Negotiating Livelihoods in a City of Difference: Narratives of Gentrification in Shanghai

Deljana Iossifova

During China’s past thirty years of reform, the commodification of housing, urban redevelopment, the state-sponsored displacement of residents, and rural-to-urban migration created “cities of difference” or cities, in which people from different socioeconomic backgrounds and with different privileges coexist in shared urban space. This paper explores the causes and effects of multiscalar gentrification in Shanghai based on the narratives of two residents who struggle with socio-spatial change in a fragmented neighborhood under redevelopment: one who was born in the neighborhood in 1960, and another who arrived there in 2002. This paper illustrates how the residents negotiate their livelihoods—that is, their rights to work, reside, and make a living in the city—while local planning mechanisms fail to accommodate their needs and instead, facilitate their exclusion from society and public space.

China’s transition from a planned to a market economy over the past thirty years has given rise to increased spatial diversity and class-based, as well as institutionally-imposed, difference. Thousands of low-income, inner-city residents have been displaced to relocation housing on the peri-urban fringes due to urban redevelopment projects. Simultaneously, the country’s cities have attracted millions of rural-to-urban migrants and seen the emergence of a new urban middle class. Members of different social groups live side by side, making a detailed understanding of the mechanisms of this coexistence in shared urban space crucial to the development of socially sustainable urban planning strategies. While some scholars of identity and difference propose that coexistence in “cities of difference” (Fincher and Jacobs 1998) contributes to increased interaction, recognition, and the formation of new and hybrid identities (Sennett 2006, 1970; Young 1990), others argue that the relationship between diversity and recognition is ambivalent and context-dependent. When some aspects of individual or collective identity are given priority over others, for instance, exposure to the other can easily result in prejudice and even violence (Sen 2007; Fainstein 2005). In this context, Sandercock (2000) points out that finding “transformative,” rather than “repressive” ways of planning—or “managing our co-existence in shared space” (Healey 1997)—is an important challenge for planners today.

The purpose of this paper is to explore the causes and consequences of socio-spatial restructuring, coexistence, and multiscalar gentrification in Shanghai. First, I provide an overview of the processes of rural-to-urban migration and urban redevelopment as contributing to the rise of socio-spatial difference. I situate gentrification in the Chinese urban context, where the state owns all land and plays an initiating, facilitating, and supporting
role—making gentrification always “state-sponsored” (He and Wu 2007; He 2007). I distinguish between the simultaneous and correlated processes of macro and micro gentrification. Macro gentrification denotes when top-down, large-scale urban redevelopment directed by the upper levels of government—the district, municipal, and sometimes even the central government—displaces predominantly long-term urban residents. Micro gentrification refers to when small-scale, socio-spatial interventions, in line with the state doctrine and initiated by the lowest levels of government—the jiedao (urban subdistrict office) and juweihui (neighborhood committee)—aim to regulate everyday life processes and in so doing, push out predominantly recently arrived rural-to-urban migrants from inner-city neighborhoods. After a short discussion of my methods and data, I present a brief history of the site for my case study: a fragmented neighborhood on the banks of Suzhou Creek in Shanghai. The neighborhood has evolved from an area of historically informal housing, and today encompasses three very dissimilar parts, each representative of different stages of urban development and inhabited by specific social groups. I use the narratives of YZM, a recently displaced, long-term urban resident, and WY, a recently arrived, rural-to-urban migrant, to examine the processes of macro and micro gentrification, illustrating the ways in which the two processes affect these two types of residents in the neighborhood. I close by claiming that gentrification in Shanghai occurs at multiple scales, with current planning practice unable to acknowledge the right to the city, and complicit in eroding the potential of difference in the city.

Socio-spatial Restructuring in Urban China

China’s recent opening up and reform policies have introduced urbanization, spatial transformation, and societal restructuring on an unprecedented scale, resulting in urban areas that are socially and spatially fragmented (Shen 2007; Ma and Wu 2005). Access to housing in recently completed, inner-city, residential developments is restricted to the members of specific socio-economic groups, while older neighborhoods are the domain of the urban poor and members of the so-called “floating population” (liudong renkou)—consisting of “temporary” rural-to-urban migrants who leave their homes in China’s inner provinces in search of increased income in China’s cities (e.g., Laquian 2006). Wong, Yeow, and Zhu (2005) speak of the “dualistic nature of the floating population,” exemplified by the simultaneous inclusion of this group in the economy and exclusion of this group from society. Migrant workers currently make up 58% of China’s manufacturing workforce, 52% of the country’s service workforce, and as much as 80% of its construction workforce (Xinhua News Agency 2008). It is estimated that in Shanghai, the “floating population” amounts to 6.6 million people, in addition to the city’s registered permanent population of roughly 18.6 million (Qian 2008).

Rural-to-urban migrants cannot transfer their rural household registration (hukou) easily to an urban one, and thus are officially excluded from public services such as insurance, health services, or education, to which they are entitled only in the district of their household registration (Fu Keung Wong and He Xue 2008; Li 2004). The hukou system affects, for example, the life chances of migrant children brought up in the cities, where they are often not
allowed to attend state-run public schools and hence, are educated in privately-run schools specifically for migrant children or not educated at all (Woronov 2004). As migrants are also subject to restricted access to the urban public housing system, their choices are limited to migrant-only housing complexes managed by agencies (Wu 2006) or rental housing (Yan 2007). Self-employed migrants, as I will later describe, often cluster in informal housing on the borders between socioeconomically diverse communities, where they are able to cater conveniently to the needs of clients from a variety of strata. For instance, they repair bicycles, sell cigarettes, or serve food to fellow migrants, low-income urban dwellers, and better-off residents alike.

Aside from being denied access to public services in China's cities, rural-to-urban migrants often experience informal social exclusion in the form of prejudice, everyday discrimination, and a lack of a sense of belonging (Li 2004). For example, although 90% of migrant children in Shanghai are eager to make friends with Shanghai children, a striking 60% of them report that they do not consider themselves Shanghai children (Yan 2007), and 41% of adult migrants in the city state that they have been discriminated against in the past (Wong, Yeow, and Zhu 2005). As Pow (2007) observes in his work on “moral ordering” in Shanghai, the roots of such discrimination are to be sought, on the one hand, in the historical moral distinction between the “urban(e)” and “rural,” in which the “civilized ways” of “cultivated urbanites” are opposed to the “savage lifestyles” of peasants and migrants. At the same time, the state's efforts to propagate “civilized values” and an “orderly living environment” help consolidate these moral distinctions and translate them within the space of the gated residential compound. Gated residential compounds are spaces of supposed protection from the social threat allegedly imposed by “outsiders” and “rootless people”—low-income urban residents and rural-to-urban migrants (Miao 2003; Pow 2007). These gated compounds symbolize a “collective form of social identity” for a new “professional middle class,” characterized by the experience of home ownership, a high level of education, higher-level employment, and “privileged access to the real estate market” (Tomba 2004; on the “new middle class” see He 2007; He, Li, and Wu 2006; Ho and Ng 2008; Yang and Chang 2007).

The mushrooming of gated residential compounds in contemporary Chinese cities such as Shanghai is directly related to the displacement of inner-city residents to the peri-urban fringes. The term “gentrification,” as coined by Glass (1964), describes the process by which the influx of a wealthier class—together with the accompanying rehabilitation of housing stock—results in the displacement of lower-income residents from these neighborhoods. In recent years, this definition has broadened to include redevelopment and new construction, as well as rehabilitation (Smith 1996). Wu (2002) argues that gentrification processes in Chinese cities are linked to the country’s overall transition from a planned to a market economy, as well as to the decentralization of state power. In contrast to the pre-reform era, recent structural reforms allow local governments to retain large parts of their local revenue from taxes and in particular, from charges on the use of state-owned land (e.g., Shanghai Municipal Statistics Bureau 2006), resulting in furious inter-city competition for domestic and foreign investment in land use and development (Wu 2002). Moreover, commodification of the socialist housing system, in which housing used to be regarded as “social welfare,” has led to the
development of a housing market that treats housing as a commodity (Wu and Webber 2004; Wu 2001).

He and Wu (2005) call the prevalent form of housing redevelopment: “property-led” urban redevelopment on an unprecedented scale. Between 1949 and 1961, for example, 85,000 families in all of the United States were displaced due to urban redevelopment projects (Marris 1963), whereas between 1995 and 2005, the number of displaced households amounted to 746,000 in Shanghai alone (Shanghai Municipal Statistics Bureau 2006). As the state plays the initiating, facilitating, and supporting roles in this “updated version of gentrification,” the process can be described as “state-sponsored gentrification” (He 2007). In Shanghai, the lack of investment in urban infrastructure and building maintenance on the part of the state prior to 1978 resulted in decaying inner-city neighborhoods, which are now seen as stains tarnishing the city’s image as a “global city” (Wu 2000). He (2007) points out that many redevelopment projects are launched under the pretext of improving living conditions for existing low-income residents; however, the combined displacement of these residents to the peri-urban fringes and the development of commodity housing targeting a more affluent class make “class transformation” a typical attribute of urban redevelopment.

In this paper, I distinguish between two simultaneous and correlated processes of gentrification that appear on different scales. I have chosen the term macro gentrification to describe state-sponsored, primarily property-led, urban redevelopment initiated on the levels of the district, municipal, and sometimes even central, government. This type of redevelopment affects entire blocks of existing neighborhoods and results in the large-scale demolition of existing buildings and the displacement of predominantly retired, unemployed, and low-income urban hukou holders from inner-city locations to the peri-urban fringes, for the sake of building more profitable developments and attracting affluent residents. In contrast, I define micro gentrification as state-sponsored urban transformation initiated on the levels of the urban subdistrict government and neighborhood committee. Micro gentrification encompasses subtler, microscopic, urban renewal interventions—particularly on the borders between existing and recently redeveloped areas—designed, in the first place, to disguise remaining, impoverished urban spaces and to regulate everyday life practices where they do not adhere to the values of “civilized” (Pow 2007) urban living, as prescribed by the state and propagated by the urban middle class. Primarily morality-driven, micro gentrification affects mainly rural hukou holders, as they are the group that predominantly inhabits such border spaces in the city.

I will elaborate further on these two processes after providing a brief outline of my research methodology and introducing the historical context of my case study neighborhood in the following section.

Exploring a Neighborhood in Transition in Shanghai

For this paper, I draw on data collected during 2007 and 2009 as part of my ongoing dissertation research, which examines the experience of socio-spatial restructuring in contemporary Shanghai using a grounded theory approach (Glaser 1978; Glaser and Holton 2004; Glaser and Strauss 1967). During seven months of fieldwork in a neighborhood under redevelopment, I carried out direct observation, resulting
in an extensive pool of field notes, photographs, and drawings. I collected supporting visual data through photography, hence also introducing my presence into the neighborhood and establishing contacts on-site. Assisted by a translator, I conducted over forty semi-structured and open-ended interviews with informants I selected through informal conversations with area residents. Using the constant comparative method, combining substantive and theoretical coding, as well as analytical procedures (Glaser and Holton 2004; Glaser and Strauss 1967), I analyzed photographs (both my own and photographs given to me by my informants), field notes, interview notes, and secondary data (such as web pages, newspaper articles, and maps). I chose to include here the narratives of YZM, a recently displaced long-term resident holding an urban hukou, and WY, a recently arrived resident holding a rural hukou, as they exemplify the concerns of residents affected by urban redevelopment in the selected neighborhood.

A Brief History of the Study Site

The case study neighborhood is located in Putuo Qu (one of the city’s ten central districts), roughly seven

Figure 2. The case study neighborhood comprises the remainder of an existing neighborhood (A), the recently redeveloped area (B), and the formerly mixed-use area, currently under redevelopment (C).

Figure 3. Left: A typical alley and informal housing in the old part of the case study neighborhood (part A). Middle: The courtyard of the gated residential compound (part B). Right: Garbage piling up in the formerly mixed-use area under demolition (part C). Source: the author.
kilometers away from downtown Shanghai on the north bank of Suzhou Creek. During the first quarter of the 20th century, the banks of Suzhou Creek were home to clusters of cotton mills and other small manufacturing plants, triggering a “big tidal wave of rural immigrants to Shanghai” (Lu 1995). Migrants usually arrived on boats and crowded along the Creek in congested residential communities said to be characterized by “squalor, misery, poverty, stench” (Schwenning 1927). It was not until 1998 that the municipal government decided to take measures towards improving the image and environmental quality of the Creek, subsequently launching a beautification campaign that aimed at preserving historic buildings, reorganizing the traffic system, creating parks, establishing water platforms, and reconstructing the Creek’s banks (Marshall 2004). In December 2006, my analysis of the spatial characteristics of the case study area revealed the co-presence of three adjoining but fundamentally different parts, which I have labeled A, B, and C for the sake of clarity (see Figures 2 and 3). Each part represented a different stage of urban development. Part A in the west consisted of an area of historically informal housing, where overall living conditions had remained largely unimproved for the last few decades, and residents had added single- and multi-story extensions to low-rise, mostly two-story, makeshift buildings. The city’s beautification campaign had already caused the demolition of a cotton mill and an adjacent informal housing area, as well as the displacement of a large number of residents in part B, which consisted of two gated residential compounds built in 2002. The border area between parts A and B emerged as an important site of encounter between individuals with diverse socioeconomic backgrounds—existing residents of part A, newcomers to part B, and migrants new to the city and the neighborhood—as well as of direct spatial juxtaposition between old and new areas (Iossifova 2009). In part C, the remainder of a formerly mixed-use neighborhood comprising typical Shanghaiese lilong housing as well as informal housing, macro gentrification (at an advanced stage in view of an upcoming redevelopment project) had already caused the demolition of most buildings and the displacement of most residents. Negotiating the conditions of their relocation and awaiting their final displacement in the midst of belongings and debris, only a few residents still lived on site—among them YZM, whose narrative I present in the following section in order to illustrate the process of macro gentrification.

Macro Gentrification: The Case of YZM

When I first met him in April 2007, YZM still lived in his parents’ house on the north bank of Suzhou Creek (Figure 2, part C). He was born there in 1960 as the fourth child of parents who, in order to run a teahouse, had migrated from Jiangsu Province before 1949.

No local Shanghaiese people used to live in this area in the beginning, only migrants. People came from Jiangsu and Shandong Province before 1949 and made their groups depending on their place of origin. (Interview with YZM, December 2007)

Most settlers in the area were employed in the nearby factories on the Creek’s banks. The factories became state-owned enterprises after 1949, and the government erected apartment buildings for factory workers in addition to the existing, makeshift housing built by the workers themselves (Interviews with
YZM and anonymous residents, May and October 2007). The introduction of the *hukou* system in 1958, which restricted the mobility of residents, and the Chinese system of employment inheritance (*dingti*), in which children were able to inherit their parents’ jobs, contributed to the development of the area into a typical, socialist-era, working-class neighborhood over time (e.g., Ho and Ng 2008; Wang 2004). Nevertheless, when China entered the period of opening up and reform, YZM was laid off in 1989, sharing the fate of millions of other so-called *xiagang* ("stepping down from the post") workers. His company, like many state-owned enterprises at this time, faced financial difficulties due to industrial restructuring and increased competition from the emerging private sector (Hung and Chiu 2003; Wang 2004). Granted a minimum monthly subsistence payment by his former employer, YZM has been in and out of work ever since. He ran a restaurant for a while, drove a taxi, and engaged in various other temporary jobs in order to make a living for his wife and son. He worked on expanding his house to accommodate members of the extended family, as they held low-paid jobs or no jobs at all, and hence were unable to afford renting at market prices or buying apartments in residential compounds.

Now our house is eighty-two square meters; and I am the one who paid the money to build it. Before, it used to have only one floor. I built the extension and the additional floors, so that my older brother, his family, and my niece could live upstairs. (Interview with YZM, December 2007)

In this context, it is important to note that residents who were in a position to afford it had “fled” YZM’s neighborhood earlier to rent or buy spacious, modern apartments at market prices. Such apartments offered a range of facilities (e.g., hot water, private bathrooms) usually not available in YZM’s neighborhood. Remaining residents comprised mostly retired workers or members of the *xiagang*, who were used to spending a large portion of the day together. Activities such as cooking, dining, playing cards, and mah-jongg “to kill time” were commonplace and led to the development of a strong sense of community and belonging (Interviews with YZM and anonymous residents, May and October 2007). In early 2004 however, the district government presented residents with plans to redevelop the area where the contrast between the existing, dilapidated neighborhood and the newly mushrooming, commodity housing surrounding it was becoming increasingly obvious (Figure 4). Soon, the relocation company in charge of resident resettlement set up an office on-site and started work, not leaving any of the neighbors without anxiety. Most were not sure what to expect,
since the relocation company did not make available explicit rules and policies regarding the procedure.

There is no clear policy, everybody is trying to find out how much the neighbors got paid, and then we try to negotiate. [...] People try to get the maximum out of this. It’s a business. (Interview with YZM, December 2007)

Giving rise to much concern, YZM and his family learned that the compensation apartment assigned to them would be located in Jiading, a district twenty kilometers away from central Shanghai. After his first visit to the future apartment (and a taxi ride worth 30 RMB—not a small amount, given the household’s low monthly income of 3,000 RMB), YZM became worried about the lack of infrastructure that he encountered at the new location in terms of public transportation, shopping, education, and healthcare facilities.

They told us that there will be a metro station in Jiading, but at this stage, it is just a plan. The supermarket will be three stops away by bus. (Interview with YZM, December 2007)

Furthermore, YZM feared the potential repercussions of the move for his and his wife’s current employment situation:

Our jobs [in the city] will be too far away to reach and too expensive to maintain after the move, so that we will probably lose them and will have to look for new ones. (Interview with YZM, October 2007)

With systematic demolition beginning in 2006, most neighbors made quick deals with the relocation company, hastily moved away, and were often replaced by migrants squatting in abandoned homes.

Remaining long-term residents expressed feelings of alienation from the neighborhood, and associated ongoing changes and progressing decay (caused by the state’s neglect to maintain the neighborhood) with the presence of the other (“the migrants”) within their formerly familiar urban environment (Interviews with YZM and anonymous residents, May and October 2007). For example, when the city terminated various public services in the neighborhood (e.g., waste collection), YZM ascribed the accumulating piles of uncollected trash to the increased presence of migrants.

I am trying to sweep the ground around my house, to keep things tidy and clean. But it’s so hard [...] with all this garbage piling up everywhere. They don’t collect it any more. [...] In my opinion, there are too many migrants around in our neighborhood now. I try to avoid them. I really don’t want to have contact with them. (Interview with YZM, October 2007)

YZM, despite his family’s own migrant background, implied that “the migrants” were dirty, dangerous, and the reason behind the decay of the neighborhood. Such an attitude was common not only among the holders of an urban hukou, but also among the majority of interview participants who still held a rural hukou but regarded themselves as distinct from the “new arrivals,” after having lived in Shanghai for at least three years (Interviews with YZM and anonymous residents, May and October 2007). Older arrivals’ desires to distinguish themselves from newer arrivals could be attributed to the fear of growing competition among migrants, as well as to the process of assimilation, causing “early migrants” to adapt to local culture and perpetuate the cycle of intolerance towards “recent migrants” (Wu 2004). Meanwhile, YZM continued to negotiate the conditions of his and his extended family’s relocation
with representatives of the relocation company. According to his narrative, in an effort to reduce the final amount of cash compensation, the relocation company tried to take advantage of his ignorance of legal issues and to complicate the process by involving family members who were not registered as residents of his house in the negotiations (Interview with YZM, October 2007). Finally, after an episode in which relocation company representatives waited at his doorstep everyday for two weeks in a row, attempting to talk him into leaving, YZM caused a serious split in the family by signing a preliminary agreement. He settled for a two-bedroom apartment and 310,000 RMB in cash as compensation for his brother, and a three-bedroom apartment and 364,000 RMB in cash as compensation for himself:

The neighbors started the rumor that I got more than my brother. So the entire family turned against me. [...] I tried to arrange a dinner for the family, but nobody showed up. (Interview with YZM, December 2007)

Immediately thereafter, in November 2007, YZM and his extended family were ordered to vacate the house and move to temporary accommodation:

The government paid us 20,000 RMB for [six months of] temporary leasing. [...] We have already moved out of the old house, so now we have to chase them [for the final agreement and the compensatory apartments]. (Interview with YZM, December 2007)

YZM’s house and all the remaining buildings in part C were demolished on December 31, 2007. Much to the discontent of residents of the bordering, high-rise, residential compounds—who anticipated the development of a park area in place of the rundown neighborhood—construction of two adjacent power substations began (Interviews with residents, September 2008 and May 2009). When I last met him in September 2008, YZM had moved to yet another temporary accommodation located in Jiading. He had indeed lost his job in the inner city due to long commute times and high commute costs. A final agreement with the relocation company had still not been reached, and his relocation to the designated compensatory apartment was still due to happen.

I often go back to the site of the old house, I was born there. [...] My friends promised to visit me at least once a week in Jiading. (Interview with YZM, September 2008)

YZM’s narrative—describing his involuntary displacement due to the municipal government’s plans to redevelop his neighborhood—illustrates how the process of macro gentrification works. Despite the benefits resulting from holding an urban hukou—for example, the right to negotiate with the relocation company, compensation in cash, and a resettlement apartment—YZM and his family have experienced the gradual disintegration of their living environment over four years. They have witnessed the physical destruction of their lifetime neighborhood and the loosening of established social networks, firmly embedded within this spatial setting, due to the ongoing relocation of neighbors, extended family, and friends. The process and outcome of negotiating the terms of his and his extended family’s relocation with the relocation company have led to the termination of friendly relations within the family due to quarrels about the amount of monetary compensation. YZM, representative of the social group (or class) of low-income and unemployed urban hukou holders, has found himself struggling with the consequences of macro gentrification, which has left him renegotiating...
his livelihood in an unfamiliar, remote, peri-urban setting. In the following section, through the example of WY, I will demonstrate how micro gentrification affects the livelihoods—or the rights to work, reside, and make a living—of rural-to-urban migrants in the city.

Micro Gentrification: The Case of WY

WY was born in 1980 in a small town in Jiangsu Province, about six hundred kilometers away from Shanghai. She came to the city in 2002 and moved to the case study neighborhood after her marriage in 2004. At this time, the area had already been subject to urban redevelopment for several years. When I first met her during an initial phase of fieldwork in April 2007, WY, her husband, and her then two-year-old daughter lived in a combined house-shop structure adjacent to the entrance of the local wet market on the street separating the existing neighborhood from the gated residential compound (Figure 2, between parts A and B). During periods of direct observation, I watched WY get up at five-thirty every morning to pull up the roller shutter that constituted the street-side façade of her home, hence transforming the crammed ten-square-meter interior into a small retail business and extending out onto the sidewalk for the duration of the day (Figure 5, top). She would spend most of her time attending to customers, doing chores, and looking after her child. While her husband would leave the shop occasionally in order to make deliveries or pick up supplies, she would perform most housework and personal hygiene al fresco due to the lack of space inside. The family maintained a close relationship, characterized by mutual support, with the shopkeepers next door. Despite the around-the-clock presence of guards at its entrance and the feeling of being looked down upon by residents of the gated compound (part B), everyday after dinner, WY would take her daughter for a walk to the little park inside the compound (Figure 3, right):

If you know the security guys, using the garden is not a problem at all. It's so clean and beautiful. It's the best place for my daughter to play. (Interview with WY, October 2007)

When I revisited the site in October 2007, I found that not only had the large wet market received a major makeover, including the modernization of its entrance gate and a new roof, but also that familiar faces had largely disappeared, and that the simple, dilapidated sheds along the street had been replaced with sturdier structures (Figure 5, middle). According to their narratives, the subdistrict government (jiedao) had ordered tenants—predominantly rural-to-urban migrants—to go find “purpose-built” housing (or buildings the state deemed fit for dwelling), and then upgraded the makeshift structures along the street (Interviews with tenants, October 2007). Those who were unable to afford the double burden of renting separate spaces for housing and business had to move out of the area, among them WY’s former neighbors. WY and her family moved to a significantly smaller place located on the same street, while renting a shop space inside the renovated wet market. For WY, the physical separation meant going back and forth between home and shop several times per day as well as keeping her daughter around inside the wet market so that she could keep an eye on her, resulting in less convenience for WY in combining work, childcare, and household activity. The displacement of neighbors in similar situations and the financial necessity of her husband’s absence during the day—as he took on additional work in order to cover the cost of renting
Figure 5. April 2007 (top): WY’s makeshift house-shop (underneath the tarp in the photo on the left) was still located to the right of the entrance gate to the wet market on this date. October 2007 (middle): After the renovation of the wet market, a soup shop managed by new tenants replaced WY’s shop. October 2008 (bottom): In order to prevent businesses from occupying the sidewalk and street as well as inconveniencing traffic, a two-meter-high concrete fence was erected in front of the shops along the entire length of the street. Photographs by the author.
two spaces—meant for WY the loss of informal support in the form of childcare, which was particularly crucial for her since she was not eligible for affordable childcare in Shanghai as a rural hukou holder.

We have to pay more rent now that we have a shop and an extra room to live in. But, the renovation of the wet market [...] brings in more people to buy from us. [...] They say it’s dirty. I think they want this neighborhood torn down. (Interview with WY, October 2007)

Indeed, residents of the gated compound confirmed WY’s perceptions in interviews: they regarded the existing neighborhood as “bad,” “dirty,” “noisy,” and “dangerous,” assigning the very same characteristics to its inhabitants and making these judgments the basis for their decision to avoid them altogether. Moreover, they made clear distinctions between the core and the edges of the existing neighborhood, describing the edges as dirtier and messier “due to the higher percentage of rural migrants” there, and complaining about the inconvenience caused by their business activities, which often occupied street space (Interviews with residents, October 2007 through May 2009).¹-six

When I returned to the neighborhood in October 2008, I found that a two-meter-high,¹ concrete fence had been erected in front of the buildings along the entire length of the street (Figure 5, bottom). WY explained:

They said [the fence was built] because it’s dangerous for the traffic and inconvenient for pedestrians.¹-seven The jiedao gave us one week’s notice! Everybody was afraid that they would build a real wall, not just a fence. But it was bad enough [...] it became so inconvenient to live there, to get in and out, to do the cooking! [...] We are lucky because we have the shop inside the market. Things are going downhill for the businesses along the street. (Interview with WY, October 2008)

The different degrees to which businesses behind the newly erected concrete fence had been able to adapt to the challenge of catering to customers despite blocked public access, lack of light, and

Figure 6. The soup shop packed with customers in October 2007 (left) and after the erection of a two-meter-high concrete fence blocking customer access, in October 2008 (right). Photographs by the author.
other inconveniences, were evident. While in the meantime, some businesses had closed for good (Figure 6), others had invented ways to incorporate the fence into their spatial layout (Figure 7).

WY and her family had quickly escaped the worsening living conditions resulting from the fence and moved to a room in a dormitory just a short walk away. Then they had to move yet again because of the building's demolition just a few weeks later. At the time of the interview, they shared the only accommodation they could afford with several other migrant families: a small room inside a warehouse building, separated by cardboard partitions. Furthermore, WY explained that the family would not be able to accept a place at the local kindergarten to which her daughter had been assigned:

We will not be able to afford the fee of 400 RMB per month. We decided to send her back home. I will only see her twice a year. But it will be easier like this… Just—when she is old enough to go to university, it will be hard for her. Shanghai has its own set of exams, you know. (Interview with WY, October 2008)

WY’s daughter would be at a disadvantage when it is time for her to take the university entry exams, as educational standards in Shanghai are generally considered higher than in other provinces. WY and her husband, however, did not see any alternative to sending the girl back “home,” despite their awareness of the long-term consequences.

Initiated on the levels of the urban subdistrict government, micro gentrification on the border between the existing and recently redeveloped parts of the area aimed at the “beautification” of the edge of the impoverished neighborhood, where rural-to-urban migrants, like WY, reside and make their living. Its most brutal manifestation, the concrete fence, was designed to regulate the everyday life practices of migrants, where they inconvenienced the “civilized” (Pow 2007) ways of life of the gated residential compound residents. Without any right to negotiation or compensation, micro gentrification has meant...
the displacement of WY and her family from their first home together in the city and the base of their business. It has meant accepting the disruption of established everyday life rituals, the inconvenience of separate spaces for living and working, and the struggle to achieve additional income to afford the two. It has meant moving three times in one year, with each move bringing worse living conditions; losing important social networks and sources of informal support; accepting stigmatization through spatial interventions such as the fence; and finally, splitting up the family and jeopardizing the daughter’s future.

Conclusions

Young (1990) identifies “cultural imperialism”—one of the five faces of “oppression,” a process directed towards the “immobilization” and/or “reduction” of a group of people (Frye 1983)—as involving the “universalization of a dominant group’s experience and culture,” “its establishment as the norm,” and the marginalization and exclusion of the other as outside of this norm. In Shanghai, as the case studies of macro and micro gentrification in this paper demonstrate, planning practices can serve as tools of “cultural imperialism” (Young 1990), buttressing the state-propagated “civilized” way of life through the “moral ordering” of individuals (Pow 2007). Rooted in the historically institutionalized divide between “the rural” and “the urban,” the underlying hierarchy characterizing everyday life in contemporary Shanghai, even if continuously shifting, has at its top a new dominant group, comprised of the privileged urban middle class. This group’s experiences and culture are prescribed and propagated by the state on the multiple levels in which it operates in urban space.

Sponsored by the higher levels of the government, property-led, macro gentrification facilitates urban redevelopment for the sake of economic gain. In expelling low-income, urban hukou holders to resettlement housing at the edges of the city, razing existing neighborhoods, and replacing them with commodity housing or commercial developments, the practice cleanses the city of poor and marginalized groups—despite their entitlement to negotiate the terms of their eviction and to receive compensation. In contrast, micro gentrification sponsored by the lower levels of government aims at imposing the rules of an “orderly living environment” (Pow 2007) upon those who do not (or cannot) conform with the favored lifestyles of the new urban elite. Micro gentrification manifests itself through the modernization of old fragments of the neighborhood, where they remain in juxtaposition to the new. In particular, it affects rural hukou holders who have to depend on their individual capabilities and social networks alone to negotiate their livelihoods in the city—the rights to work, reside, and make a living—as here, they are institutionally excluded from most public services and benefits.

The narratives and cases presented in this paper suggest that current planning practices in Shanghai are deficient in their ability to manage the coexistence of different social groups in shared urban space. The changes in people’s lives due to these practices have largely negative consequences in terms of social cohesion, continuity, and the right and ability to negotiate livelihoods. Instead, the resulting processes of macro and micro gentrification facilitate the moral ordering of groups in the city, in that primarily profit-driven, macro gentrification renders the group of urban poor invisible through large-scale displacement to the peri-urban margins, while predominantly
morality-driven, micro gentrification immobilizes the group of rural-to-urban migrants by disabling everyday practices considered outside of the norm. The processes of macro and micro gentrification are simultaneous, correlated, and intertwined expressions of multiscalar, state-led gentrification in Shanghai. They work together to affirm the power of one group over another; even more, they work together to assert the power of the state in urban space.

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Deljana Iossifova (iossifova.d@gmail.com) graduated with a master’s degree in architecture from the ETH Zurich. She has worked as an architect and urban planner in the United States, Europe, and Asia and is currently pursuing a Ph.D. with a focus on urban restructuring in Shanghai at the Tokyo Institute of Technology.

Lead Photograph

Resident shopkeepers are having lunch inside their house-shop behind a two-meter-high fence. The district government erected the fence in front of the shop in order to prevent its proprietors from occupying the sidewalk and street with their produce and belongings. Photograph by Rolf Demmler.

Notes

1 Approximately 6.6 feet.
2 For example, the percentage of university and college students grew from 2.6% in 1978 to 25.3% in 2005 (Shanghai Municipal Statistics Bureau 2006).
3 Electricity, for example, was only introduced in 1965, and tap water was made available in 1979 (Interviews with LYF and CLS, September 2008).
4 The minimum monthly subsistence payment ranged from 50 to 400 RMB, approximately $7.50 to $60.
5 Approximately 883 square feet.
6 Real estate developers can only acquire land for development from the district government provided that they supply resettlement funds for the demolition of buildings and the removal of tenants. The district government then transfers resettlement funds to “relocation companies,” which are jointly owned by the state and private enterprises. The companies set up local removal teams, which collaborate with neighborhood associations and residents’ committees in order to negotiate compensation and resettlement terms with residents in areas slated for redevelopment (Yang and Chang 2007). In the interviews I conducted, my informants used the terms, “relocation company” and “government,” interchangeably.
7 Approximately 12.5 miles.
8 Approximately $4.50.
9 Approximately $450.
10 Approximately $45,450.
11 Approximately $53,350.
12 Approximately $2,950.
13 Approximately 375 miles.
14 A “wet market” is a large, covered market where typically fresh fruits and vegetables as well as livestock are sold. To keep it clean, the floor is frequently splashed with water, giving the market its name.
15 Approximately 108 square feet.
16 Similar views are also expressed in an online forum concerned with the attitudes of residents living in the gated compound (part B) towards the existing neighborhood (in Chinese, Quanqiu huaren fangdichan menhu [全球华人房地产门户] 2006).
17 According to tenants and representatives of two neighborhood committees (juweihui), the subdistrict government (jiedao) was responsible for the erection of the fence. The government hoped to “cover up” and “disguise” the rundown appearance of the neighborhood, in time for the Beijing Olympics in 2008 and in view of the World Expo 2010 in Shanghai (Interviews with tenants and juweihui representatives, October 2008 and April/May 2009). In addition, the fence could be interpreted as an attempt to placate residents of the new residential compounds, as their complaints about the construction of the power substation (part C) grew louder, and nothing had been done so far about their long-standing complaints about the chaotic conditions on the street (between parts A and B). Their struggle to be heard will be the subject of a separate paper.
18 Childcare, a public service granted to holders of urban hukou, is not free of charge, and there are long waits for holders of rural hukou in the city needing childcare.
19 Approximately $60.

References


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