FAST GROWING CITIES: HOW TO ENSURE HOUSING AFFORDABILITY AND JOB ACCESSIBILITY?

What can European cities learn from Chinese urban development dilemmas?

New Years' photo essay by Iván Tosics

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Shenzhen is a prototype for economic and urban reform within China: located across the border from Hong Kong in Guangdong Province this small fishing village has been assigned in 1980 by China's leader Deng Xiaoping to become the country's first Special Economic Zone (SEZ). Within 35 years the city expanded into one of the world's true mega-cities with 10 million residents (the unofficial population is estimated to be around 14 million). This is a direct result of Shenzhen being one of the first places in China where burgeoning capitalist activity was actively promoted after the reform and opening of the country.

Getting around the city visitors (who dare to leave the main boulevards, shopping and tourist areas) discover something strange: two different faces of the city. From above it looks like the following:

Figure 1. Urban Village, Shenzhen, China

Source: Cane Jason https://canejason.wordpress.com/2014/03/26/urban-village-shenzhen-china/

Figure 2. Aerial View of Fuxin Village, Shenzhen, 2011 © John Joseph Burns

Source: http://www.mascontext.com/tag/shenzhen/

The pictures show relatively high multi-family buildings, built in extreme density, and surrounded by brand new skyscrapers. The dense and older (but inreality not older than 30 years) buildings constitute the 'urban villages' of Shenzhen.

The roots and history of the urban villages

The story of this strange contrast of two types of areas goes back to the very specific Chinese land ownership regulation. „While the state owns urban land, the use rights of which can be leased in exchange for payment, rural land is allocated to rural communities free of charge ... The collective ownership of village land does not allow villagers to alienate their lands, other than to transfer ownership to the government. However, the specific occupancy of a house plot turned each village family into a de facto landlord with unrestricted tenure … „(Hao et al, 2012)

China's urban villages (or *chengzhongcun* in Chinese) „… are created by the land expropriation process for urban expansion, in which the farmland of peri-urban villages is requisitioned and used for new urban development, while the village's residential areas are retained by the indigenous villagers. This approach enables the government to avoid costly and time-consuming programmes to compensate and relocate affected indigenous villagers. The residual village residential areas are enclosed spatially by newly developed urban areas to form urban villages." (Hao et al, 2012)

„As Shenzhen expanded it swallowed up the surrounding agricultural land in order to develop an urban landscape. This land was forcibly purchased from the local farmers in order to develop, essentially leaving the local villagers without any real means to sustain themselves. The only thing the villagers owned was their 'village land' on which they lived and which was being surrounding by the apparent progress of generic urban development." (Burns, 2011)

„At the same time, massive rural-to-urban migration creates an enormous demand for inexpensive and accessible housing units in urban areas, which is satisfied by additional housing units in urban villages built and rented out by their indigenous residents. This process, therefore, leads to the creation of a flourishing low-income housing market within urban villages without government assistance." (Hao et al, 2012)

„… the indigenous urban village residents can take advantage of their land's prime location and exploit it via highly profitable room rental to migrants. As development projects in urban villages are not scrutinized by urban planning or regulations, indigenous villagers are able to provide sub-standard housing and services. This not only substantially reduces the construction and management costs, thus enabling low rent, but also allows quick and massive constructions that provide large quantities of housing units to satisfy the increasing demand. " (Hao et al, 2012)

In this process the original villages became gradually extremely dense neighbourhoods: all empty areas were used for constructing new houses, roads were narrowed and the traditional low-rise houses were replaced by concrete high-rise apartment buildings. Besides using all parts of the land also the height of the buildings were maximized to around eight floors (in the lack of elevators).

Shenzhen has today 320 urban villages „... These urban villages are distributed throughout the city and are thought to accommodate approximately seven million out of the city's 14 million inhabitants." (Hao et al, 2012)

Urban villages from 'inside': Baishizhou

Figure 3. Baishizhou urban village (photos by Iván Tosics)

Baishizhou is a well located urban village, within the boundaries of the SEZ and close to the subway system. The two pictures illustrate the "hand-shake architecture" which dominates Chinese urban villages: buildings are so close to each other that neighbors could "shake hands" through their windows. Although in late 2012 the Shenzhen Government and Lujing Developers announced their intention to raze and rebuild Baishizhou as a centrally located luxury development, in October 2015 the urban village still existed and had a busy life, as shown in the next pictures.

Figure 4. Baishizhou urban village (photos by Iván Tosics)

The life in the urban villages is not easy, as infrastructure is poor (e.g. there is no public garbage collection within the area). Migrants who do not have urban hukou, have no access to subsidzed public services, such as housing subsidies, health care, education. No wonder, that the migrants, who dominate the population of the urban villages, are „… mostly young and single, are employed in labour-intensive sectors such as manufacturing, construction and consumer service sectors. For them, a room in an urban village, close to employment opportunities, may be all they can afford and the best they can get." (Hao et al, 2012).

Figure 5. Baishizhou urban village (photos by Iván Tosics)

The street life in urban villages is very vivid, the groundfloor areas are full with shops and small workshops. It is typical, for example, that students, when move into an university dormitory or collective flat, visit the closest urban village to buy the most important gadgets and furniture for their new life – everything can be found here in very short distances and on very cheap prices.

Figure 6. Baishizhou urban village (photos by Iván Tosics)

For all the above reasons the rental housing market is extremely busy in urban villages: there are many advertisements, offering very different housing opportunities.

The eradication of urban villages: the case of Dachong

Figure 7. Dachong Village, one of the largest urban villages of Shenzhen, has been demolished in 2011 – leaving behind only a few "nail houses" (cc) dcmaster/Flickr Source: Al, 2014

„Despite the important role of urban villages and their efforts towards formalization, the local government still maintains a negative view of them, claiming that they are associated with physical and social problems and that their existence suppresses the land value of their sites and neighbouring areas… Consequently, in many major cities, policies aim to solve the 'urban village problem' through their wholesale demolition and redevelopment into formal urban neighbourhoods." (Hao et al, 2012)

„In 2011, bulldozers tore down nearly the entire village of Dachong, in China, destroying over 10 million square feet of village housing and evicting more than 70,000 residents, many of them migrants. In what was called one of the key urban "upgrades" of the decade, a vibrant community had been turned into a rubble-ridden demolition site … Located inside the Shenzhen Special Economic Zone, Dachong Village had become a prime real estate location when it was engulfed by the explosive development of the surrounding city. Developers and government officials saw the village's adjacency with a new high-tech industrial zone as both a major nuisance and business opportunity … A few families had refused to transfer their property rights, but after the district government approved eminent domain, the remaining homes were razed as well. Those who had agreed to transfer their land rights were given more than 100 million RMB compensation to sell their properties, propelling the former farmers into the nouveau riche: some of the villagers even made it to the ranks of RMB millionaires." (Al, 2014)

It has to be noted that in the whole decision-making process only the original villagers were included and only they became rich; the overarching majority of the local residents were excluded, as being migrants with no property rights thus being evicted without any compensation.

Figure 8. The area of the previous Dachong Village (photos by Iván Tosics)

When I visited in October 2015 the area where Dachong was until 2011, I found an extremely dynamic construction site, with many beton-mixers coming and going and with very bad air quality. The yellow highrise buildings in the back of the second picture are part of an affordable housing scheme with large „WELCOME BACK" signs (allowing now the return of those who were expelled a decade ago…) There is also a strange advertisement to be seen on the left end of the fence, showing a peaceful bench on green – this is exactly what is missing after rebuilding (of course it did not even exist before rebuilding, in this regard not much has changed with the eradication of the urban village…)

What could be the alternative to demolition?

Despite the fact that crime rates are higher in urban villages than elsewhere in the city, „… there's still a strong sense of community. The handshake architecture and the short distance between buildings and streets play a big part in sustaining the closeness within the neighborhoods. That important sense of community is unfortunately lost in the many high-rise gated communities which surround these urban villages." (Zhou, 2014)

„… urban villages are in essence a vital low-income housing market … urban villages provide the only affordable and accessible form of housing for rural migrants who are otherwise shunned by the urban housing market … they also allow the now landless peasants to earn their livelihoods as landlords, thereby transforming their socio-economic characteristics, while satisfying the demand for low-income urban housing and services and simultaneously adopting new institutional structures required by the local authorities. (Hao et al, 2012)

„Instead of demolition, China's urban villages could be treated like the older historical villages that some Western cities have been smart to incorporate in their greater urban fabric—places like Gràcia in Barcelona, or the West Village in New York City. Their irregular and small grain of urban fabric provides a welcome variety to the larger homogeneous city grid, whereas the small lots provide opportunities to smaller businesses … As in any city, buildings come and go, but streets, open spaces, and everything else that gives long-term identity to a place can be sustained and even integrated into the future of the city. (Al, 2014)

„What would happen if Shenzhen loses its urban villages? … Increased public transportation pressure, increased service costs, increased rental prices, decrease of rural migrant population. But most important is the lost of the social community. The social value of the urban village is greater than the physical context … If they all just disappeared, Shenzhen would have a major crisis in its basic way that it operates." But there are also more optimistic views. „The complexity of their land ownership and legal situation has tempered the power of the Shenzhen government, which is often considered to be more progressive and civic-minded than those of other cities. Villages can't be wiped off the map without dealing with their landowners, which has led to a culture of governance that 'tries to negotiate rather than force,' … And as Shenzhen has become wealthier and more established, its attitude to urban growth has become more nuanced. 'The government used to talk about eradication of urban villages, … Then it became redevelopment. Now it's renovation.' Renovation sounds promising. The urban villages already work well; they need new paint, not bulldozers." (DeWolf, 2014)

The eventual regenerationof the urban villages should be a carefull, gradual process, including the improvement of public spaces and some public services and helping to clarify and stabilize the property rights of all of the residents – not dealing only with the original landowners.

Conclusion: the potential role of 'urban villages' in growing cities

The story of the Shenzhen urban villages can be considered as a special way of urban development in which at least a part of the new value created by fast urbanization has been captured by the indigenous (village) population. The outcome of the process is a densifying urban area with low quality and cheap housing which fulfills very important role in the economic and housing system of the growing city: it allows migrants to live in the city center or close to it and have access to relatively better job opportunities (from peripheral areas this is more difficult as public transport prices depend on distance and in rush hours public transport might be very overcrowded). Thus urban villages are very important for the city, they can not be evaluated as being slums or ghettoes.

Those planners and politicians who want to eradicate the urban villages usually refer to the low quality of living in these areas but have in reality different aims: to expell the low income strata from the central locations, replace them with higher income groups. They also want to get a share of the value increase due to redevelopment into upmarket skyscraper areas. When talking about replacing the low quality, outdated buliding stock with modern, 'up-to-date' urban development, they forget about the need of the city for cheap housing which is affordable for lower income people in locations from where their job opportunities can easily be accessed.

If the latter aspect is taken serious, the improvement of the urban villages (instead of their total elimination) becomes a viable option. This would, of course, require a different allocation of the value increase of centrally located plots between the original population, the users/residents, the developers and the municipality.

What is the European relevance of this story?

At first sights it is difficult to see any direct relevance, as in European cities no urban villages exist due to the fundamentally different land ownership laws. Also the dynamism of development is different.

However, there are many dynamically growing European cities which constantly face the question, to where to direct growth? And there are many examples which are similar in their approach to the Dachong village case: the easiest and most profitable would be to rebuild the 'underused' and 'outdated' inner city areas.

If we replace the Shenzhen urban villages with the deteriorating old inner city neighbourhoods of European cities, we can discover the similarities. Centrally located old housing areas usually play important role in the local housing market of European cities, assuring affordable housing for poorer people in areas from where their jobs can easily be reached. The total elimination of such areas would be a similar mistake to the eradication of urban villages in Shenzhen.

Instead of demolishing such areas, the municipalities of dynamically growing cities should always consider other aspects than just their revenues from taxpayers and developers. Keeping the low-rent, affordable inner city areas and helping their slow improvement (without allowing speculation, i.e. market actors to overtake these areas) is very important from the perspective of a more balanced urban development.

Dynamically growing cities have always to calculate with many different options. Besides the one discussed in this article, another possible approach is to apply the principle of Transit Oriented Development (TOD), which means the creation of new, affordable housing in new locations around the city, where public transport is well developed, thus the access to job opportunities is ensured. A striking example for this approach is Hong Kong – see my blog post about the pros and cons for this approach under http://www.blog.urbact.eu/2015/12/dense-suburban-new-towns-solution-for-high-growth-urban-areas/

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