private rental sector. However, compared with other neighbourhoods, gentrification retarded the burgeoning private tenant market in gentrified areas throughout the 2000s, in particular among low-income tenants. Finally, the fastest growth rate of private tenants was seen in the outskirts (where the number of households increased by 5.5 times over its level in 2000), followed by the un-gentrified sub-districts in the inner city (4.3 times) (Table 6.3). The changes are equivalent to 216,420 households moving into the former area and 78,780 into the latter during the decade. Until 2010, private tenants accounted for more than one-half of all tenure types for households in the outskirts.[47]

The above description exposes the structural deficiencies in the low-income housing system that have been aggregated by gentrification. During the 2000s, gentrification reduced affordable rental housing in the inner city and fuelled a housing market transition towards exclusively owner-occupied commercial apartments. As gentrification occurred, the structural meaning of the inner city in maintaining housing affordability became increasingly erased. Meanwhile, the newly established low-income housing provision system was far from sufficient for housing the growing number of low-income households in the city. Ultimately, the restructured housing market means that low-income residents with no access to the previous *danwei*-based welfare system must house themselves in the private rental market. However, we have also seen the steady relocation of tenants from the city centre to the outskirts.

Maps were created to depict the geographical change of the six tenure types for households in Chengdu in 2000 and 2010 on a city scale (Figure 6.6). In 2000, compared with the tenure type structure in all of the urban districts, the location quotients for subsidised owners, public tenants and price-controlled housing owners were all greater

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[47] Ibid.
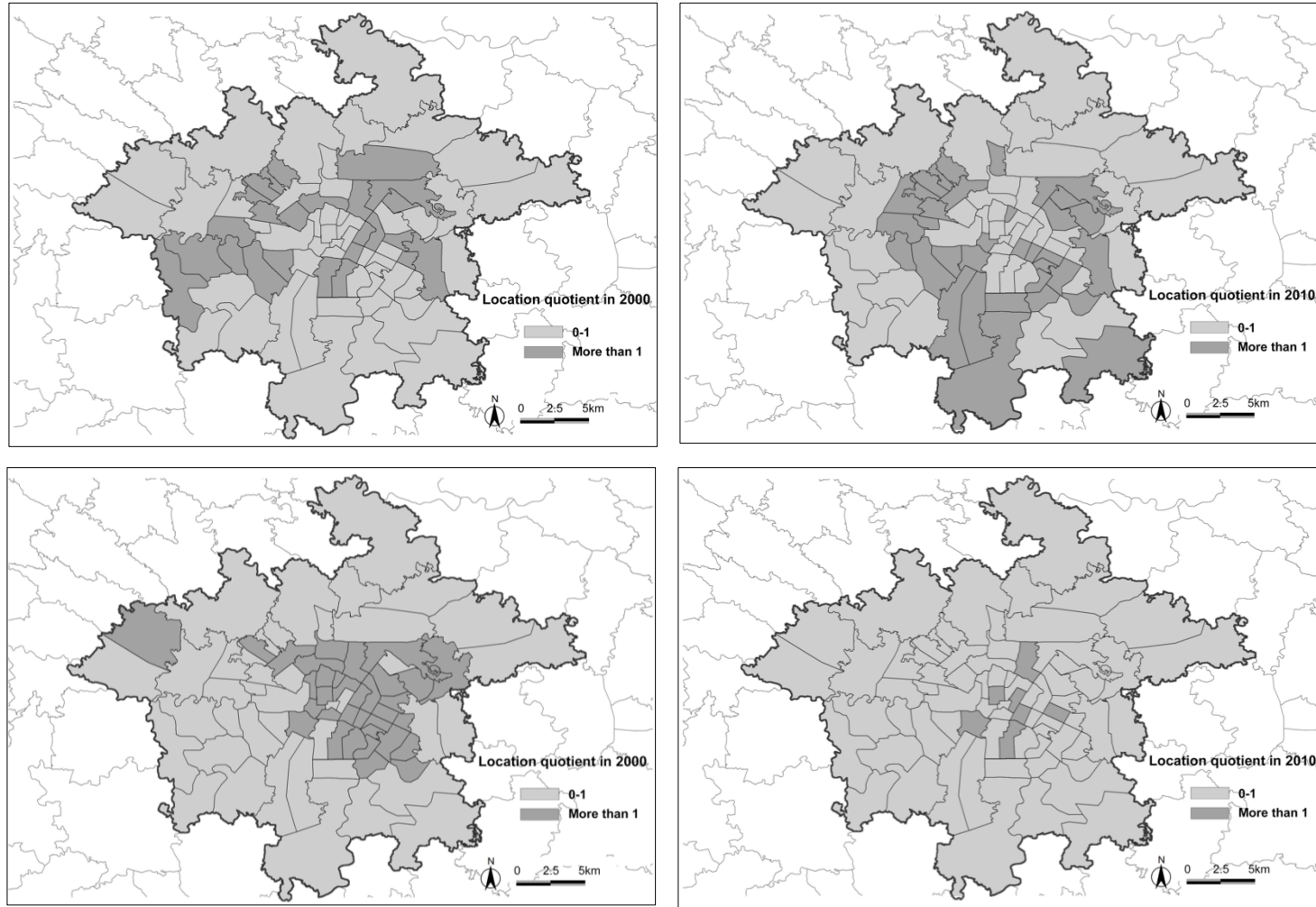
Figure 6.6 The distribution of households by tenure type in Chengdu in 2000, 2010: a (above) homeowners of commercial apartments; b (below) public tenants. *Sources*: Computed based on PCOSC, 2000 and 2010 census data at the sub-district level provided by the five district governments in Chengdu.
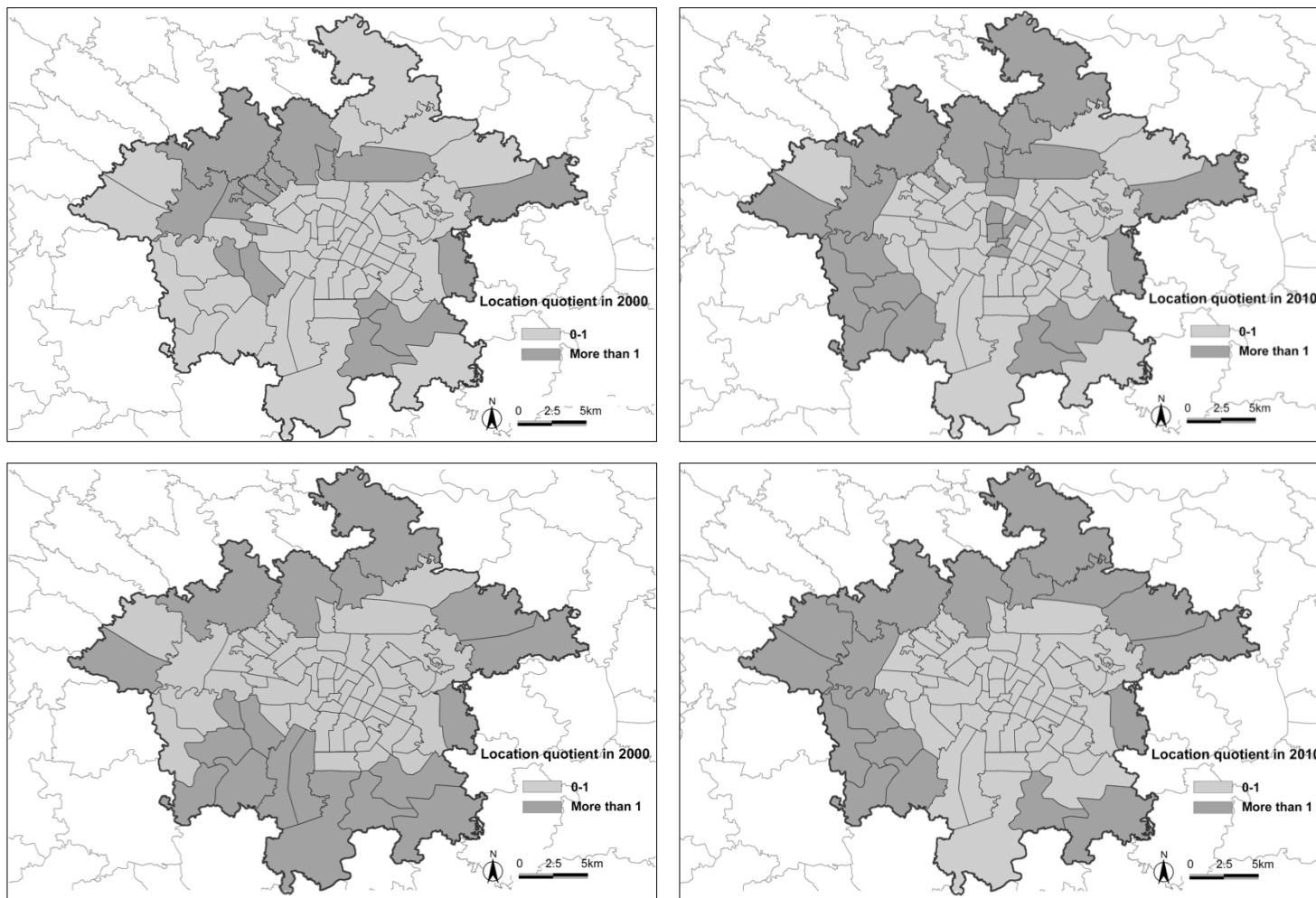
Figure 6.6 Continued: c (above) private tenants; d (below) homeowners of self-built housing.
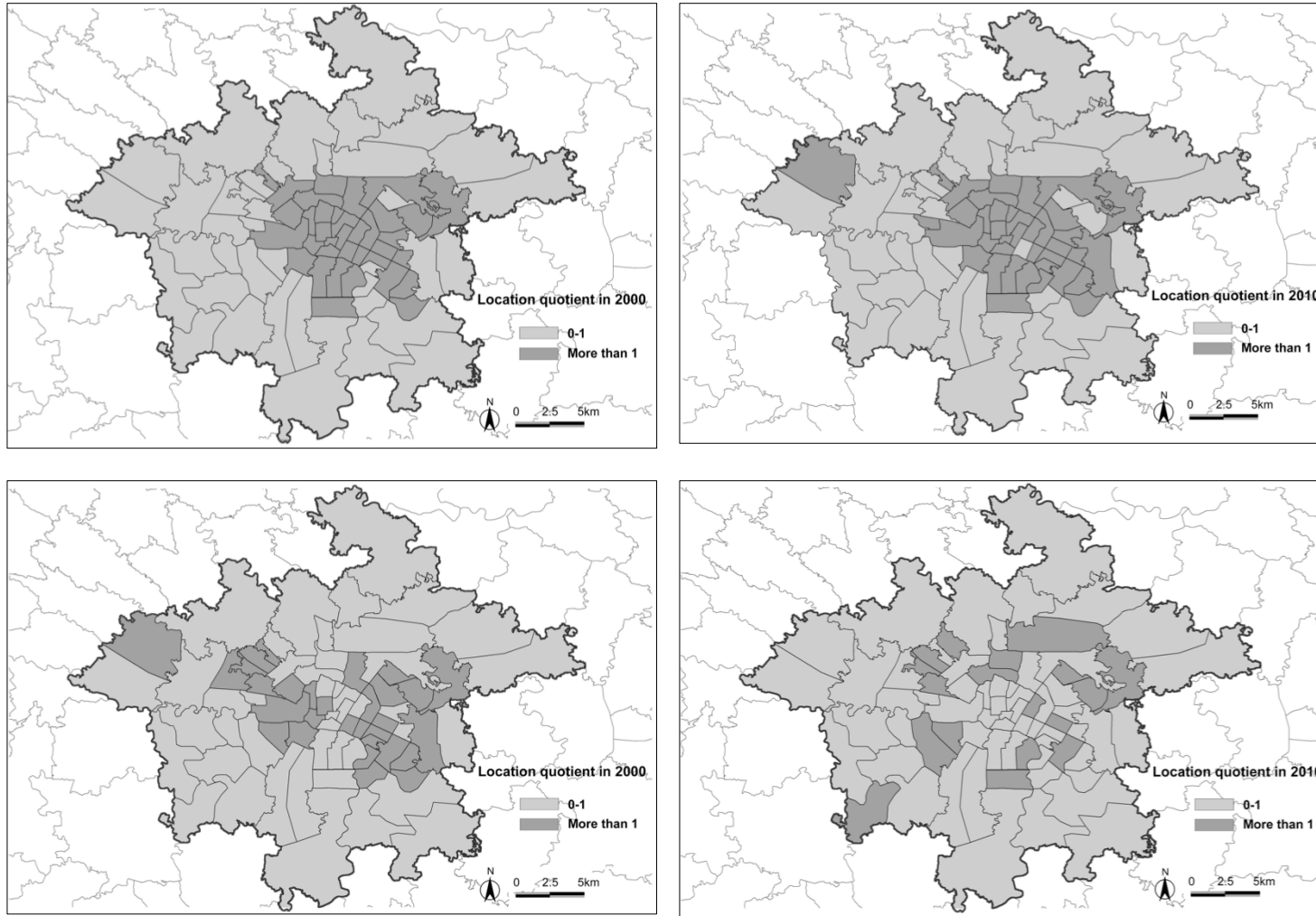
Figure 6.6 Continued: e (above) subsidised owners; f (below) homeowners of price-controlled housing.

than 1.0 in most of the sub-districts in the inner city (Figure 6.6b, e, f). A few sub-districts in the outlying areas of the inner city also predominantly accommodated private homeowners (Figure 6.6a). These places experienced earlier waves of urban redevelopment and could be deemed gentrified prior to 2000. The 2000 geography of households by tenure type signifies that many of the inner-city sub-districts were characterised by highly mixed housing consumers, considering both consumers for affordable housing and in the private market.

After a decade of urban restructuring, many of the core- and less-gentrified neighbourhoods shifted from settlements for public tenants to disproportionately holding private owners (Figure 6.6a). Some of the pioneering areas for gentrification in the 1990s lost advantages in their homeownership rate due to the fast-paced growth of private ownership in all urban districts, particularly in the inner suburbs. In 2000, the expansion of private homeowners towards the eastern and western outskirts of the city suggested a preliminary trend. However, by 2010, this tendency had shifted to the southern section of the city, following the establishment of a high-tech zone in this area. In contrast, a minor proportion of public tenants remained in a few neighbourhoods in the inner city (Figure 6.6b). These neighbourhoods are almost all un-gentrified or less- gentrified, with only one exception being the Hejiangting neighbourhood, which is one of the core-gentrified areas. Field observation showed that this sub-district contains in part the individual-based development of cultural industries, such as small galleries renovated from traditional dwellings and youth clubs and coffee shops housed in old buildings. Compared with state-led large-scale commercialisation, this type of cultural renovation has not broadly displaced indigenous residents.

Private tenants and homeowners of former rural housing included in urbanised areas were increasingly occupying the massive peripheries of the city by 2010 (Figure 6.6 c, d). A few sub-districts of private tenants in the inner city nearly overlapped areas marked by housing impoverishment in the first section of this chapter. Still, Xinhuaxilu, one of the core-gentrified neighbourhoods, contained private tenants amounting to more than the proportion at the city level. This situation could stem from the limited land use for residences together with densely developed office buildings in financial and business industries in this sub-district. Moreover, a large share of subsidised housing for high-

ranking bureaucrats affiliated with public institutions could also account for this result. High-income residents who purchased commercial apartments elsewhere but maintained ownership of subsidised housing might have chosen to rent out the housing. Together with a reduction in their ratio to all tenure types, homeowners of price-controlled housing only sporadically located in the suburbs (Figure 6.6f). Only the subsidised owners in the inner city were relatively less influenced by gentrification (Figure 6.6e). By 2010, a clear spatial pattern had taken shape: homeowners of commercial apartments predominantly occupied both the gentrified areas and the inner suburban areas and tenants and self-built homeowners were occupying the outskirts and un-gentrified areas.

Social inequalities shaped by the current housing system in China have been widely criticised in the literature (e.g., Logan et al., 1999; Wang, 2004; Zhu, 2000; Yi & Huang, 2014; Huang & Li, 2014). Nevertheless, few of these studies have associated these inequalities with gentrification. Ren (2015) explained that rather than gentrification, the *danwei* system, such as the political-economic hierarchy of *danwei* and *danwei* employees, and the *hukou* system in China have primarily determined inequalities in the urban housing system in China. The author thus questioned the "assumed notion of urban inequities and social injustice that allude to a context within which mobility and privilege function in tandem" in the processes of gentrification (p. 329-330). The present study underlines that because inner-city redevelopment has been located in places with considerable socialist public or collective-owned housing as well as rural-urban migrants, gentrification-in China certainly forms part of the trajectory of housing reform.

During the 2000s, the housing transition prompted by the gentrification process caused the social exclusion of low-income residents from the central city following the growing disappearance of the affordable rental market. It intensified spatial segregation between homeowners in the gentrified areas and inner suburbs and tenants in the outskirts and un-gentrified areas. Moreover, the structural change in the housing market will not be limited to only the original residents in the redeveloped neighbourhoods but will also extend to other low-income consumers. Low-skilled service workers and rural-urban migrants working in the central city will inevitably bear the brunt of displacement to the outskirts or even out of the city. Young adults who no longer inherit the affiliations and power of their parents in the socialist housing system will also be included with this

group.

To put it more abstractly, I suggest that urban redevelopment and gentrification—being integral to the force of structural change in the housing market—are associated with a pragmatic process of transforming the social inequality experienced by the working class from socialist welfare inequalities to market-based consumption inequalities. It functions as a mechanism articulating the new social order of consumption in urban society and correspondingly institutionalising new types of class-related inequalities. In the meantime, the *hukou* system is inherited by the market regime when gentrification is implemented, which doubles the marginalisation of rural-urban migrants in the city for either institutional reasons or through consumption capability. Despite the allure of policies that enable immediate individual financial gains, eventually the lower-income, or so-called deficient, consumers will be either directly expelled or will stay in the city but be constantly frustrated by a desire to be homeowners. It is thus questionable whether state intervention in gentrification in China brings unequivocal "real benefits to the poor," as suggested by Hogan et al. (2012, p. 61). Instead, new threats to the life chances of urban poor will result from the *reproduction* of social inequalities among the working class in the market society.

6.4 Conclusion: Unequal rights to the city in a consumer society

From the very beginning of reform, the Chinese government has presented its ambition to achieve a catch-up mode of development. This economic ambition impacts social strategies, wherein the Chinese government has adopted middle-class politics to support economic catch-up, but has meanwhile promised a share to mass society once the growth of the national economy has reached its target. The strategies of China's development as envisaged by the Beijing government thus call forth such Chinese discursive norms as state-led capitalism or socialism with Chinese characters, terms essentially stressing the role of a capable state in mediating trajectories of economic growth and social equality.

State-facilitated gentrification in China is a way to support middle-class politics and economic growth. In this chapter, I have underlined three aspects of structural inequality

that have been intensified by gentrification. The first aspect starts with the conventional perspective of gentrification effects, considering the dislocation of the working class, with its Chinese characteristics. The next two aspects introduce two new perspectives to elucidate the broad significance of gentrification for dynamics in the urban housing market; these are concerned first with real estate speculation and second with the structural change in tenure types consequent to the occurrence of gentrification.

First, as part of an opportunistic mode of economic growth via attracting new economic sectors, inner-city gentrification can enlarge the inequality of living conditions suffered by low-income workers, who continuously concentrate in the inner city as a result of their economic niche. An examination of population change in the middle and working classes verifies their displacement from the core-gentrified neighbourhoods, but also highlights the continuous influx of low-paid workers to the inner city. For the process of dislocation occurs in parallel with the ongoing urban processes of tertiary sector development and urbanisation. The result is a large number of residents who live in housing poverty in territories hidden behind the scenery of spectacular urbanism. It is a paradox that rhetorically, for the purpose of launching state projects, gentrification and urban redevelopment are said to remedy urban poverty, bringing overall growth and achieving social justice. State-facilitated gentrification not only causes direct displacement, but may also intensify polarisation in the inner city, wherein the working class seeks their livelihood in the city centre but must withstand cultural isolation and consumption pressure in what is becoming a city of the middle class. Moreover, as time goes by, gentrification might threaten not only the residential needs but also the employment niches of low-income workers in the inner city.

Second, this chapter stresses that state-facilitated gentrification has the potential to create a growing gap in housing affordability between high-income and low-income residents. Bringing substantial increases in the amount of property investment in the city, large-scale redevelopment programmes have escalated the speculative housing market, wherein land investment is concurrent with the elevation of housing consumption. This trend could result from government policies that encourage consumption simultaneously with the promotion of land investment, an established cultural ideology of consumerism in urban society, or both. Chapter 4 reveals that elite-oriented housing and commercial

production serves the basic purpose of stimulating consumption by creating place credentialism with high-end properties that denote the high economic and cultural capital of the residents. Chapter 5 shows that gentrification has brought forth homeownership for the socialist working classes and direct and instantaneous windfall wealth to speculators through in-kind and cash compensation. In addition, the high profit margin in inner-city land development, the production of iconic landscapes and the appeal to transnational investment could also magnify the significance of inner-city gentrification to the cycles of the urban housing market. Further research is warranted here on, for example, the share of transnational land investment in the inner city compared to that in the entire city, or the scale of homeownership and debt conditions among inner-city gentrifiers in comparison with the entire city.

Finally, gentrification damages the housing opportunities of the low-income consumers in the city. As a result, it exacerbates tenure-based segregation and the exclusion of low-income residents from the central city. Through the overwhelming endorsement of the marketisation of urban spaces, inner-city gentrification has participated in the shrinkage of affordable, public housing. In the meantime, the new market regime has failed to rebuild a sound supply system that makes allowances for low-income consumers; instead, it exclusively favours promoting homeownership for the middle class. Thus, gentrification accelerates a wider process of changing mechanisms in establishing social inequities in the housing market, for example, from the socialist *danwei* system to consumption-based exclusion in a market society. Low-income workers in the central city face burdensome outcomes from both a reduction of housing assistance and consumption pressure in the housing market. Rural-urban migrants are on the front line in experiencing inequalities caused by both systematic factors and consumption-based exclusion.

These three facets unravel the puzzle of class conflicts in gentrification in China, which are embodied in the spreading middle-class urbanism and the housing impoverishment of low-paid service workers in the inner city, real estate speculation and the expanded affordability gap for lower-income residents, and homeownership promotion and the structural shortage in housing low-income tenants. The class conflicts could be intensified considering the contradiction between the socio-spatial change

driven by state-facilitated gentrification and socioeconomic restructuring in contemporary Chinese cities. Embedded in this contradiction, the social injustice of gentrification derives from the fact that state-facilitated gentrification in China has spurred an imbalanced mode of economic and social development at the price of disregarding the living demands of a majority of workers in the inner city. In 2003, a sociologist in China named Sun Liping argued that Chinese society since the 1990s has been a "fractured society." The fractured society does not simply mean urban-rural division, although disenfranchised rural-urban migrants are undoubtedly heavily marginalised. It essentially questions a mode of economic development that damages developmental opportunities for a large portion of the population and may ultimately divert these people away from the economic system.

> Currently, the unemployed and laid-off population, in effect, have become the obsolete ones in society. They are outsiders in the social structure. Moreover, the number of people in this cohort is great. It is important to point this out because the question cannot be overcome by increased opportunities for re-employment but by rethinking institutional structures and cultivating marginal sectors and new types of employment. [T]he most advanced part of the society is connected not with domestic society but with the global market; this is what we call "getting integrated with the market." The integration not only fuels development but also fractures society. (Sun, 2003, p. 3, 8)

Inner-city gentrification in the Southern city is a candidate for such fracturing, transcending local conditions to integrate with the global economy and society through self-representation and consumption. The more the city tends in this direction, the more the rest of society drops out, with underinvestment in other urban areas, control over the development of informal sectors, the isolation of subaltern cultures, and deficient social security. This mode of economic development does not aspire to bring temporary conflicts and inequalities but ultimately common affluence; instead, it creates an established, ideologically rooted discrepancy between the urban strategies of land development and social development.

Chapter 7 Conclusion

This thesis has aimed to generalise an understanding of gentrification in Chengdu, a major city of southwest China. In addition to an empirical study, a more ambitious task is to intervene in the approach to knowledge production for gentrification on a global scale. This final chapter returns to the four questions asked at the very beginning. The first section answers the first three questions. It accounts for the intriguing (and changing) state-society relations involving middle and working class sub-groups in the transitional society, which comprise the gentrification process. An ultimate goal is to develop the nature of the gentrification process by interlinking empirical findings in the national social, economic and political contexts, the structural tendencies of social-spatial change and the grounded processes of spatial production and residential relocation. The second section answers the last question, revisiting the character of the gentrification concept and the meso-level research practices in non-Western contexts. This study has significant implications for the explanation of state-facilitated gentrification. Four directions for further research are proposed at the end, on gentrification in China and globally.

7.1 Gentrification in Chengdu: New urbanism and a new social order

7.1.1 Elite-oriented place-making, consumer culture and consumer citizenship

After the 1998 Asian Crisis and certainly since the end of 2001, when China joined the World Trade Organisation, many large Chinese cities have competitively unleashed strategies to achieve a fast track to globalisation. These post-socialist cities, however, are also confronting the sizeable expansion of their low-skilled service employment base; labour participation is derived from an annually increasing number of migrants leaving their rural hometowns and seeking opportunity in the urban terrain. Meanwhile, these cities have also actively relocated their manufacturing base from central areas to new locations and attempted to convert their downtowns into centres of global culture and high-end services. Yet the degree of post-industrial advancement is moderate, even in comparison with the advanced economies of the 1970s. In the meantime, a new social stratum taking advantage of market reform has earned considerable personal wealth. Small businessmen, especially those in township enterprises established in the rural

homeland, gained greater policy support for development. Meanwhile, many pre-reform elites in urban areas experienced job transfer and the re-adaptation of personal skills to maintain their elite status after the turbulence generated by labour market reform. Also, young professionals in rising sectors experienced greater competition in the new market. These new rich cohorts in China thus feature heterogeneous cultural capital, lifestyles and politics stemming from the different social characteristics cultivated under different economic systems. The transformation from a production economy to a consumption economy accompanies social policies by the post-Mao state that shifted from developing a mass society to developing a middle-class society, which to date has been termed a "moderate prosperity society." Under this political ideology of social and economic development, individual consumption is commonly mobilised among China's new rich together with, however, relatively less voice around political participation of Chinese citizens.

The above review portrays a larger society that substantially differs from that of the post-industrial society in the West. Derived from this context, the structural tendency of socio-spatial upgrading in the central city of Chengdu is not necessarily an ascendant urban process. Gentrification is a unique urban trend that is normally antithetical to the rise of low-skilled service workers in the central city. It contains three contextualised features. First, slow employment restructuring determines that gentrification should rely on leveraging innovative urban strategies to turn the tide of urban transformation in the inner city. Second, the consumer revolution in the post-socialist era links the gentrification process with the delicate social change of the emergent middle-class consumer. Finally, political-economic elites have led the creation of new urbanism and oriented the trajectory of social change. Consequently, state-facilitated gentrification in Chengdu should be understood as more a *cause* rather than an *outcome* of social change.

Two types of state strategies have to date led the implementation of inner-city redevelopment: a cultural strategy towards (imaginary) transnational urbanism and an economic strategy towards spatial commodification. Concerning the first strategy, in the newly developed city, where globalisation in Chengdu is an imaginary more than an existing phenomenon, the inner-city terrain is at the cutting edge, allowing the political-economic elites to *iteratively* (re) invent the landscape and space so as to (re) market the

city to the world. To date, the landscape change in Chengdu has reflected a trend of aestheticisation in which the symbols of the Western cityscape offered an initial imaginary of cultural globalisation and were delivered as promising a better life for the new rich; later, a new trend has appeared in which modernist and post-modernist landscapes present elite lifestyles in a time of transnationalism. However, unfortunately, in the waves of city branding and spatial production, a new-build mode has thus far dominated the style of, in particular, *living space* reconstruction. Inheriting the cultural ideology of urban construction dominated since Mao's China, the state and developers have not made sufficient use of the cultural resources of the inner city to seek a Chinese identity. Given the urban image desired by political-economic actors, the social production and representation of inner-city spaces have ultimately catered to transnational investors, business people, and high-income consumers in the city.

In combination with the cultural strategy, spatial commodification promotes a mode of speculative surplus accumulation through overproduction and the ensuing encouragement of spatial consumption. A common account focuses on the energetic role taken by the state and land developers to shift their form of accumulation from industrial development to the built environment, a change that has been authorised by the public land system in China. This study strengthens the argument that a clear intention is needed on the part of local government and property developers towards capital accumulation by providing evidence of the speculative practices of land capitalisation and the boosting of the real estate market. However, in China, land marketisation via urban redevelopment implies not only the appropriation of the rent gap but also the fulfilment of state legitimacy in a time of market transition. The conflated economic and socio-political objectives encourage the state to adopt economic policies that ultimately intensify spatial commodification and commercialisation. Moreover, this explanation, from a political-economic perspective, assumes a standing army of consumers who, once production is completed, will consume. In this study, I stress that the mode of growth in the inner-city land market has been dramatically characterised by excess production, which results in dependence on a consumer-driven economy. The initiation of urban redevelopment has thus consistently accompanied government policies acting as stimuli to housing consumption.

The two strategies guiding the implementation of inner-city redevelopment typify an elite-oriented production of new urbanism, which transforms socialist urbanism for industrial production into the consumer urbanism currently seen in Chengdu. The elite-oriented spatial production has not only aroused consumption behaviours but also impacted the consumption patterns and consumer identity of arrivals to the newly constructed places. Ideologically, the place-making of gentrified neighbourhoods links to cultural modernisation and advancement, which cater to high-income consumers. Echoing this cultural ideology, the gentrifiers in Chengdu tend to pursue cultural prestige as symbolised by the modernist spectacle, rather than by historical and cultural preservation. Moreover, following the growing consumer consciousness and cultural appeals of Chinese high-income consumers, state-facilitated urban redevelopment has periodically innovated the cultural symbolism of inner-city places to reinvigorate the consumer market. As a result, the new urbanism in the inner city supports gentrifiers as they accumulate a high level of social and cultural capital. High cultural capital and high economic capital thus become the main discourse for inner-city gentrifiers. Meanwhile, these gentrifiers also tend to distinguish themselves from the other segments of China's new rich, in particular, those who are seen as having high economic capital but low social and cultural capital.

The two themes – elite-oriented spatial production and spatial consumption conducted by gentrifiers – shape one path to developing Chinese consumer citizenship among the gentrifiers. The development of Chinese consumer citizenship accounts for the distinctive politics of the new middle class in China, namely, its relations with the state and with other elements in society. On the one hand, the development of Chinese consumer citizenship means the definition of favoured consumer behaviours and the institutionalisation of privileges and obligations on behalf of consumers by political-economic actors; on the other hand, it is embodied in the internationalisation of the place-based identity of consumers. First, the process has resulted in a relatively *conservative politics* among the gentrifiers, which is compared with the politics held by progressive urban pioneers in the early stage of gentrification in post-industrial cities. Facilitated by the state, from the very beginning, the fundamental purpose of this process has been development to bring the economic and sociocultural conditions of the city into

correspondence with a form of global city. Based on a prescribed cultural ideology and economic purpose, state-facilitated gentrification in Chengdu has united the waves of gentrifiers to fit functionally with the new market regime; together they model middle-class urbanism. Thus, responding to the first research question, during the process of socio-spatial upgrading, state action in spatial production directs the change in the consumer cultures and behaviours of the middle-class newcomers to the inner city, to be compatible with state strategies in modernisation, economic restructuring as well as real estate boosterism. It shapes a path of subject construction of the consumer citizens attendant to elite-oriented place-making.

7.1.2 State hegemony, socialisation and disenfranchisement

Following inner-city settlement by the middle class, the residential relocation of the working class has been subject to greater regulation from government policies. State intervention in the residential relocation of affected residents reflects the political ideology of maintaining social stability and the tactics of social governance maintained by the Chinese state (see also Lin, 2015). In practical terms, the central and local governments have traded off the purpose of economic growth with the achievement of social solidarity by deploying various compensation schemes to address the housing losses of former occupants through urban redevelopment. These methods hold a cultural and social influence on the working class in a consumer society comparable to that experienced by the middle class. However, the implementation of different compensation methods has diversified the outcomes of social groups in the relocation process and has added layers of meaning to urban society.

First, among these methods, a decision over public-private tenure conversion for low-income *danwei* workers has been the most noticeable. This enables homeownership access among public tenants, which ultimately becomes an effective tool to mobilise mass society to participate in urban projects. Public tenants could thus perceive a type of upward social mobility by merging into the group of proprietors who symbolise individual social transformation from *danwei* society to a market society. Nevertheless, as time passes, working-class homeowners may well face consumption pressure and material deprivation. Moreover, private owners, who either reside in historic places or in informal dwellings, have been offered a so-called equivalent exchange for their old

property with new property or cash. With a strong consciousness of property rights and personal lifestyle, these property owners have become the most active resistors of displacement and property invasion and defenders of cultural diversity in the city. However, the participation of public tenants in social governance has greatly frustrated the power of private owners to resist. Despite a sense of displacement, these homeowners have ultimately become the new type of urbane citizen by entering into the gated communities and stepping into the high-rise apartments. Finally, a still powerful *hukou* system has continued to disempower marginalised migrant groups, preventing them from challenging the formal decision-making system. Private tenants, who are almost always rural-urban migrants, unsurprisingly are rejected from any legal permit for compensation and evicted from their neighbourhoods. In the end, state-led working-class displacement has created the special landscape of resettlement communities and inner-city enclaves for low-income migrants in the city of Chengdu. Within these places, displacees have experienced either socialisation or marginalisation.

Overall, the process of demolition, compensation and relocation embodies hegemonic politics and, in particular, cultural hegemony at work in social governance. Hegemonic politics is manifested in the state strategy to implant a cultural ideology of consumption and a desire to predominantly engage in the gated community lifestyle among the working classes. The compensation methods, namely, the policies for working-class homeownership, the elimination of other types of working-class areas, the migration of residents to a new urban lifestyle as well as the disenfranchisement of low-income migrants, help to establish an ostensible cultural homogeneity in the city, which could pave the way for intensive spatial commodification. Nevertheless, the government tactics of establishing superficial consensus have passed over social justice. The pervasiveness of a cultural ideology of consumption by no means implies an equal capability for consumption. New suffering may rise for these working-class groups in an emerging consumer society. Except for systemic factors such as household registration and affiliation to a *danwei* system, homeownership, or consumption capability in general, has increasingly become the new determinant of the life opportunities of city residents.

Such a close look at the working-class experience leads to the final component of the empirical studies, which are concerned with unequal rights to the city among social

classes post-gentrification. As an urban strategy of development, gentrification and displacement have insistently sustained spatial commodification and housing consumption, although the process has generated divergent outcomes for social groups. Based on this understanding, this study argues that gentrification has oriented the changing housing market in a direction that could accentuate structural inequalities disempowering the working class in the city. First, along with the polarisation of the middle class in certain areas, the continuous influx of low-skilled service workers means that they have crowded into a few affordable neighbourhoods in the inner city. Second, the excessive production of properties and policies to stimulate the consumer market has ultimately increased the housing affordability gap in the city. Finally, the systemic housing transformation promoted by gentrification has dissipated public tenancy and favoured private homeownership. The reshuffling of housing tenure structure reduces housing opportunities for low-income consumers and accelerates tendencies at the city scale towards tenure-based social exclusion and segregation between the homeowners of commercial apartments and private tenants. In a word, state-facilitated gentrification tends to disempower low-income residents in the city by using consumption as a form of social standard determining the right to the city. Against the background of continuous economic and population growth, the process can increase displacement pressure on the large lower middle- and working-class population in the city.

Responding to my second question, I argue that state intervention in residential relocation and compensation tends to incorporate the working class into the frame of consumer management by the tactics of homeownership enablement, cultural assimilation as well as institutionalised marginalisation. A major objective is to ease social conflict and hold society together in the transitional period. These tactics reflect state hegemony over subaltern cultures in the city. Although the displacement process results in different outcomes to different working-class groups, it ultimately raises new, consumption-based social inequities in the city.

7.1.3 New urbanism and a new social order
Navigating the thicket of gentrification, this thesis thus has explained a particular process of socio-spatial upgrading and displacement in the city of Chengdu during an era of rapid economic development and continued globalisation. The process reflects how

both the central and local state have demanded a change in the orientation of the middle and working classes to accommodate its determination of appropriate development in both the economic and the sociocultural realms. Given its economic and cultural attributes, space has constructively mediated between state strategies of development and the path of social change. Synthesising the above two processes, the study moves to the third research question: To what extent are the two processes of redevelopment and displacement together expressive of a Chinese mode of gentrification, or do they negate the existence of gentrification in large Chinese cities?

I argue that a gentrification process is formulated in Chengdu, which retains significant complexities and contingencies as it unfolds empirically. Gentrification in Chengdu appears during the urban transition from a socialist industrial urbanism to a consumer urbanism and is concomitant with consumption, housing consumption in particular, holding increasing dominance in establishing social order in urban society. The socio-spatial change towards consumer urbanism in gentrified places is accompanied by the elite-oriented place (re) making and spatial commodification and in the creation of distinction in habitus and identities among middle-class consumers. Following the urban transition, consumption has increasingly become a measure used to reconfigure the power relationships among social groups in separate spaces. Compatible consumption practices support the formation of common interests among a segment of the new rich in China and endow them with privileges in different domains (e.g., education). Those who cannot afford to consume and those who hold a lifestyle that is at odds with the longing of the city for cultural and economic globalisation become, however, increasingly vulnerable to disqualification from the right to stay put.

I suggest the in-depth study in Chengdu points to certain characteristics of gentrification that could be shared by other large Chinese cities. First, more than spontaneous middle-class movement into the inner city, the gentrification process in Chinese cities has followed state-facilitated urban renewal. Second, the gentrification process parallels middle-class transformation, which has been influenced by the urban imaginary of political-economic elites in transforming large Chinese cities to modernist landscapes. Finally, the political ideology of the Chinese governments, with regards to the priority of social stability and continuous economic marketisation, forms a basis for

the particularities in the Chinese process of *chaiqian* (demolition and relocation). By no means unique for Chengdu, the process is characterised by state intervention over profit concessions to some workers but meanwhile the disempowerment of some others.

Nevertheless, compared with Shanghai and Beijing, known as the "world cities" in China, the Chengdu case could have shown a relatively significant role for the local state in leading the way in urbanisation and gentrification. It is likely that the influence of transnational capitalists has formed a counterpoise to state power in the gentrification process in Shanghai and Beijing. A large number of *danwei* properties remaining in the inner city of Chengdu could be another factor lifting the role of local state actors. Also, as the capital city of Sichuan Province, the growth rate of intra-provincial migrants to Chengdu is salient (see section 3.1.1), which forms a demographic trend resisting the manifestation of gentrification. These situations entitle the case study to illuminate some Chinese characteristics of gentrification for, in particular, the less advanced, prefecture-level cities strategically manoeuvring radical transformation.

I argue that peculiar (and changing) state-society relations have determined the characteristics of gentrification in China. He and Lin (2015) argued that the changing urbanism in China represents a transformation of state-society relations and, more specifically, of state-society-capital relations at the political, ideological and institutional levels (see also Lin, 2007). The parental role played by the state in socialist society establishes a socio-political foundation that underpins the construction of the new modernity among the middle class and the social mobilisation of the working class in state projects. Yet more importantly, the process accompanies a changing state-society relationship, which yields social changes that support the imperative of economic development in large Chinese cities today.

During the process of gentrification, first, due to the authority over land development, the creation of a new urbanism is framed by the strategies of economic development; the sociocultural transformation of the middle class is in line with national economic strategies. The result is a "conservative" mode of middle-class urbanism in China, embodied in the recurrent place-making and remaking of the new-build, modernist high-rise. Meanwhile, the tactics strengthening cultural hegemony spread the leverage of the cultural ideology of consumerism and the middle-class lifestyle to affect working-

class society. Of course, we should not forget that institutionalised marginalisation has disenfranchised rural-urban migrants from participating in the process from the very beginning. The social changes of the working class have been embodied in the landscapes of government-organised resettlement communities and concentrated poverty in the inner city – the Chinese landscapes of displacement. Finally, state-facilitated gentrification champions an exclusionary mode of urban development, but also contributes to the rebuilding of the collective ideology from one centring on production to one focused on consumption among not only the middle but also the working class. Instead of the communist utopia envisaged by Mao, now the lifestyle and consumption pattern of the new rich in China represent the Chinese dream for civilisation and good life.

7.2 Returning to the concept and research practice

At the very beginning of the thesis, we summarised both the ontological and the epistemological problems challenging gentrification scholars today. They include an uncertainty about the capacity of the term in conceptualising urban experience outside the usual suspects of gentrification, the existence of regional variation, micro-level contingencies in the process, and the complexity of the social outcomes for current residents affected by gentrification. These questions led to my proposal of a meso-level approach to gentrification studies on a global scale. Based on the research on a large city in China, this study reappraises the conception of gentrification, aiming to optimise the ideas that support effective conceptualisation. Also, the study proposes practical strategies to improve the approach to studies on the context-dependent process.

In retrospect, in 1986, Beauregard noticed that different meanings narrated by different agents, say, journalists, planners or scholars, easily blurred the essence of gentrification. Recently, Ley and Teo (2014) investigated public attitudes about urban renewal projects in Hong Kong and illustrated the influence of social contexts on subjective understanding. A wide variety of understandings is highlighted by sceptics to question the ontological discrepancy between gentrification in European and North American contexts and urban processes in other social contexts that have similar socio-spatial results (but which they often ascribe to urban renewal and displacement). Also,

variable understanding has been a barrier for scholars to construct coherent empirical and conceptual regularities. An examination of gentrification in China highlights the concept's ability to create a generalised understanding of socio-spatial upgrading that causes widening inequalities of rights among urban societies in access to place. This idea, at its roots, pertains to areas of social space and urban politics. For instance, currently, from a political-economic perspective, a common way to conceptualise the gentrification process in both advanced capitalist cities and newly developed economies is as a socio-spatial change caused by a market process of land reinvestment and capital exploitation that results in class struggle. The process exemplifies the mode of uneven urban development. This explanation continues to be entrenched in the class politics of capitalist societies. Alternately, the school of explanations from a sociocultural perspective have depicted the process as a revitalisation of inner-city urbanism (or re-urbanisation) that is attributed to socioeconomic restructuring and cultural change in post-industrial societies. This explanation stresses the cultural politics of, initially, the hippies and later, the new middle class in post-industrial societies. In China, the process indicates the creation of new urbanism in the inner city (not re-urbanisation) and the shift towards a new social order that accompanies the change from a production to a consumer society. The causes and characteristics of this socio-spatial change uncover the socio-politics of China's transitional society, where state-middle class relations and state-working class relations account for the unjustness in the process as well as, ironically, for the rebuilding of a

  "harmonious" society.

Socio-spatial upgrading and its politics offer two more general research themes in addition to the analytical themes offered in current literature, such as reinvestment, social upgrading and displacement, which have to date been treated as the definitional components of gentrification. Being abstracted from a particular context, the two themes are anticipated to optimise theory building for gentrification in a wider range of contexts. Also, the two themes will set gentrification apart from the similar concept of urban renewal, which might have been treated as synonymous. For we also noticed in this study that state-led urban renewal in China has yielded a wider range of meanings that cannot satisfactorily be addressed by gentrification. These meanings would support theoretical

production based on different themes and from different fields that complement one another. For example, the experience of socialist workers in the process of residential relocation could motivate research centring on the social transformation of the working class in a transitional society. Thus, a refinement of the main idea and areas of gentrification avoids overloading the concept with supplementary meanings and underpins the construction of regularities for otherwise contingent phenomena and divergent meanings of locality.

Gentrification researchers have widely agreed on the existence of spatial and temporal limits, wherein a type of gentrification process takes form. The waves of gentrification in advanced societies provide direct evidence of the historical geography of gentrification (Lees, 2012; Ley, 2012). Others have repeatedly emphasised that the process is heavily impacted by local conditionality (see also Shaw, 2008; Porter & Shaw, 2008). For Beauregard, gentrification is caused by both "structural tendencies and contingent factors" (1986, p. 40). As contingent factors are divergent among localities, gentrification refers to not a single phenomenon but "a historical event created by the fusion of disparate forces and contradictions within a social formation which is itself characterised by both structure and contingency" (p. 54). Following these statements, this study suggests that the spatial and temporal limits means that the gentrification process takes form in broader trends of urban and social change in a given time and place. Just as it cannot be treated as a global process transcending social contexts, the gentrification process also cannot be meaningfully explained merely based on locality-bounded or project-based studies. On the one hand, although the flow of capital into the built environment and the subsequent exploitation is an important cause of gentrification, the process, after all, is not purely a market product but also shaped by sociocultural dynamics. Moreover, economic activities in the Southern cities are characterised by embedded social and political institutions, which may unfortunately prevent universalisation of the capitalist system rationale. On the other hand, individual and immediate neighbourhood change uprooted from the larger social basis is likely to engender ambiguity. For example, without understanding the broad situations of socioeconomic restructuring and middle-class transformation in post-socialist cities, the evidence of inner-city occupancy by the middle class generated at the neighbourhood

scale might validate various explanations. Without a historical review of the cultural ideology of Chinese governments, the landscape change across inner-city spaces could be subject to arbitrary ascription.

Thus, the gentrification process, when relocated to a new context, cannot be satisfactorily explained based on spotting piecemeal differences from its classical form. Instead, the process must be systematically reframed, to dis-embed it from advanced capitalist and post-industrial societies and to re-embed it in a new urban and social milieu. The dis-embeddedness and re-embeddedness allude to *not* provincialisation, but to rebuild the relationship between local settings and ideologies, forces and activities from multiple geographical scales that have made the process possible, though, however, in a different fashion from its classical form. A combination of a structural analysis of changing socio-spatial patterns, a historical review of ideas and forces underlying the socio-spatial change, and an investigation into the activities in grounded processes are conducive to a complete depiction. This meso-level approach to studies will consolidate an understanding by portraying an existential form of a gentrification process and leading to contextualised meaning making. Moreover, it will also enrich comparative studies on the variegated trajectories of socio-spatial change and subsequently urban political issues in different contexts. Otherwise, the debate on ontological divergence will continue to exist, as the abstract is estranged from the real world wherein it unfolds.

7.3 Reflections on state-facilitated gentrification

Today, gentrification scholarship has extended its historical and geographic trajectory, suggesting some convergence of the North and South in studies on the form of state-facilitated, policy-driven gentrification. This study calls attention to the role of the state that has generated new characteristics for the recent wave of gentrification in both the Northern and Southern cities. State-facilitated gentrification in both the global North and South responds to the mandate of economic growth (Lees, 2012; Lees et al., 2015). Nevertheless, state authorities intervene into the process to different degrees and in varied ways, reflecting divergent political ideologies. This study shows how willingly the developmental state of China has deployed neoliberal ideas and tactics to sustain

economic growth, such as the maximum of land capitalisation and the promotion of housing privatisation by both the central and local government. However, a key point of the political ideology of a strong state standing firmly on economic development lies in the tenet of "collective mobilisation for the national interest" (see Edgington, 2012), which could lead it to either unleash competition in a free market or tighten regulations. Edgington (2012) thus contended that neoliberal policies were *selectively* used in the strategies of regional industrial restructuring in Japan. Through the lens of gentrification, the ideology of developmentalism in China is not merely embodied in the formal and informal relations shaped among state, *danwei* and market actors, but more intriguingly, the way societies, including both the middle- and working- class, are involved in the process. For Western global cities, state actors make concessions to the real estate market in orienting urban change, which finally leads to the city conforming to the tastes and aesthetics of cosmopolitan gentrifiers. In Chinese cities, it is more accurate to state that state-facilitated gentrification animates activities that prompt urban transformation. Moreover, it implants a cultural ideology of consumerism in the urban society and stimulates consumption behaviours among middle-class residents so as to fuel the transformational process. Thus, when explaining state-facilitated, policy-driven gentrification, we must ask how gentrification is envisaged by the state as an urban strategy of development in different contexts and how such ideas give substance to corresponding economic and social policies.

Oriented by policy initiatives led by political-economic agents, the grounded process of gentrification can be contingent on *institutionalised* change of the inner-city land and housing market. Often, such institutionalised change has to be negotiated in local social settings and established institutional environments. In this case, the social dynamics in state-facilitated gentrification would be much more complicated so that it can hardly be packaged into a monolithic process of middle-class invasion followed by working-class dislocation. This intricacy is well demonstrated by the policy innovation of the Chinese government in the compensation and relocation scheme for displacees. Meanwhile, the way that the state has intervened in the land and housing market with policy tools can transcend the pattern of socio-spatial upgrading following conventional reinvestment in the built environment with rent gap exploitation by capitalists. Such an explanation is too

overarching insofar as it understates any variations in the mode of urban development conceived in various regions and owing to distinctive political-economic systems. In China, for example, the institutionalised change in land (re) development has encouraged overproduction in the real estate sector and, accordingly, consumerism becoming an economic strategy adopted by the government. Thus, I suggest that studies on state-facilitated gentrification should unpack the institutional rearrangements in the process of spatial (re) production and residential rearrangements for current residents, so as to depict the particular mode of socio-spatial upgrading that takes place.

Unlike the new middle class seeking their dream house or capitalists reaping the benefits of land investment, state-facilitated, policy-driven gentrification all too often contains conflated objectives, in discourse and in reality. For instance, in China the conflated objectives are reflected in the intersection of strategies of capitalist development with a commitment to ameliorate the housing quality of low-income residents. In the West, policy discourses such as urban regeneration, alleviation of social exclusion, and social mixing have also tended to soften public opinion and destabilised somewhat the politically critical position of earlier notions of gentrification (Slater, 2006; Lees, 2008). Because of policy slipperiness and self-serving rhetoric, the state's intervention has easily complicated, or even concealed the conduct and outcome of aggravated inequality. Scholars in the Global North have to date advocated giving notice to the implicit and indirect processes of exclusionary displacement in the new wave of policy-driven gentrification in the Northern cities (see Bridge, Butler & Lees, eds. 2012; Davidson, 2008, 2009; Lees, 2008, 2013). Studies on state-facilitated gentrification need to discern how such overlaying of gentrification and other social agenda may not have erased the exclusionary nature of gentrification, but have diversified the means of social exclusion.

This idea connects to the last suggestion of the thesis for improvement in methods and data to understand the social outcomes of displacement. The study has asserted the pivotal role gentrification research plays in announcing the social injustice generated in urban change. Nevertheless, due to difficulties monitoring the circumstances of dispersed displacees after gentrification, scholars have always been confronted with questions of how to accurately measure displacement (Atkinson, 2000; Ley, 1996; Newman & Wyly,

2006). Concerning state-led gentrification, I argue that the process of displacement necessitates a fine-grained analysis of the circumstances of affected residents. In particular, multiple perspectives must be employed to scrutinise the various means of social exclusion suffered by displacees (see also Davidson, 2008, 2009; Shaw & Hagemans, 2015). This study has shown the consumption pressure on socialist workers, the cultural isolation of people living in subaltern cultures and the institutionalised disenfranchisement of low-income migrants in the Chinese process of residential relocation. Simultaneously, new methods and data are necessary to anchor structural inequalities caused by gentrification in addition to project-based social outcomes. Structural inequalities could be expanded by broadening domains impacted by the penetration of gentrification, such as housing, education, and even employment in the inner city. Chapter 6 highlighted the increasing housing poverty, rising speculative market and changing tenure structure in the city consequent to the emergence of gentrification. Still, while the project-based measurement of displacement concerns the immediate, existing residents, the structural inequalities relate to the broader social exclusion of the working class in the city.

7.4 Further research

Four future directions of gentrification research are indicated by this study. First, the study concentrated on the time period throughout the 2000s, and in individual cases (e.g., the CJA case), it could be extended to the early 2010s. While revealing that state-facilitated gentrification in the 2000s reflects urban transition towards consumer urbanism and consumption as a new social order, it does stress that gentrification is historically sensitive. The social and cultural evolution of China's consumers, the extremely elastic policy making by governments for intervening in the housing market, and perhaps most influentially, the continuous socioeconomic restructuring and the penetration of transnational forces (of both production and consumption) are all expected to provide new empirical materials, thereby continuing to intensify and transform our understanding of the global-local and time-space relations implied within the abstraction of gentrification. How will state-facilitated gentrification respond to the cooling down of

consumption enthusiasm among China's new rich after the 2000s? Will it have an alternative mode and spatial embodiment or will it lack the energy to become self-sustainable?

Still, an examination of gentrification in China undertakes an important research subject that concerns the relationship between the developmental state, middle-class urbanism, social change and social inequalities in China. The research theme connects the change in social spaces with the deeper meanings of change in state-society relations. Also, the research explores a Chinese way to construct a middle-class society via spatial production. The past three decades of urban modernisation and spatial commodification led by the Chinese government have not only overturned the cityscape but also shaped today's generation of urbane citizens. However, contradictions remain and challenge the state-society relations presented in the current wave of the gentrification process. Foremost, gentrification as an urban strategy reflects the inherent characteristics of the national development strategy in contemporary Chinese cities, which features unevenness, opportunism and disenfranchisement. It entails the risk of constructing a fractured society, reflected in the developmental gap between those so-called economic and cultural groups who are catching up to globalisation and the great majority of the masses in the domestic economy. Billions of rural-urban migrants in urban society will bear the full brunt of the fractured society. Moreover, it is important to note that grassroots power could continuously reshape the landscape of resettlement communities and bring the question of concentrated poverty back to the public agenda. Finally, social differentiation among consumers, a recovery of nostalgia among cultural activists and the excess housing stock in the city could together bring many to question consumerism as a sustainable economic strategy. Thus, through the same lens of gentrification, it would also be valuable to examine, in the long run, the effectiveness of the Chinese approach to a middle-class society and the conflict with as well as the satisfaction of the demands of the growing numbers of low-income workers in the city. Is China achieving its middle-class dream and who is paying?

Not least, research on China adds a seminal opportunity to explain gentrification from a socio-political perspective, complementing the two long-standing theoretical angles of political-economic and sociocultural perspectives in the Western literature on

gentrification. A socio-political explanation adds evidence that gentrification could be the result of a conscious political choice as much as a product of economic and sociocultural forces. This perspective focuses on the distinctive state-society relations, which are intertwined with state-market relations, that have determined the form and effects of socio-spatial change. Unlike urban processes in an advanced capitalist system, the state-driven process in these cities could be more strategic than we would find in the capitalist land market. Still, the so-called urban transformation or revolution driven by state-led master plans, which often attract attention for the implied degree of change, could be more constructive for urban society than a slower socio-spatial evolution. This perspective could be effective for understanding the process in other Southern cities, where economic activities are faced with rich institutional embeddedness and, in particular, intervention by political power in its own right.

Finally, the study stresses that gentrification can be approached in different ways. It may emerge through the direct middle-class invasion of a place, for either financial or cultural reasons, that forces out occupants in situ. But it can also appear in a complicated form by interacting with social changes in cultural values, consumer behaviours and place-based identity, to ultimately shape a new spatiality of the middle class and result in the dislocation of others. In other cases, gentrification may fall in a much more brutal manner, in line with land enclosure by ruling blocs, violence backed by political authorities, and social cleansing. The process as part of a historical trajectory of urban and social change cannot be explained without a radical conversion of its realities and significance into another social context. Nevertheless, regardless of which gentrification scenario is underway and which explanation is provided, certain processes are inherent to what is happening in these cities: socio-spatial upgrading raising political issues on the disempowerment of the powerless in their right to the city. The causes and patterns of socio-spatial upgrading and its politics, and structural inequality as a result, frame an explanation for gentrification that is theoretically informed, and that will make comparative studies crossing contexts more efficient. Today, on the stage of so-called globalisation, the activities prompting socio-spatial upgrading in different metropolitan regions worldwide have apparently reached a common agenda.

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Appendix A An overview of informants

Code	Informant group	Affiliation	Field site	Date
		First stage		
O1	Urban planner	Institute of Planning & Design	Chengdu	20141219
O2	Manager	Task Force of Urban Redevelopment	Jinniu District	20141223
O3	Committee member	Community Residential Committee	Caojia Alley	20141225
R4	On-site relocated resident	Resettlement community	Caojia Alley	20141225
R5	On-site relocated resident	Resettlement community	Caojia Alley	20141226
R6	Off-site relocated resident	Resettlement community	Quanshui Renjia	20141226
R7	Off-site relocated resident	Resettlement community	Quanshui Renjia	20141226
R8	Off-site relocated resident	Resettlement community	Quanshui Renjia	20141227
R9	Off-site relocated resident	Resettlement community	Quanshui Renjia	20141227
R10	Off-site relocated resident	Resettlement community	Quanshui Renjia	20141228
R11	Off-site relocated resident	Resettlement community	Donghong Guangxia	20141229
R12	Off-site relocated resident	Resettlement community	Donghong Guangxia	20141231
R13	Off-site relocated resident	Resettlement community	Donghong Guangxia	20150105
R14	Off-site relocated resident	Resettlement community	Donghong Guangxia	20150105
O15	Committee member	Community Residential Committee	Jinniu Wanda	20150106
R16	Activist	Caojia Alley	Caojia Alley	20150108
R17	On-site relocated resident	Resettlement community	Jinniu Wanda	20150108
R18	On-site relocated resident	Resettlement community	Jinniu Wanda	20150109
R19	On-site relocated resident	Resettlement community	Jinniu Wanda	20150110
O20	Urban planner	Institute of Planning & Design	Chengdu	20150110
R21	On-site relocated resident	Resettlement community	Jinniu Wanda	20150112
O22	Manager	Urban-Rural Housing Department	Jinniu District	20150113
O23	Manager	Urban-Rural Housing Department	Jinniu District	20150113
O24	Manager	Financing Platform Company	Caojia Alley	20150114
R25	On-site relocated resident	Resettlement community	Jinniu Wanda	20150115
R26	Displaced migrant tenant	Displacees' community	Workers' Village	20150122
R27	Displaced migrant tenant	Displacees' community	Workers' Village	20150123
R28	Displaced migrant tenant	Displacees' community	Workers' Village	20150123
R29	Displaced migrant tenant	Displacees' community	Workers' Village	20150123
R30	Displaced migrant tenant	Displacees' community	Workers' Village	20150124
R31	Displaced migrant tenant	Displacees' community	Workers' Village	20150125
R32	Displaced migrant tenant	Displacees' community	Workers' Village	20150125
O33	Manager	Task Force of Urban Redevelopment	Chenghua District	20150127
O34	Manager	*Danwei* (property owner)	Caojia Alley	20150127
O35	Manager	*Danwei* (property owner)	Caojia Alley	20150128
R36	Displaced migrant tenant	Displacees' community	Workers' Village	20150202
R37	Displaced migrant tenant	Displacees' community	Workers' Village	20150202
R38	Displaced migrant tenant	Displacees' community	Workers' Village	20150202
R39	On-site relocated resident	Resettlement community	Jinniu Wanda	20150301
R40	On-site relocated resident	Resettlement community	Jinniu Wanda	20150301
R41	On-site relocated resident	Resettlement community	Jinniu Wanda	20150302
R42	On-site relocated resident	Resettlement community	Jinniu Wanda	20150302
R43	On-site relocated resident	Resettlement community	Jinniu Wanda	20150302
R44	On-site relocated resident	Resettlement community	Jinniu Wanda	20150303
R45	On-site relocated resident	Resettlement community	Jinniu Wanda	20150304
R46	On-site relocated resident	Resettlement community	Jinniu Wanda	20150305
R47	Off-site relocated resident	Resettlement community	Qingxi Yazhu	20150305
R48	Displaced migrant tenant	Displacees' community	Workers' Village	20150306
R49	Displaced migrant tenant	Displacees' community	Workers' Village	20150306
R50	Displaced migrant tenant	Displacees' community	Workers' Village	20150306
R51	Displaced migrant tenant	Displacees' community	Workers' Village	20150307
R52	Displaced migrant tenant	Displacees' community	Workers' Village	20150307
R53	Displaced migrant tenant	Displacees' community	Workers' Village	20150307
R54	Displaced migrant tenant	Displacees' community	Workers' Village	20150308

Code	Informant group	Affiliation	Field site	Date
R55	Displaced migrant tenant	Displacees' community	Workers' Village	20150308
R56	Displaced migrant tenant	Displacees' community	Balizhuang	20150309
R57	Displaced migrant tenant	Displacees' community	Balizhuang	20150309
O58	Architect	China Construction Southwest Design & Research Institute	Chengdu	20150318
O59	Architect	China Construction Southwest Design & Research Institute	Chengdu	20150320
G60	Retail gentrifier	Commercialised historic area	Wide and Narrow Alley	20150323
G61	Retail gentrifier	Commercialised historic area	Wide and Narrow Alley	20150323
G62	Retail gentrifier	Commercialised historic area	Wide and Narrow Alley	20150324
G63	Retail gentrifier	Commercialised historic area	Wide and Narrow Alley	20150324
G64	Retail gentrifier	Commercialised historic area	Wide and Narrow Alley	20150325
G65	Retail gentrifier	Commercialised historic area	Wide and Narrow Alley	20150325
G66	Retail gentrifier	Commercialised historic area	Wide and Narrow Alley	20150326
G67	Retail gentrifier	Commercialised historic area	Wide and Narrow Alley	20150326
G68	Retail gentrifier	Commercialised historic area	Tangba Street	20150327
G69	Retail gentrifier	Commercialised historic area	Tangba Street	20150327
O70	Expert	Southwest Transportation University	Chengdu	20150329
O71	Expert	Sichuan University	Chengdu	20150330
Second stage				
R72	On-site relocated resident	Resettlement community	Caojia Alley	20151110
R73	On-site relocated resident	Resettlement community	Caojia Alley	20151111
R74	On-site relocated resident	Resettlement community	Jinniu Wanda	20151113
R75	On-site relocated resident	Resettlement community	Jinniu Wanda	20151114
R76	On-site relocated resident	Resettlement community	Jinniu Wanda	20151114
R77	Activist	Wide and Narrow Alley	Wide and Narrow Alley	20151120
R78	Activist	Wide and Narrow Alley	Wide and Narrow Alley	20151123
R79	Activist	Wide and Narrow Alley	Wide and Narrow Alley	20151123
R80	Activist	Wide and Narrow Alley	Wide and Narrow Alley	20151125
R81	Activist	Wide and Narrow Alley	Wide and Narrow Alley	20151125
R82	Off-site relocated resident	Resettlement community	Jinxiu Dongfang	20151210
R83	Off-site relocated resident	Resettlement community	Jinxiu Dongfang	20151210
R84	Off-site relocated resident	Resettlement community	Jinxiu Dongfang	20151211
R85	Off-site relocated resident	Resettlement community	Jinxiu Dongfang	20151211
R86	Off-site relocated resident	Resettlement community	Jinxiu Dongfang	20151212
R87	Activist	Resettlement community	Jinxin Jiayuan	20151215
R88	Off-site relocated resident	Resettlement community	Quanshui Renjia	20151216
R89	Off-site relocated resident	Resettlement community	Quanshui Renjia	20151216
R90	Off-site relocated resident	Resettlement community	Quanshui Renjia	20151217
R91	Off-site relocated resident	Resettlement community	Quanshui Renjia	20151217
R92	Off-site relocated resident	Resettlement community	Quanshui Renjia	20151218
G93	Residential gentrifier	Gentrifiers' community	Chengdunese Paradise	20151219
G94	Residential gentrifier	Gentrifiers' community	Chengdunese Paradise	20151219
R95	Activist	Resettlement community	Jinxin Jiayuan	20151220
R96	Activist	Resettlement community	Jinxin Jiayuan	20151221
R97	Activist	Resettlement community	Jinxin Jiayuan	20151222
G98	Residential gentrifier	Gentrifiers' community	Chengdunese Paradise	20151227
G99	Residential gentrifier	Gentrifiers' community	Chengdunese Paradise	20151227
G100	Residential gentrifier	Gentrifiers' community	Times Riverside	20151231
G101	Residential gentrifier	Gentrifiers' community	Times Riverside	20151231
G102	Residential gentrifier	Gentrifiers' community	Times Riverside	20160102
G103	Residential gentrifier	Gentrifiers' community	Times Riverside	20160103
G104	Residential gentrifier	Gentrifiers' community	Waterfront	20160108
G105	Residential gentrifier	Gentrifiers' community	Waterfront	20160109
G106	Residential gentrifier	Gentrifiers' community	Waterfront	20160109
G107	Residential gentrifier	Gentrifiers' community	Waterfront	20160116

Note: O means organisational member, G means gentrifier, R means relocated resident.

Appendix B Interview Guide

The interviews are semi-structured, but each interview addressed completely the themes for each group listed below. Because different groups often had different experiences in the renewal projects under investigation, a specific note was made before each interview. The question samples for the five main groups of informants aim to draw forth way more detailed topics.

As I was born in Chengdu and had doctoral education in Canada, my positionality in these interviews resembles an insider from the outside. At the beginning of an interview, I clearly introduced my identities and the purpose of the research. The informants thus knew me as an overseas student who was doing research for a dissertation and had kept domestic organisations (e.g., government and media) at arm's length. Of course, I share with the participants the local language and background information of Chengdu. On the other hand, my life experience is very different from my informants, who are mainly officials, workers in low-skilled sectors, and residents highly ranked in companies. In addition, I did face a generational gap with most of my interviewees, who are middle-aged or senior residents.

This positionality effectively smoothed the conversations between the participants and me. After being familiar with the crucial contexts pertaining to the group characteristics of the participants, I was able to give ready responses to the informant questions. Also, since I was trusted to be relatively objective in making comments on the events in urban redevelopment projects, the informants were more or less encouraged to express ideas openly. Nevertheless, owing to my educational level and overseas background, the group of migrants had a deeper sense of alienation from me than the other groups at the early stage of the fieldwork. As mentioned in Chapter 1, taking part in their daily life assisted me to earn their trust. Additionally, my overseas background could be a stimulus to the participation of activists in this research, because they might treat me as a channel to forward their criticism to governments and developers. To reduce the impact of my identity on the fairness of their storytelling, often at the outset of an interview I laid special emphasis on stating the purpose of the interview as academic use only.

For organisational members who once participated in the renewal projects:
Project information and polices
1. How did you first hear of the project to redevelop this district?
2. Can you introduce the social composition and tenure types of the neighbourhood before redevelopment?
3. What are the national and local policies that have influenced your work in the project?

Project participation
4. Can you introduce your institution? What are your main jobs in the project?
5. Can you describe your interactions with the other parties participating in the project (e.g., *danwei* managers, officials, developers, planners and resident representatives)? Which kind of difficulties did you meet in the interactions?
6. Before the project was formally established, did you make any attempts to inform the residents or seek their opinion and advice on the project? What were the main concerns expressed by varying community members?
7. How did you mediate the contentious issues that were brought forth by residents? Can you give me an example?

8. What are the main questions you were asked in the plan making and implementation of residents' removal and compensation?
9. What are the main concerns about the spatial planning for the new neighbourhood in this area?

Difficulties and opinions
10. What do you think the major challenge of the project is? How have these issues been tackled?
11. How do you think this project will impact the current residents in particular, and the city in general?

For residential gentrifiers
Occupation and income
1. Can you tell me your occupation and educational background? How about your family members?
2. How does your family income compare to others in this city – richer, poorer, the same? Can you tell me generally your family's income band every year?
3. Did you experience an important job transfer? Can you tell me the reason?

Experience in residential mobility
4. Before living here, where have you lived? What are the tenure types of your former dwellings?
5. Can you tell me the main reasons for moving each time?
6. Do you have other housing properties now?

Housing choice of the current apartment
7. How long have you been living in the current neighbourhood?
8. Do you live together with your children/parents? If not, where do they live now?
9. Do you and your families enjoy living in this neighbourhood? Why?
10. Did you ever consider living in other places in Chengdu?
11. Can you tell me more about your neighbours? Do you often interact with the neighbours?
12. Have you participated in any association in this neighbourhood? Have you expressed any opinions when you are living here? To who? For what?

Consumption practices
13. Compared with your former neighbourhood, how does the level of consumption change here?
14. What do you and your neighbours do in and around this neighbourhood, for fun or for other activities? Where have you done these activities?
15. Where are your/your families' workplaces/schools now?
16. How do your family compare to others in this neighbourhood – richer, poorer, the same?
17. Did you purchase the current apartment in the market or gain it through other ways, such as subsidised by the work unit? Can you tell me how much it costs and how did you pay for it?

Identity
18. How will you define yourself compared with others in the city, concerning cultural, social, economic and political capitals?
19. What do you think is the significance of one's living place and housing?
20. How will you compare yourself with others living in the luxury neighbourhoods in suburbs?

For retail gentrifiers in historical neighbourhoods renovated for commercial use
Occupation
1. Can you tell me your educational background?
2. Do you have other jobs? Can you tell me the reason that you started your current business?
3. How does your family income compare to others in this city – richer, poorer, the same? Can you tell me generally your family's income band every year?

Residence and locational choice of current business
4. Where are living now? Do you rent or buy the apartment?
5. Do you have other housing properties?

6. Have you ever considered living in the current area, or anywhere in the central city? Why or why not?
7. Why did you choose to set up business in the current historic place?
8. Do you think the renewal of this historic place is successful?

Identity
9. How will you define yourself compared with others in the city, concerning cultural, social, economic and political capitals?
10. What do you think is the significance of one's living place and housing?
11. What dreams and goals do you have for yourself or your business?

For residents relocated by money or in-kind compensation
Basic information
1. Can you tell me your native place and education background?
2. Before living here, where did you live? Who were you living together with?
3. Why did you move here? Is the present apartment a resettled apartment due to the redevelopment of XX neighbourhood?
4. How long have you been living in this apartment? What are the other members living in this apartment?

Previous life and working experience
5. When was your previous neighbourhood constructed? Do you know who constructed it?
6. How had it changed over years? How had the community members changed?
7. Which kind of jobs have you/your families done for a living? Can you tell me more about your previous jobs?

Project participation
1. How did you first hear of the project to redevelop XX neighbourhood? What were your initial feelings about this initiative?
2. Did residential representatives interpret for you the policies and regulations? For what kind of things?
3. Did you participate in any community meetings and events linked to the project? Why or why not?
4. Did you ever express your opinions on the project? If not, why? If yes, how have they been addressed?

Compensation/relocation information
5. Can you tell me how you have been compensated for the relocation?
6. Has all the compensation been delivered to you? Have you gotten any kind of commitments about the time and means of delivering the compensation?
7. Why did you/your families decide to remove and relocate with a compensation agreement?
8. Are you satisfied with the processes of project implementation and the compensation? Are there any worries in your mind?

Life in existing neighbourhood
8. Do you and your families enjoy living in this apartment? Can you tell me more about your apartment and the decoration?
9. Do you interact with the neighbours here?
10. What's the difference compared with the previous neighbourhood? Are you still in contact with neighbours in the previous neighbourhood?
11. Have you participated in any association in this neighbourhood? Have you expressed any opinions when you are living here? To who? For what?

Changes in employment, education and consumption practice
12. Where are your/your families' workplaces/schools now? How do you get there everyday?
13. Do they enjoy the current job or schooling? Have their jobs/schools changed over these years?

14. What do you do for fun in this neighbourhood? What kinds of things do your family spend money on?
15. How does your family compare to others in this neighbourhood – richer, poorer, the same? Can you tell me generally what is your family's income band every year?
16. Do you get an allowance?

Identity

17. How will you define yourself compared with others in the city?
18. Do you feel differently about yourself now from how you felt before or when you were younger? How?
19. What do you think is the significance is of one's living place and housing?
20. What dreams and goals do you have for yourself or your children?

For private tenants who had no compensation and were displaced

Basic information

1. How long have you/your families been in Chengdu?
2. Can you tell me your native place? Are you living in Chengdu by yourself or with your families?
3. When did you move to this apartment? Is the present apartment rented/purchased by you?

Working experience in Chengdu

4. Can you tell me why did you come to Chengdu (studying, working or marriage)?
5. Which jobs have you done in Chengdu during these years?
6. Can you tell me more about your current job?
7. Did you get any kind of assistance from the government, such as the employment assistance?
8. How do you/your family spend your money? Do you save it? Do you send money to your families?

Residential experience in Chengdu and particularly in the redeveloped neighbourhood

9. Before living here, where have you lived? How did you choose living locations?
10. Can you describe your previous apartments and neighbourhoods, such as the living conditions, your neighbours, and rents in those places?
11. Why did your move out of the last neighbourhood? Have you ever tried to stay put there? How?

Life in existing neighbourhood

12. Can you tell me why did you choose to live in this neighbourhood?
13. Do you interact with the neighbours?
14. Have you expressed any opinions when you are living here? For what? To who?
15. Do you have other housing properties in your hometown or Chengdu? Have you ever gained or applied for housing assistance?

Identity and family plans

16. What was the happiest moment of your life in recent these years?
17. Are your children at school in Chengdu?
18. What dreams and goals do you have for yourself or your children?
19. Have you ever planned to go back to your hometown? Why or why not?
20. How will you define yourself compared with others in the city? Can you tell me generally your/your family income band every year? Has that changed throughout the years you are in Chengdu?
21. What do you think is the significance of owning a private housing in Chengdu?

Appendix C Consent Form

Informed Consent Form for Community Members

Inner-city redevelopment and residential relocation

Who is conducting this study?
The study is for Qinran Yang's doctoral degree of human geography program in University of British Columbia (UBC). The information collected from this study will be used as part of Qinran Yang's graduating thesis for the doctoral degree.

Who is funding this study?
The China Scholarship Council is funding the study. China Scholarship Council is a non-profit institution subordinated to the Ministry of Education of People's Republic of China (PRC).

Why are we doing this study?
This study aims to learn the life change of residents who have been relocated because of old neighbourhood renewal. We want to learn more about residents' changing living conditions and lifestyle after the old neighbourhood renewal. We are inviting people like you who have experienced old neighbourhood renewal in Chengdu and are now living in a relocated neighbourhood in Chengdu to help us.

What happens to you in the study?
Your participation in the study will consist of participating in one semi-structured interview. The interview will be informal and conversational in style and will last approximately 1 to 2 hours. The themes involved in the interview will include the information of your previous and current neighbourhood and dwelling, your life experience during recent years, such as working, schooling and your sentiments toward the old neighbourhood renewal. During the interview I will be taking handwritten notes and, if you agree, I will be using a tape recorder. The interview will take place in a location that is comfortable and convenient for you.

Is there any way being in this study could be bad for you?
There are no foreseeable risks or discomfort resulting from your participating in this research. Some of the questions we ask may seem sensitive or personal. You do not have to answer any question if you do not want to.

Can you withdraw from the study?
If you decide to take part, you may choose to pull out of the study at any time without giving a reason and without any negative impact on your employment, your relationship with other community members and your access to further services from the community centre.

How will you benefit from the study?
Although you participation may not bring any direct benefit to you, it will help you understand more about the renewal and residents' rehousing processes. Moreover, you can provide your suggestions on old neighbourhood renewal and rehousing through this participation.

How will your identity be protected?
Subjects will not be identified by name in any reports of the completed study. All documents will be identified only by code number. Any other elements of the life history interview that may help identify individuals will not be published. All documents will be kept in a locked filing cabinet. Processed data will be archived in hard copies and digital form and stored in a locked office and on a password-protected computer. Information that discloses your identity (e.g., the consent form) will not be released without your consent unless required by law.

Will you be paid for your taking part in this research study?
In order to acknowledge the time you have taken to be involved in this project, each participant will receive an honorarium in the amount of 30 Chinese Yuan.

Consent and Signature
Taking part in this study is entirely up to you. You have the right to refuse to participate in this study.

•   Your signature below indicates that you have received a copy of this consent form for your own records.
•   Your signature indicates that you consent to participate in this study.

_____
Participant Signature   Date

If you are interested in receiving feedback on the research results, please provide your contact details. A summary of the results will be sent to you by mail or email after completion of the study.

Address: _____

_____

Phone #: _____

Email: _____