

Housing and Heritage: Conflicts over Urban Space in Contemporary Shanghai

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Abstract

In this paper, I address both the practical and architectural conflicts that arise from an anthropological perspective regarding the late low-rise vernacular housing legacy in Shanghai known as the *Lilong*. Before the 1978 reform, the Lilong houses were the dominating – if not only – forms of housing in Shanghai. The Lilong houses and neighborhoods symbolize modern Shanghai history and urban neighborhood life through micro-politics and interconnectedness of micro-communities. Life in the Lilong neighborhoods has its advantage which is the “sense of community, intimacy, and the continuity of history,” which the individual room in sterile high-rise apartments cannot provide. The Lilong houses today stand in sharp contrast with the growing trend of property-led growth, fueled by the changing family structure of post-reform urban Chinese society that favors higher density and higher return housing development. That said, whereas many scholars utilize heritage rhetoric to claim that the Lilong houses and neighborhoods are the representation of the history of Shanghai; therefore must be preserved to maintain the identity of the city, there are a number of sensible arguments about the downsides of the Lilong houses, including those coming from the residents themselves. I look at how such conflicts play out, identifying the key elements of the discourse and the reality of this situation.

Introduction

Studies of post-reform China from various perspectives have addressed growing societal concerns. The process of post-Mao China's economic reform began in the early 1980s and China has since experienced massive growth in export revenue and in the development of its domestic market. Such development has led to the substantial movement of population from rural to urban areas to fuel China's industrialized economy.

Urbanization has become one of the key characteristics of contemporary China. The image of today's cosmopolitan, pro-growth, consumer-driven China has fundamentally altered perceptions of pre-reform China (Davis, 2000; L. M. Zhang & Ong, 2008). These characteristics are not unique to China, especially when compared to other industrialized East Asian economies that previously enjoyed rapid growth (Rowe, 2005). Nevertheless, what is unique to China is the sheer scale at which its process of urbanization has operated. In comparison to just less than twenty designated cities under Mao, China could soon swell to one thousand cities, bringing half its population into designated urban areas over the next two decades (Rowe, 2005; Yusuf, Wu, & World Bank., 1997).¹ The scale of urbanization in the

¹ Take Shanghai, China's most economically viable city, for example. Despite

People's Republic of China (PRC) as little as thirty years before the launch of the reform was nothing when compared to the contemporary hyperbolic expansion of urban areas today (Logan, 2008).

Fascinated by the process of urbanization in China, I situate this paper at a preliminary pre-fieldwork stage of my research; hence, in this paper, my aim here is to identify plausible research areas about the impact of China's post-reform urbanization, with the specific focus on *housing*. I will provide a synthesis of the study of urbanization, leading to three possible future research areas: 1) the migration and housing provision, 2) practicality of lifestyle and historic preservation rhetoric, and; 3) the enforced family planning and its impact on space planning – all at the scale of urban spatial organization and in terms of the domestic/individual dwelling unit. Examples will be drawn primarily from Shanghai and Beijing, the two geographical areas with which my previous research projects deal (2007b, 2008a, 2008b, 2010a, 2010b, 2010c, 2010e; 2008).

Theoretical Framework: Labor, land, and Urbanization

Like anthropologist G. William Skinner (1964, 1965; 1977), I believe that since human social activity itself is structured in “physical” space, through transport systems and habitation patterns, we must put the analysis in spatial terms. Housing is a highly physical issue – physical in the sense that it occupies an incomparable role in the physical organization of Chinese society. Since its reform under Deng Xiaoping, China has been utilizing its “two main resources,” that of abundant human resources and land, as key determinants in steering its industrial economy (Logan, 2002).

Much needed for China's economy was the available massive labor force, mainly originating in rural areas. Hence, urbanization in China, at the outset, was the result of the process of labor and resources accumulation, at least in the secondary sector. The development of the tertiary sector followed by virtue of the financial base for investment opportunity, which the success of the secondary sector provided. One of the consequences of the development of these two sectors is the rising urban middle-class, whose occupations and lifestyles constitute further change in the way in cities are urbanized to serve them (L. M. Zhang & Ong, 2008). Cities, then, become the places for people from different backgrounds who occupy different segments of the society.

the recent slow down, Shanghai has been with keeping up with two-digit growth for the last 14 years since given the special economic city status from the central government. The city's GDP in the early 2000s reached RMB914.395billion (US\$114.3billion). According to the local statistics, the local government has put cash into the building of urban infrastructure such as roads, bridges, and highways has risen from US\$100million (1987) to US\$2billion (1993), and to US\$21billion in 2008.

This urbanization process might seem to some, especially those familiar with the western model of urban growth, as “inevitable”; however, I argue that this process, in fact, raises a series of important questions and concerns, especially for those, like me, whose scholarly interests lie in the way in which the society operates at the most fundamental unit, such as family and community.

That is, first and foremost, how are people accommodated? To put it simply, workers who work in urban areas have to live somewhere. If within the next decade, more than half of the 1.4 billion people in China will be living in sprawling urban areas that did not exist before, what would be the role of housing? Furthermore, if the two main techniques of China’s economy are the mobilization of mass labor for the use of urban industry and the building of urban areas that support it, what is the role of housing in the context of economic growth and social change? In particular, I will focus on housing in the planning of Central Business Districts (CBDs), which are post-reform phenomenon, whose idea was borrowed from the western planning model.² In seeking to specifically develop a further understanding of urban housing in Chinese cities, I regard housing issue as the most crucial socio-economic issue today.

“Making Sense” of China’s Urbanization

Scholars have argue that in discussing urban development in China, economics cannot simply be thought of as separate from politics (Lieberthal, 1995; Naughton, 2007). Despite its market-oriented economic direction, for an authoritative one-party regime nation-state like China, it is still the “level of autonomy” (and flexibility) with which the central government provides the local government and other private actors that controls the development. Urbanization in China is the product of the “the constant process of negotiation” between the state, the market, and international forces that recognize them (Han, 2000, pp. 2109-2110; McGee, 2007, pp. 50-51). The form of “quasi-opening up,” or the opening up to external market without the liberation of the political system, is unique to China. This process of negotiation is what defines the “Chinese characteristics” (Harvey, 2005; Y. Huang, 2008).

Before the reform, any urban area was typical a socialist city over which the central government had absolute control, by means of socialist central planning policy (Kirkby, 1985). Once the reform began, the state

² Although Chinese cities’ planners argue that the CBD’s model allows cities to optimally pool their resources and urban infrastructure (such as transportation and public amenities) to maximize the profits of service-oriented business and so on, there is a question whether or not it is necessary for every city to become urbanized by the same model of expansion, resulting in another recent “intra-regional competition” phenomenon between cities in the same region.

championed the restructuring of economic policy. Beginning with the de-collectivization of socialist communes, and de-centralization of central economy, the local government only decided what to do with the resources (which, in the early stage of the reform, were mainly land and labor). The local government was a leading actor in pushing forward entrepreneurial development style. In addition, recently we also see that the state also gets involved as an “initiator” in the development of projects (i.e. high-cost investment of infrastructure) that require a set of policies conducive to the accumulation of resources to be put into work. “State-led urbanization,” as You-Tien Hsing calls (2010), has been the standard of urban development in China since the 1990s.

At the structural level, the state consists of two main actors: the central and the local governments. As Terry Cannon (2000, p. 21) points out, the central government has a role in providing macroeconomic policy and regulation, while the local government is primarily responsible for initiating local plans and fostering investment. Instead of taking financial resources from all provinces to distribute based on need in the Maoist central planning system, central government deliberately freed potential cities (especially coastal cities) so that they could determine its methods of investment by way of the opportunities they saw and their business flexibility (Lieberthal, 1995, pp. 244-246; Walker & Buck, 2007, pp. 61-66). This way, not only could the central government de-centralize economic planning to regions seeking their way to engage bigger markets overseas, but it also responded to the real market demand and allowed the market to play a role in determining the pricing system conducive to its export-led economic orientation. That is, the local governments then become a direct player; and this is even more so in the case of Shanghai where the local government realized the potential of the city in tapping into a regional economic market and beyond (F. Wu, 2003).

For a socialist state whose reliance on the control of the means of production was not just an economic but also ideological underpinning of the system as a whole, land will always belong to the state. Hence, by the selling of land rights, lands in urban areas are leased for business for a certain amount of time for limited purposes, which were mainly businesses that the local government sanctioned. Foreign borrowing is the second largest source of foreign capital after foreign direct investment or FDI (Lardy, 2001, pp. 387-388).³ By the 1990s, development was still modest and limited to the Shanghai's existing boundaries. “To borrow hens to lay eggs” was one of Deng Xiaoping's famous quotes (Lanqing, 2009, p. 316).

³ In addition, since most of these projects fit within the World Bank's policy on urban and economic development, they were funded by the Bank and the Asian Development Bank (ADB) – the total cash value that these Banks lent to Shanghai for 15 years since 1991 exceeds US\$20.4billion (Olds, 1997, p. 111) Incomes from this process allowed the local government to invest in basic infrastructures, such as roads and transportation (Zhu, 2002, p. 54).

By this Deng meant that China would not be afraid of borrowing funds from foreign countries and international institutions for its expensive infrastructural projects. What the early 1990s showed to investors outside China was not just that China could sustain its massive rate of growth and investment, but also the stability of that growth, which was due to, "the factor of trust." In addition, there were also a number of special policies including tax exemptions for enterprises doing business with foreign counterparts (joint-ventures), tax holiday set for manufacturing factories set up under joint-venture business agreement, and duty-free import of raw materials (Naughton, 2007, pp. 410-411; W. Wu, 1999, p. 213). These offers were extremely generous to foreign companies. Since then, a coastal city like Shanghai has attracted a huge amount of FDI. Thereafter, foreign business headquarters started to plan their relocation to Shanghai one after another. Hong Kong, both before and after its China's Special Administrative Regions (SARs) status in 1997, has always been the leading investor in terms of total value of FDI (Ash & Kueh, 1993; Young, 1992; Yusuf & Wu, 2002).

We must not forget that these attractive policies were also supported by the state's very own deficit-financing mechanism, the State Owned Enterprises, commonly known as the SOEs (most of which were banking institutions). "Joint-venture between local private and foreign entrepreneurs is a pragmatic choice" said Deng (Lanqing, 2009, pp. 241-242); it began to move at full speed and the construction of buildings began to alter the landscape of the city. "Capitalism with Chinese characteristics," entails the local government's responsibility to shift from being an administrator working "on demand" for central government, to being "entrepreneurial" – being proactive in the process of stimulating local investment (Harvey, 1989).

CBDs as a Model of Urban Expansion

As mentioned earlier in the introduction, cities often resort to plans to build CBDs, as opposed to plans to build smaller urban communities which, as many planners argue, are more useful in a long run, let alone the big question mark whether or not China needs "that many CBDs."⁴ The building of the CBDs can be seen to have the same underlying rationale. As Hsing (2010, pp. 112-113) observes:

Establishment of CBDs is another long-term strategy in the quest for

⁴ Take the building of the Three Gorges Dam for example. Despite the plethora of criticism about its environmental impact and wrong investment strategy, the National People's Congress (a key forum of the central government) approved the plan and built this mega project. The US\$30billion of construction cost has consistently raised the question: why built such an enormous reservoir, whereas several small ones would be much cheaper and could probably deliver the same or even better service? The answer was simple: the Three Georges Dam symbolizes Chinese nationalism and technology advancement of China to the world (Jackson & Sleigh, 2000).

image creation and real estate accumulation...it [the CBDs] symbolizes modernity and potential property-value increases...the keyword "central" refers not only to physical but also social and cultural centrality in order to appeal to investors and buyers.

The implications of this also have an impact on "domestic perception." The government is using the CBDs as a means to highlight its authority and dominance internally. The implications that Chinese cities could have the same urban infrastructure as those of their western counterparts should not be understated. The notion of "symbolism," as Hsing argues, lies in the ability of physical built form to boost the sense of trust within the Chinese community. That is, it is useful to point out here that in studying the urbanization process of China, we are not dealing only with the basic framework of rational causality known in western theories of urban growth of financial centers (Harvey, 2003; Ward & Zunz, 1992; Willis, 1995), but also the underlying socio-cultural and political causes which are different from cultures to cultures.

Again, whereas it can be argued that we cannot compare the building of the Three Gorges Dam to the building of urban infrastructure, given their different functions and roles in relation to China's national planning policy, both cases exemplify the way in which the physical environment – iconography and symbolism – plays a role in the conception of growth, wealth, and success in modern Chinese society (Chow, 2004; Sklair, 2005). I have argued elsewhere that (2007a, 2008a, 2008b) this special characteristic of Chinese perception on the built environment is confined to the way in which the Chinese authorities want themselves to be seen. In those studies, I call this kind of characteristic, the "politics of built form" (Arkaraprasertkul, 2007a).

Urban Process and Housing

In market-oriented economies, the "urban process" is the process by which cities are largely urbanized as a venue for the business to take place in order to absorb both labor and capital surpluses (Harvey, 1981). Whereas the "urbanization process" is the transformational course in which a place becomes urban morphologically, the "urban process" is a framework that is established to explain the "capitalistic rationality" of the urbanization process (Hamnett, 1994; Harvey, 1981). Geographer Fulong Wu (2007) argues that rapid economic growth in China owed its continuity to the astute reconfiguration of urban space and market-oriented land development. Complying with my previous argument about the building of the CBDs, China's urban process involves densifying in the inner-city area and by expanding the network of transportation to reach undeveloped parts of the city. High-tech parks and other satellite industrial zones were also included in the plan (Yawei Chen, 2007; Walcott, 2009; Wei, Leung, & Luo, 2006).

This practice of planning largely focuses on urban elements consisting of tall

buildings. The idea was to create a metropolis on par with those of the West. When politicians and developers are working in concert, economics is the preferable form of acceptable rationale. In addition, to house the skilled and unskilled labors who relocated to cities, the process of residential buildings construction was monumental, adding a large amount of capital flows into the system. Surprisingly that it was not the commercial developers; residential developers have been, since the 1990s, by far the biggest player in real estate market in urban China.

Furthermore, the process of land privatization was the mechanism that made the transfer of land-use rights from socialist to market system smooth and active (L. M. Zhang & Ong, 2008). As laid out in this sketch, urban development has been a successful tool for economic growth. After housing reform, the real estate markets in urban areas have been dominated by private enterprises and Hong Kong developers.

In Shanghai, the real estate market was important in three ways. First and foremost, there was a housing shortage making the provision of housing crucial to accommodating the growth of urban population (Dwyer, 1986; Lee, 1988; Tong & Hays, 1996; Y. P. Wang, 1996). Second, as noted earlier, land policy was a means of extracting cash from the existing resources; hence, the leasing of land was then central to the city's process of capital accumulation (Hin Li, 1997; F. Wu, 1996, 1998). Finally, the expansion of urban areas through the expansion of residential areas was an "urban process," in which the labor and capital surpluses could be used efficiently (Harvey, 1972, 1973, 2008).

In reality, by the mid-1990s, through an intensive export-led labor-intensive economy, galvanized by China's fixed currency exchange rate, Shanghai had a problem with an over-accumulation of capital. The lack of effective demand and domestic consumption were also problematic (Hamnett & Shi, 2002, p. 132; F. Wu, 2002, p. 161). To address both problems, housing consumption was a natural response. The housing reform process proceeded as follows. In order to provide more housing at a rapid pace, the local government had to be untied from socialist-style housing provision through work-unit distribution and subsidization; therefore, the local government sanctioned both private developers (including joint-venture between private developers and SOEs) to have a share in the market by investment. By resorting to private developers, Shanghai could produce a large amount of housing units to accommodate the growing population of the emerging urban centre it was building. Not only was Shanghai a destination for Chinese jobseekers (and migrants), but it was also a destination for foreign entrepreneurs. The involvement of real estate FDI has subsequently played a crucial role in the spatial restructuring of the city.

Yet, this does not mean that the local government abandoned social housing provision completely. In fact, local government has continued to run

a “dual-track” system; while the real estate market takes care of the upper and middle class housing, the local government continues to provide housing to existing residents through relocation and residents tied to the work-unit system through its housing subsidy program. Both tracks necessitated the massive construction of housing units.

Urbanization and the Housing policy

In the early stages of the reform, accommodation of incoming residents was done through several channels with the help of the government through provisions of public housing (L. Huang, 2000; F. Wu, 1996, 2006). Through the work-unit (*danwei*) system, existing urban residents were given the option to stay or to move with reasonable support either in the form of compensation or relocation. Although not entirely equitable, migrants also benefited from the help of their *danwei* employers and the constant process of negotiation in the system (Lü & Perry, 1997; F.-L. Wang, 2010). Such a system, however, had its limit. From an economic and micro-planning perspective, this system was nothing more than debt-financing, although one could argue that it was reasonably executed in support of other more profitable economic activities for the better of the economic whole (Dwyer, 1986; Peng, 1986; Y. P. Wang & Murie, 1999). The need for housing is a basic need; hence, access to housing is access to a basic need that needs to be fulfilled.

Nevertheless, when the market became more open to competition from private investors and the government's decision to take their hands out of the housing market in order to re-balance the losses from the first debt-financing stage, housing became an issue. For example, in Shanghai's, the economy took off in the early 1990s and since then the city resorted to private investors and the operation of their real estate market in financing the building of housing units. This strategy, according to many scholars, is a two-edged sword strategy (Tang, 2006; F. Wu, 2001, 2006). On one hand, it potentially serves as a viable financial infrastructure, alleviating the burden from local government and enabling private investors to “act creatively” in solving the problems of housing shortage. Nevertheless, at the center of the urban residents' discontent is the manipulation of the market due to the lack of transparency in land acquisition.

Housing and Urbanization

As discussed in the first half of this paper, the main body of knowledge about urbanization in China comes from economics and sociology. I argue that such a way of understanding China only makes sense only to the point where we simply assume that the constant rise in number in the market is the reflection of the “stage of equilibrium” in contemporary Chinese society, which is not true. As we have learned from anthropologists that amidst the top-down pursuit of urbanization, the “shifting power and social relations,” revealed in the micro-urbanism level of urban life, is always in the process of constant negotiation in order to move the lives of the urban residents who have been brought into the city by the economic reform (Ma & Xiang, 1998;

Xiang, 2005; L. Zhang, 2001b, 2002).

The scale of migration in our time is unprecedented. When taking into account the exercise of the one-party authoritative regime in the practice of capitalism, we can see a rough sketch of how conflicts of interest among groups play out. For instance, in her study of *Zhejiancun* in Beijing, Zhang (2001b) demonstrates how migrants from Wenzhou transformed marginal spaces in the capital Beijing into their entrepreneurial hub, which was beneficial to the economy, but was later rejected by the authority only when their “migrant status” conflicted with the presence of the *hukou*-owed Beijing citizens. Pan Tianshu, in his study of gentrification in the Five Miles Bridge district in Shanghai (2002), observes the re-formation of neighborhood committees in the management of human social life of the same people in the new space brought about by rapid urbanization in China’s most lucrative city.

In my own study of Shanghai (2007b, 2008a, 2010d), I also observe a series of changes from the ground responding to the overall projection of the future by the local government. Although my observation is not based on a full-scale anthropological fieldwork, but a survey of exiting literature and a light version of ethnography, I can preliminarily see that the physical forms of historical neighborhood *lilong* houses are located within different realms of perceptions. These perceptions are shaped and re-shaped by forces both from within and that of globalization. The pattern of urbanization in Shanghai is more or less that of the removing of the “economically obsolete” and replacing it with the “economically-viable.” As we learned from many that such taxonomy could be rhetorical and does not always speak of the actual needs, we have to be very cautious of any kinds of claims (Herzfeld, 2006, 2009).⁵

That is, the study of the “condition of resistance” is key to the understanding of modern China. In light of this referential shift precipitated by exploding urbanization, it is beneficial to embrace social anthropology to fully understand the underlying cultural conditions within the framework of society.

Migration and Housing Provision

So, first and foremost, the first area of future research deals with the increasing population and the way in which cities are to accommodate them – the hard argument of Housing Studies. There are several aspects to this issue, including inequality and social justice (Feng, Zuo, & Ruan, 2002; Murphy, 2002; L. Zhang, 2001a, 2001b). Concerns over housing related issues

⁵ For instance, what does a mark “economically-obsolete” mean for a modestly new house built not so long ago but on the site that was later designated “the periphery” of the Shanghai Expo’ if not that the government believes that they could do more with the site by removing them for to sake of “spatial beautification”?

since the reform have moved to a central position, especially for local governments of major urban areas – what strategy can provide housing for all of the workers in the city? Moreover, an urban-oriented economy and the abundance of labor in rural areas have given rise to a new category of the urban population, the temporary workers who temporarily migrate to urban areas to find jobs and leave when there aren't any: the so-called “floating population” (*liudongrenyuan*). The migrant workforce, needless to say, is a considerable source of cheap labor that urbanizing areas need.

By simply removing the obsolete old and replacing with the more economically viable new, however, as shown in a number of studies, the government only generates new problems. In addition, pushing them to marginal areas in order to reserve the more profitable areas for other form of investment only exacerbates the problems, including social displacement, inadequacy of public and transportation infrastructure, and informal squatter settlements, to name a few (Yu Chen, 2009; Xiang, 2005; L. Zhang, 2001b).

Different groups of people from diverse income groups vary in their ability to afford their accommodations. The lack of urban housing registration on the migrants' side only adds more pressure to their situation; yet, all actors, including the government who does not highly regard their role depend on their inexpensive labor. The local government's biased investment strategy in favor of the groups who have more purchasing power will not only lead to a severe gentrification problem, but also to an artificial bubble-like increase of prices in the properties market (F. Wu & He, 2005). In fact, some studies have shown that this increase in prices of real estate property is the single most controversial political issue in urban areas. These repercussions will have immense impact manifesting as intense socio-economic and financial problems that someone (i.e. the local government) has to solve.

Practicality of Lifestyle and the Rhetoric of Historic Preservation

The second crucial issue is the ever-intensifying tension between residents and local governments. Local governments often seek to expedite urban development for monetary gains, denying or ignoring the difficult consequences for residents (He, 2007). Various tactics have been employed to make use of the profitable footprints of lands and space that are valuable to industry and service-sector business. I pointed out in my previous work that a purposefully reinvented rhetoric of historic preservation of national and local forms of heritage has ridden roughshod over the interests of the local citizenry (Arkaraprasertkul, 2010b). In Shanghai, conflicts between residents and local governments were often suppressed by another type of rhetoric, an economic rhetoric (Pan, 2002). I strongly argue that we cannot simply rely on the checks and balances of the economic system, but must understand the actual circumstances, taking into account the past experience that characterize local groups wishing to remain or be removed from the urban centers (Herzfeld, 2006).

In my research about the historic form of housing in Beijing (*hutong*) and Shanghai (*lilong*), the understanding of how history is related to the social context of the present time is still problematic. Despite the fact that there are various historical vis-à-vis heritage conservation reasons for the houses to be protected, the policy for the preservation can also be seen superficially. Contradicting ideas come from the reality of the present. Many residents are not satisfied with the condition of their very old houses; and thanks to the status of their houses as “registered as an architectural heritage,” they cannot renovate their houses. One might be able to think about this question holistically if putting one’s feet into the shoes of the residents; many of them are living in dilapidated buildings without adequate and stable basic infrastructure, such as tap water or electricity, yet they cannot make changes to their houses (Pellow, 1993).

Despite efforts to rehabilitate some old neighbourhoods or a “soft densification” (Dwyer, 1986) to make them more economically viable for the present-day lifestyle, such efforts are still woefully inadequate to help raise the standard of living of the residents (Ma, 1981). In addition, as the majority of the tenants are not among the high and middle-income groups who work in financial or service sectors, money to renovate their houses is also an issue as most of the time they can only wait for the local government to help (Peng, 1987).

The Historic Preservation Law for both Beijing and Shanghai only took effect in the early 2000s. While one might argue it is better than nothing, the underlying purpose of such a law is questionable. In theory, the law identifies several “historic relics” that the city wants to preserve, but in practice, these gold inscribed “historic relics” plates only give pause to the process of high-rise development in some areas, preserving old houses and neighbourhoods that are still in (re)habitable condition (Tsai, 2008). One assumption about the enforcement of this particular law is quite political: as Shanghai tries to re-brand itself to be as important in the way of many successful cities it would need “some history” to make it more attractive.⁶ The *lilong* houses, with their sophisticated architectural ornaments and form unique to China, are seen as an element of history that would make Shanghai a city of not only the present and the future but also the glorious (and glorified) past. The element of history is important in the process of creating the perception of Shanghai as a city with cultural attractions. Recently, the “preservation and maintenance of historic relics” is one of the key indicators that the local government of Shanghai proudly presents in its *Statistical Yearbook (Shanghai Statistical Yearbook, 2009)*.

⁶ The argument here is that through the process of reinventing history, a community (or a nation at large) could be reconstructed as “imagined community” (Anderson, 1983)

This assumption about the politics behind historic preservation is not new to Shanghai. In fact, it is not new at all. Michael Herzfeld (2005, 2006, 2009) observes that the use of the two terms “development” and “historic preservation” are not always as benevolent and forward thinking as we thought they should from their literal meanings. The question of “historic preservation for whom?” is then a very challenging question, which can only be answered through the acknowledgment of all other socio-cultural changes in post-reform urban China. The rhetoric of historical preservation is juxtaposed with the city’s goal to project its global image representing the contradictions both in terms of ideology of growth and planning.

Family Planning Policy and Space Planning

Furthermore, take policy change for instance: the changing structure of the family since the enforcement of the single-child family planning policy has had a profound impact on the re-organization of space in a housing unit. (Arkaraprasertkul, 2009, 2010; Short & Fengying, 1998). For example, statistics (*Shanghai Statistical Yearbook, 2009*) show that since the reform, the average number of persons per household in Shanghai has consistently declined from 4.6 per household in 1980 to a little less than 3 persons in 2008 (Compared to about 3.5 people for one household for China as a whole). With the consistent decline of the number of persons per household (with a projected decline down to 2 or 2.5 persons per households in the next decade), the structure of Shanghai’s households are the closest to being an urban-oriented nuclear family of all parts of China (which of course does not include the Special Administrative Regions, i.e. Hong Kong and Macau).

With fewer than three people per household today, residents who no longer need to have large, often multiple-floor, living space for their extended families do not want to tolerate the obsolescence of their old houses and would prefer a “mod cons” room in a modern high-rise apartment (Wang, 2006). That is, one could argue that following the change in the size of a family due to the single child policy, there have been changes in the housing preferences among multi-generational Shanghai residents and immigrants. Younger generations, especially those working in service sectors, tend to prefer a smaller space in an apartment for day-to-day living for a couple and a child due to the one-child-only policy (Zhao, 1997). Moreover, the single child policy also allows resources from the entire family to come to support a single person (Greenhalgh, 1990; Wasserstrom, 1984; Watson, 2000).

In many cases the single child policy generation residents then have collective support from their families to purchase rooms in newly built high-rise apartments, which are a more sound choice for their modern lifestyle as well as being an alternative investment to the shaky stock market- real estate in China has always gone up in value since 1979. It is also worth noting that many of these buyers buy under pressure from their parents. The parents of the post-1980s generation are pressured by their parents to divert their money into real estate, often having already benefitted themselves from the high

savings rate which finances study abroad and extensive private education programs (Fong, 2004).

Conclusion

All of these, needless to say, have not come together in the analyses of many scholars, as bridging the conceptual gap between the physical form of housing production and the policy that governs such operations is an uneasy task for any scholars of any single field of study. The main pitfall of existing literature reflects the limitation of a single academic discipline to penetrate the reality of the situation. In writing this paper, I do not aim to reiterate the conflicts as most of the previous studies on the topics of contemporary China have done.

The local government, with their efforts to push forward “the growth of the GDP,” does not seem to believe that they need to hear from the residents when making a decision that will boost the growth qualitatively. As post-reform China is focusing on an export-led economy, labour forces are at the heart of its investment strategy. The housing issue, then, becomes the central social infrastructure that the local government needs to provide – how to provide housing for all workers in the city?

By simply removing the obsolete old and replacing with the more economically viable new, however, as shown in this study, the government only generates new problems. Different groups of people from different income groups have varying capacities to afford their accommodation. The local government's biased investment strategy in favour of the groups who have more purchasing power will not only lead to a severe gentrification problem, but also the artificial increases of prices in the property market. These will have an immense impact and manifest themselves as widespread socio-economic and financial problems, which someone (i.e. local government) has to solve. Here, I argue that the current strategy will defeat the purpose of expediting urban development that the local government set itself from the start simply because the price that it has to pay once all the collective problems explode will be colossal.

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