

**China's Urbanisation from Below:
Village Led Land and Property Development**

Ya Ping Wang and Yanglin Wang

© 2014 Lincoln Institute of Land Policy

**Lincoln Institute of Land Policy
Working Paper**

The findings and conclusions of this Working Paper reflect the views of the author(s) and have not been subject to a detailed review by the staff of the Lincoln Institute of Land Policy.

Contact the Lincoln Institute with questions or requests for permission to reprint this paper. help@lincolninst.edu

Lincoln Institute Product Code: WP14YW1

Abstract

Recent academic and media attention on China's urbanisation focuses on large-scale project based developments in cities. Urbanisation in China is however a very complex process which happens at many different levels and places, and involves very different players and communities. Apart from the government and plan led changes in cities, the country is also undergoing a process of bottom up urbanisation which is organised and led by villages and townships, especially these located in the peri-urban areas. This bottom up development has affected a significant proportion of rural residents and contributed enormously to the overall social and economic transformation in China. Different from the homogenous top down urban planning and development approach, village led urbanisation follows very different, sometime very innovative approaches that reflect different local socio-economic and cultural values. This study examines land development and residential changes in a number of villages which have achieved some forms of urbanisation. It gives particular attentions to the differences emerged in the North and the South regions; and aims to highlight the benefits and problems from such development and help to identify alternative approaches and policy options to land development for China's urban future. The paper is based on several fieldworks and many in-depth interviews with village and local officials conducted in 2013 in Beijing, Tianjin, Shenzhen and Guangzhou areas.

Keywords: Urban and Regional Planning, Development, Informal Land Markets, Stakeholders

About the Author(s)

Dr. Ya Ping Wang
Professor and Chair in Global City Futures
Head of Urban Studies
School of Social and Political Sciences
University of Glasgow
Bute Gardens
Glasgow G12 8RS, UK
Email: yaping.wang@glasgow.ac.uk

Dr. Yanglin Wang
Vice Principal of Beijing University
Professor in Geography
College of Urban and Environmental Studies
Peking University
China
Email: ylwang@urban.pku.edu.cn

Acknowledgements

This paper is based on a research project on *Village Led Land and Property Development in China: A study of current practice in the successful villages*, supported by Lincoln Institute of Land Policy, Program on the People's Republic of China.

The following people have provided valuable assistance in arranging our visits to villages and interviews with village leaders and local officials. Without their local knowledge, help and advice it would be impossible to carry out these interesting fieldworks.

- Professor Sun Tao, Zhu Enlai School of Government, Nankai University
- Professor Peng Jian, College of Urban and Environmental Studies, Beijing University
- Dr Jing Juan, Peking University-Lincoln Institute Centre for Urban Development and Land Policy
- Professor Wu Jiansheng, School of Urban Planning and Design, Peking University Shenzhen Graduate School
- Dr Gu Zhengjiang, School of Urban Planning and Design, Peking University Shenzhen Graduate School
- Professor Li Xun, Geography and Planning School of Sun Yat-Sen University
- Professor Li Zhigang, Geography and Planning School of Sun Yat-Sen University
- Miss Liu Yuqi, PhD Candidate, Geography and Planning School of Sun Yat-Sen University
- Professor Liu Xuan, Geography and Planning School of Sun Yat-Sen University

We would also like to thank all village leaders and local government officials who provided assistance for our visits and interviews, and local residents who had kindly allowing us to visit their homes.

Table of Contents

Introduction.....	1
Methodology and Data Collection.....	5
Government Led Village Urbanisation — Huamingzhen in Tianjin.....	8
Village Led Urbanisation in the North.....	15
Nanzhai Village in Beijing.....	18
Village Led Urbanisation in the South.....	27
Nanbu Village in Shenzhen	28
Comparative Evaluation.....	39
Conclusion	42
References.....	46

Figures and Tables

Figure 1: Two different research approaches to village land development and urbanisation	5
Table 1: Example villages visited during the study and their characteristics	6
Table 2: Summary of major changes in villages.....	7
Figure 2: Area Plan and Design of Huaming Model New Town	11
Figure 3: Satellite image of Huamingzhen Model Town.....	11
Figure 4: Housing changes in Huamingzhen Model Town.	12
Figure 5: Main types of houses in Daqiu Zhuang Zhen in Tianjin.....	16
Figure 6: Changes in Xishuangtang Village in Tianjin	17
Figure 7: Changes in Hancunhe Village in Beijing (upgraded to Township now).....	18
Figure 8: Old (left) and new (right) housing areas in Nanzhai Village in Pinggu, Beijing	19
Figure 9: Changes in Nanzhai Village in Pinggu District, Beijing.....	23
Table 3: Comparison between Development Models in Hancunhe and Nanzhai	27
Table 4: Land use in Nanbu village in 2013	29
Figure 10: Current housing and street landscape in Nanbu Village	30
Figure 11: Nanbu Neighbourhood Administrative Area and proposed redevelopment areas	34
Figure 12: Proposed land use plan for redevelopment in Nanbu.....	35
Table 5: Planned development (all by the village)	35
Table 6: Selected questions and answers with Nanbu village leader.....	36
Table 7: Stages of rural urbanisation in Pearl River Delta region	39
Table 8: Comparison of rural urbanisation in Guangdong and Beijing/Tianjin	41
Table 9: Top down and bottom up approaches to urbanisation	43

China's Urbanisation from Below

Village Led Land and Property Development

Introduction

Urbanisation has been a driving force for global economic growth over the past several decades; and more than half of the world's population now lives in cities and towns. The global process of fast urbanisation is expected to continue, and large scale future urban expansion will take place in the relatively poor countries of Asia and Africa (UN, 2004). Urbanisation in China has been an important part of this global development. Over the last thirty years, Chinese cities developed at an extraordinary rate. The total urban population has grown from around 20 per cent in 1980 to over 53 per cent in 2013 and the number of cities increased from around 250 to over 650 (NSB, 2011). Many cities have expanded several times in terms of population, size, and scale of land use.

Several decades ago, urbanisation was however seen, in China, as a phenomenon of western capitalist countries. During its first thirty years (1949–1978) in power, the Chinese Communist Party pursued a policy of industrialization without large scale urban expansion. Population movement between the countryside and cities were controlled strictly through the residence registration (*hukou*) system. The urban population in some years even declined due to the programme of sending urban youths to rural areas (Gu et al, 2008; Li, 2005; Ma and Wu, 2005; Wang, 2004; Wu et al, 2007). During the initial period of economic reform in the 1980s, Chinese government followed a policy which aimed to control the expansion of large cities and promote the development of middle-sized and smaller cities (Kirkby, 1985; Shen, 1995). This policy was made against the background of bottom up industrialisation in rural townships. The number of small cities and towns expanded very quickly (from around 2,000 to 16,000) while the growth of large cities was relatively slow. The dramatic shift in development strategy from a socialist planned economy to a market economy during the 1990s and its integration with the global economic system resulted in large scale industrial development and urbanisation in and around large cities. The control on the growth of large cities by the government was relaxed. Large cities, especially provincial capital cities and those located along the coastal regions became main development centres in the country. Smaller cities and towns on the other hand developed at a relatively slow pace. Beijing, Shanghai and many provincial capital cities have doubled or tripled in terms of land use and the number of residents over a short period of 20 years (Friedmann, 2005; Logan, 2008; Yusuf and Saich, 2008; Wu, 2010). Across the country urbanisation happened at very different paces. Guangdong Province on the southeast coast has for example achieved an urbanisation level of 63%, while Guizhou Province in the southwest inland regions only has 27% of urban population (Wang, 2012).

The *hukou*'s effect on fixing people at their birth place has been reduced in the last thirty years, but the benefits (for example, access to housing, healthcare and child education) assigned to different groups of population by the system survived. This resulted in a large number of rural migrants—unofficial urban residents, found in cities and towns (Wu, 2006; Fan, 2001). The 2010 Census data shows that people who lived away from the town or urban district where their *hukou* were held increased from 144 to 261 million between 2000 and 2010. Excluding local moves (from one district to another within the same city), cross region migrants had reached 221.4

million (NSB, 2011). A large proportion of these migrant populations moved from rural areas to large national and regional cities, particularly in the eastern and coastal regions, such as the Pearl River Delta, the Yangtze River Delta, and the Beijing-Tianjin area. In Beijing City, for example, 7 out of its 19 million residents were migrants.

In contrast to the poor urban landscape image of industrial factories, public institutions and traditional housing of the Mao era, the physical structures of Chinese cities have become increasingly complicated and specialised. In large cities, different land use zones developed under different modes of production can be easily identified. Central areas with a pre-communist history used to consist of small shops, government buildings, traditional houses and historic sites such as towers, temples, city walls and gates. Due to the central location and higher land values, most of these central areas have been redeveloped into high-rise commercial office buildings and luxury residential apartments. Outside this historical core lie the socialist planned work unit zones. Different functional areas were originally planned, such as industrial areas, warehouses, housing and public institutions. Major upgrading in this area was carried out at institutional (work unit) level. Because of differences in financial powers and access to resources by work units, there are spatial stratifications within this zone. Some well performed institutions (such as universities, hospitals, and government departments) carried out comprehensive redevelopment on the land under their control and improved their working and living environment while others, particularly old industrial factories experienced difficulties in holding on to their position. Many of these were forced to close down and 'sell' their land to commercial developers.

Much of the new urban development has also happened in the suburban districts on green field sites. This is where the post-socialist zone lies. In large cities, this zone could be further divided into two rings. The inner ring consists of mostly high-rise moderate standard commercial or work unit housing areas developed in the late 1980s and the early 1990s; while the outer ring consisted of high standard private housing (mostly gated communities) built since the middle of the 1990s. Some government supported affordable housing schemes or urban renewal replacement housing are located in this ring as well. This ring is also home to many new development zones and areas: high-tech zones, science parks, special economic development zones, university towns, international airport, container port, holiday and recreational resorts, suburban shopping malls and cultural centres, agricultural education and recreation areas, new wild life zoo, botanic garden, etc.

It is projected that over the next 20 years, the urban population will grow by around one percent each year in China. By the year 2030, China will achieve a similar level of urbanization to that in most developed countries. This market led urban development based in and around large cities has caused many social, economic and environmental problems. The loss of great quantities of good agricultural land, huge house price inflation in cities, poor living conditions among the urban poor and rural-to-urban migrants, serious shortage of water, air pollution and horrible traffic congestions have raised many questions regarding the large city dominated urbanization process. The national 12th Five Year Plan published by the state in 2011 includes some new ideas about future urban development. The term '*cheng shi hua*' (urbanization or population shift to cities) was replaced by the term '*cheng zheng hua*' (population shift to cities and towns). The concept of a balanced urban development including mega cities, large cities, middle-sized cities and small towns has now once again been taken as a policy principle. The plan aims to 'optimize

urbanization layout and form, strengthen urbanization management, and enhance the urbanization quality level...' (12th Five Year Plan, 2011). However, these very general policy statements do not prescribe the exact patterns of future urban development. What types of urban systems will emerge in the next decades in China? What kind of urban rural relationship will China create? How will small cities and towns be developed? The answers to these questions demand careful research and consideration.

Much academic and media attention on China's urbanisation focused on big project dominated urban developments in large cities as outlined above. China's urbanisation is however a very complex process which happens at many different levels and places and involves very different players and communities. Apart from the municipal government led and official planning led development in cities, much of the country is undergoing a process of bottom up urbanisation which are organised and led by traditional rural villages and townships. This bottom-up development has been a very important component of urbanisation and has affected a significant proportion of rural residents in the peri-urban areas. It contributes enormously to the overall social and economic changes in China. Different from the homogenous top down urban planning and development approach, village led urbanisation follows very different, sometime very innovative models in different areas and regions. This paper report the findings from a research project on *Village Led Land and Property Development in China: A study of current practice in the successful villages*, supported by Program on the People's Republic of China of the Lincoln Institute of Land Policy.

The contemporary features of urbanisation in China own a lot to the country's unique land ownership and management system. The first Communist land reform in the 1950s created two types of ownerships. In cities, land was nationalised, and municipal governments (on behalf of the state) became legal owners of urban land. In rural areas, after several collectivisation movements, a village based collective land ownership was established (Wu, 1999; Cartier, 2001; Ge et al 2003; Zhu, 2004 and 2005; Ho and Lin, 2003 and 2004; Ding, 2003). Under this dual land ownership system, there was provision for municipal governments to take over collectively owned land for urban and infrastructural development. In the 1980s (and also during the pre-reform period), when land was taken over by municipal governments or other new users, they had to pay compensation to farmers; at the same time, new land users and the municipal government had to arrange jobs for working-age farmers affected by the land transfer. Urban-based employments at the time provided an attractive alternative to farming and a more secure way of life to villagers and the process did not cause much concerns. As the urbanisation process intensified and the planned economic system being replaced by a market system, municipal authorities and new land users struggled to find suitable and acceptable jobs for all farmers affected. As a result, compensations changed from job assignments to cash payments and housing resettlement. Large scale urban development coupled with this change of the process of land transfer created serious problems among rural communities around all cities and towns (Wang 2004; Wang et al, 2009 and 2010). The formation of land development market and the fast increase in land values also changed rural communities' perceptions about their land. Farmers began to realise that the lost of land and housing, the most important asset, will have lasting effects on their life and livelihood. At the same time, the central policy makers have recognised that the destruction of many thousands of traditional communities in the country will

have serious implications to the socio-economic and political sustainability of the Chinese society.

Land related disputes and social unrests are reported frequently throughout the country. In many cases, physical conflicts resulted in the loss of life among village collective land owners. The root of these problems lies with the confusion and ambiguity of the rural collective ownership of land and the state acquisition of collective land. The constitutional ambiguity resulted in different interpretations of the collective ownership of rural land, which led to local officials treating collective ownership of land with no difference from state ownership. This confusion over land ownership also affected farmers' rights over their traditional houses. When private property rights were restored in urban areas and urban houses could be traded freely in the property market, village residential land and houses were restricted for occupy family uses only. When redevelopment and demolished was required for public and new development projects, there was no accurate ways to get the market value of village land. Arbitrarily determined compensation (an unfair concept based on few years crop production) and relocation arrangement were often affected by many different factors. (Wang, 2012)

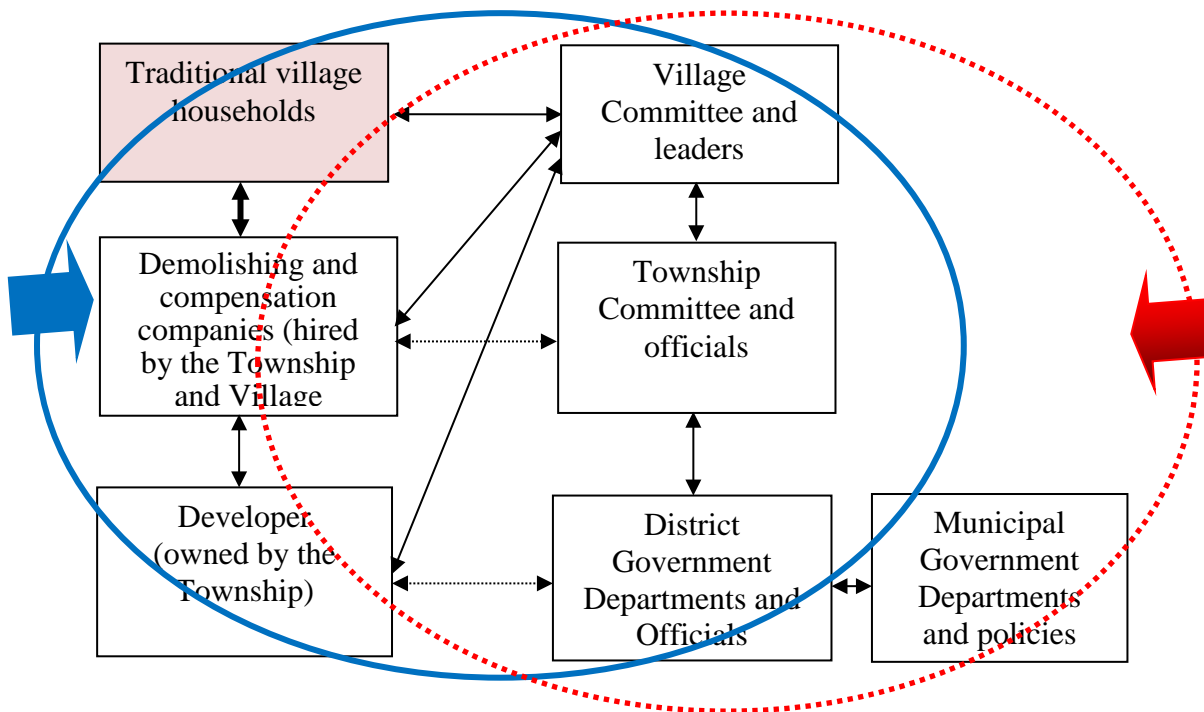
Land development and the problem of landless farmers in China were important topics for researchers for some time (Yeh and Li, 1999; Deng and Huang, 2004; Knight and Song, 1999; Wu, 2002; Xie et al, 2002). Research findings have led to improvement in land transfer policies and local compensation practice. The level of compensations increased substantially around large cities and some farmers 'become rich over night', as reported in popular media. Most existing research, however, were urban based and urban biased, and were carried out with the perception from inside the 'established land management system'. They focused on minor adjustments in the level of compensations to farmers and to make them less demanding and confrontational, rather than aimed at facilitating a rational, justified and efficient land market and development process. They did not address the fundamental constitutional confusion problem and the contradiction between urban and rural land ownership. The narrow research focus of land compensation level has hidden away the unfairness experienced by the traditional and collective land owners.

The primary concern of this project is to evaluate the alternative land development process and the bottom up urbanisation initiated by villages in China where local villagers are urbanised on their own land without destroying traditional communities and assesses their contributions to urban and land development and impacts on the overall process of urbanisation. The project examines land development from a different perspective, a bottom up approach which focuses on local land policy and development processes in villages. It gives particular attentions to the differences emerged in the North and the South regions; and aims to highlight the benefits and problems from such development and help to identify alternative approaches and policy options to land development for China's urban future. The main research questions are: What are the main strengths and problems of village led urbanisation? Are there any regional differences in village led land and housing development? Do village led developments facilitate a better future for China's urbanisation?

Methodology and Data Collection

Conventional approach of land and development studies is normally urban based and urban biased which focuses on the role of government and large commercial developers and concentrates on the urban-rural fringe areas. In relation to the original land users, researchers' main attention is on the level of compensation and relocation arrangement for village residents. This project follows a bottom up and village based approach which focuses on roles played by villagers and other associated economic organisations in village land development and urbanisation. It studies village led urbanisation in suburban areas located at some distance from the immediate core built up areas of major cities. Figure 1 shows the relationship between different stakeholders in the land development process in China, and the differences between the conventional approach and the bottom up approach this study has adopted.

Figure 1: Two different research approaches to village land development and urbanisation



Conventional Top Down Approach (Coloured in Red) and Bottom Up Approach adopted in this project (Coloured in Blue).

With this bottom up approach, the project employs case studies as the main research method. The case study villages were selected in two main regions in the country: the north and the south—Beijing and Tianjin areas in the north; Shenzhen and Guangzhou areas in the south. The selection of these villages was mainly based on recommendations given by local academics and officials. Purposes of the research were explained to local academics and officials; they then recommended villages in their area for case study. Each of these villages visited are more or less perceived as good examples of village based development and urbanisation in the region. Villages visited are listed in Table 1.

In each of these case study villages, we carry out fieldwork to investigate the land and property development processes and residential and housing changes. The study is essentially qualitative and data collection methods include:

- Interview with one or more key persons from the village administration: This was either the village Party Secretary or the Chair of the Village Committee (these posts were in some cases held by the same person). In some villages, interviews were conducted with a few people from the Village Committee. Local academics often participated in the interview (see the list of acknowledgement). Some of these interviews were more like a focus group discussion. In several cases, interviews were also conducted with the land management officials at the Township/District level. These normally happened before the interview with relevant village leaders. Although interviews were informal to allow more free expression of ideas and opinions, we mainly focus on issues, such as land ownership changes, initial distribution and collective management arrangement; changes in agricultural and industrial development activities; changes in village organisations and management; land development process for changed economic and social activities; property development and land related income generation and distribution; housing, settlement household property ownership changes in villagers; roles played by different governmental organisations and leadership.
- Sites visits, observation and photographic recording: In all villages, we visited the residential areas and other key sites, which experienced major changes and developments mentioned during interviews. These visits were normally accompanied by an official(s) from either the Township/District Office or the Village Committee.
- Home visits: In a few villages, we were able to visit residents' homes and had some informal chat with occupiers about their experiences of the recent socio-economic changes.
- Background information collection and analysis: we searched the internet and local book shops for background information about these villages, some, such as Daqiuzhuang and Hancunhe, have a lot of coverage, while others, available public information was limited. In villages undergoing major planned changes, official plans and reports were collected which provide some essential background information.

Table 1: Example villages visited during the study and their characteristics

City	Village Name	Time of Visit	Main characteristics	Detailed discussion in paper
Tianjin	Daqiuzhuang 静海县大邱庄镇	March 2013	Early successful village, transformed through agricultural village to an industrial township	No.
	Xishuangtang 静海县双塘镇 西双塘村	March 2013	Recent successful village in term of whole village redevelopment and urbanisation	No.

	Huamingzhen 东丽区华明镇	March 2013	A national example of rural transformation through the new socialist village movement.	Yes.
Beijing	Hancunhe 房山区韩村河镇	March 2013	One of the top rich villages in the whole country, transformed through successful village owned companies.	No.
	Nanzhaicun 平谷区东高村镇南宅村	March 2013	Followed the Hancunhe model, but a new comer, drawing on the strengths of village enterprises to redevelopment the whole village	Yes.
Shenzhen	Nanbucun 坪山新区南布村	June 2013	A relatively remote suburban village which lost all of its agricultural land in the past, but efforts are made to improve the living conditions in the 'urban village' through planned whole village redevelopment.	Yes.
Guangzhou	Lianjiaocun 佛山大沥镇联滘村	June 2013	Village led land and urban development experiment	No.
	Chadongcun 番禺区大龙街茶东村	June 2013	Redevelopment of industrial land and village improvement.	No.
	Dongjiaocu 番禺区市桥街道东郊村	June 2013	Housing improvement through redevelopment	No.

Although each of the case studies has its own special characteristics, there are some similarities between them. Table 2 provides a simple indication the major changes shown by these villages. In general, more comprehensive changes happened in villages in the south than in the north. Due to these similarities and the limitation of the length of this paper, it is not necessary to discuss all cases one by one in detail. We selected three cases for detailed description and discussion. They include: Nanzhaicun in Beijing which is a more recent case of village led redevelopment in the north; Nanbucun in Shenzhen where a major redevelopment plan is under discussion which also shares some common features with the other three cases in Guangzhou; and Huaminzhen in Tianjin which shows a very different approach from the others. It involves the relocation of twelve villages to one place. This approach is favoured by the government and advocated by some academics as the best way of rural urbanisation. This selection does not however mean that we will ignore other villages we have visited. Their special features will be referred to where necessary, especially in the comparison and evaluation sections.

Table 2: Summary of major changes in villages

City	Village Name	Housing and built environment	Village Administrative	Land and Economic changes	Integration with existing urban areas
Beijing	Hancunhe	Redeveloped	Upgraded to Township	Mainly residential change	No

	Nanzhai	Redeveloping	No major change	Mainly residential change	No
Tianjia	Daqiu Zhuang	Mixed	Upgraded to Township	Residential and industrial	Partial
	Xishangtang	Redeveloped	No major change	Residential mainly	No
	Huamingzhen		Several villages concentrated to one location	Residential, plus cropland land	Partial
Guangdong	Shenzhen	Second to third wave of redevelopment	No major change	No cropland left, residential and commercial change planned	Yes
	Lianjiaocun	Second to third wave of redevelopment	No major change	Residential, industrial and commercial changes	Yes
	Chadongcun	Second to third wave of redevelopment	No major change	Residential, industrial and commercial changes	Yes
	Dongjiaocun	Second to third wave of redevelopment	No major change	Residential, industrial and commercial changes	Yes

The following sections will look at the three cases one by one before we move on to comparative evaluation. In each case, description and discussions will give attention to urbanising the village built environment, administrative and organisation changes, social and economic changes, and the integration with existing urban areas.

Government Led Village Urbanisation — Huamingzhen in Tianjin

Huamingzhen (Township) located in the Dongli District of east suburban of Tianjin city. It has experienced major changes since 2005 and was a national model township in terms of rural urbanisation in the country. Huamingzhen was featured at the 2010 Shanghai Expo under the slogan—‘same land and different life’. The publicity materials used at Shanghai Expo were displayed in a purpose built exhibition hall in the new town. An interview was conducted with a leading official from the Administrative Office of Huamingzhen.

Village urbanisation in Huamingzhen started in 2005 with a Municipal Government document which approved the approach of exchanging traditional village resident land plot for new housing (flats) in the township seat village. In the same year, Huamingzhen was given the status as a national experiment town for comprehensive reform in small towns by the State Development and Reform Commission. The redevelopment project started in April 2006 and the relocation of farmers completed in October 2007 (a period less than 20 months). The

redevelopment project involves the building of a new town—the Huaming Model Town, and relocation of residents from 12 traditional villages originally administrated by two townships (Huaming Township and Junliang Township). It affected a total 12,071 *mu*¹ residential land.

The new Huamingzhen Model Town was planned over a land area of 8427 *mu*, which consisted three different functional land use zones: farmers' relocation housing area (3600 *mu*), new urban resident area (commercial housing, 2943 *mu*), and a business and shopping area (1984 *mu*) (Figure 2). The two residential areas were to house a total of 80,000 people. The total construction floor space planned was 4.1 million square metres. Of which 1.62 million square metres were for farmers' relocation. The relocation housing consists of 458 buildings with 17830 housing units. In all 12 villages, the total population relocated was 42000 persons (about 13000 households). Another 220,000 square metres of commercial properties were built to support the new town. Land for the commercial housing area was prepared and ready to be let out to developers. The project only involves the residential land of these 12 villages, the current ownership and responsibilities over cropland were to be maintained. (Figure 3)

The whole process was organised and led by the government following the guiding principles to: a) improve the living environment of local farmers; b) to reduce the residential land waste occupied by traditional houses, through market operation. Government supports concentrated on policies and financial loans. Replacing traditional houses by multi-story flats will reduce residential land use by farmers; land savings will be used for commercial property development to attract new urban residents into the town. Profit made through the commercial property sales will cross-subsidize the fund required for the construction of the relocation housing.

The new town was well planned with all the necessary urban infrastructure and open/green space, at the same time tried to respect and preserve some local rural living characteristics and customs. It has a centralised heating provision system and some solar power features. Most relocation houses are in five stories, walk up tenement flats. The New Town also has central parks, schools, nurseries, hospital, homes for elderly, cultural squares, etc. Buildings have entry phone system, and CCTVs. Some freed residential land and original cropland was used for modern agricultural development.

Although the policy was called rural residential land exchange for new housing, this is only true for the 12 villages as a whole. Old residential land was freed and village residents moved into the new town. For each individual village households, what was measured and used for exchange for the new flat was the old housing floor space. The size and shape of the land occupied by the traditional courtyard were not mentioned at all. The size of traditional courtyards all villages vary substantially. It is very difficult to imagine this was not an issue during the demolition and relocation process.

Housing relocation and replacement in these twelve villages followed a same policy. Traditional houses were differentiated into main house (used for living and bedrooms) and side houses or attachments (used for store rooms, kitchen, corridors, etc). The floor space of the main house was replaced 1 square metre for 1 square metre; side houses were replaced by half. Families

¹ Chinese unit for land, equals 666.7 square metres.

without any side houses or very small side houses were given an allocation of 35 square metres. The floor space of the main house and qualifying side houses made up the total replacement floor space. This was then matched with the new flats in the New Town. There were various arrangements for cash compensation or payments to deal with the differences between the size of the new flat and qualifying replacement floor space. There was also a very important policy for local 'comfortable housing standard' (a decent home), which was set at 30 square metres per person. For a three person house, for example, the comfortable housing standard to achieve would be a flat of 90 square metres. Families with small houses in the old village can move into a 'comfortable' flat, by paying for the extra floor space acquired.

For qualified floor space exchanges, no payment was necessary. If families had small houses and they wish to move into a larger flat to match the local 'comfortable housing standard', various price were applied. To match 25 square metres floor space per person, 1000 yuan per square metre should be paid for the extra areas required; 1300 yuan to match between 25 and 30 square metres per person. One example was given that a three person family with a main house of 35 square metres of floor space plus a 10 square metre side house, wished to move into a new flat of 96 square metres on sixth floor. After a very complicated calculation, the family would need to pay 41,230 yuan for the relocation. (Administrative Commission of Huaming Model Town, 2009)

There were no details on the final allocation of flats to families. From the data published by the Town (population relocated—42,000 persons in about 13000 households, 17830 new relocation flats built with a total construction floor space of 1625400 square metres), we can get some ideas over the average size and distribution of new flats. Firstly, the average size of flats would be 91.1 square metres. This more or less matches the standard size of a 'comfortable' home for a three person household. The average floor space per each of the 13000 original households is 125 square metres. Secondly, more flats were built than the original number of household affected (17830/13000), this allows large households to split into smaller family units in the relocation process. It also means some families with very large houses were allocated more than one new flats.

Local government officials believe that whole village relocation and new town development has improved living condition of local farmers substantially. 'Traditional simple structure houses here worth only 20,000 to 40,000 yuan each. If the family exchanges it with a new flat of 80 square metres in the town, it worth more than 400,000 yuan. Family asset could increase by 10 times.' (Administrative Commission of Huaming Model Town, 2009) This claim is based on the average commercial housing price at 5000 yuan per square metre.

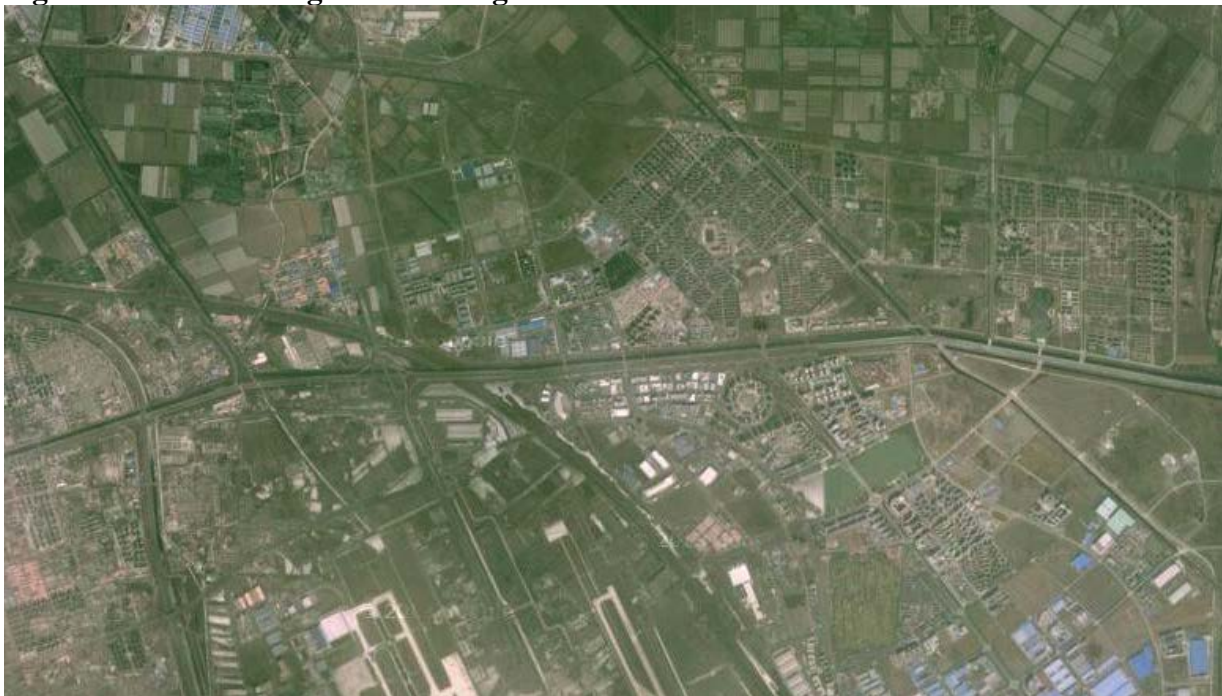
Figure 2: Area Plan and Design of Huaming Model New Town



Source: From the promotion leaflet produced by Administrative Office of Huamingzhen Model Town

Note: From the left to the right: Industrial and business area, relocation housing area in the top middle circled by the yellow dash line; administrative, commercial and shopping are at middle bottom, two commercial housing areas for new residents at the right.

Figure 3: Satellite image of Huamingzhen Model Town



Source: Google Map accessed in October 2013. Map size: about 10 km by 6 km.

Note: Satellite Map shows the location of Huamingzhen Model Town (top half) to the Tianjin Airport and related facilities (bottom half). It also shows that the relocation housing area is more or less fully developed, so is the Huaming Xinjiayuan (one of the commercial housing area) at the far right. The other commercial housing area, industrial and business, administrative, commercial and shopping area are not fully developed yet.

Figure 4: Housing changes in Huamingzhen Model Town.



Source: Top two pictures scanned from promotional leaflet produced by the New Town Commission.

Note: From top left to right, typical village houses before relocation, central park in the new town, housing in the new town, and new town government building.

This government and developer led large scale rural redevelopment and urbanisation project has many advantages. First of all, this new town development approach obviously improved the general housing and living conditions among the local residents (as photos in Figure 4). The area were traditional rural and poor. Through the redevelopment, residents benefited from the modern urban infrastructure and facilities, such as internal and exclusive use of toilet, kitchen, sitting rooms, etc. They also benefited from the sewage and drainage systems, paved streets, public parks, gardens and well maintained open spaces in the town. They will have better shopping, communication and transportation services. The new houses farmers were allocated/bought have full urban property rights. In this sense, the scheme achieved urbanisation and urban and rural integration. The overall plan of the residential relocation, in combination with industrial and business area, administrative and commercial area and commercial housing area, and the fast implementation were other main features of this redevelopment scheme. Farmers were able to move from their old homes to the new area within a relatively short period. They did not go through the homeless transitional period as that in many other redevelopment schemes.

As a national demonstrative rural redevelopment project, the Government gave a lot of policy and financial support. In policy terms, the flexible way of use land is very important. Traditional village residential land were in collective ownership and traditional village houses were private properties with the so-called 'small property right', which restricted it for family use only, and not for trading in the market. Land in the new Town is state ownership and houses have full urban property rights. In financial term, the redevelopment project (the construction of the replacement flats, and issue of various compensations) requires a huge amount of money. This initial investment came from the government and commercial property development sector. For the government, the incentive was to release more land for development, as the village redevelopment could free a large proportion of original residential land. The importance of including a large area for commercial housing development was to solve the financial investment problems as well. Cross-subsidy between the two types of housing areas is important for this project.

Local officials believe that the success of Huamingzhen Model Town also benefited from the local economic and development opportunities. By near to the airport, there are a lot of demand for land and property in the area. This created a good opportunity for the town to expand and to rearrange its land use activities. If located in a more remote place, there will be no commercial interests in the development by investors, and no strong incentives for the government to be heavily involved. Such a large scale project would be impossible.

Whether this large scale urbanisation of villages provides is a good example for other places to follow in the country, it is difficult to say. The best way to find it out would be a large scale household survey with the relocated residents. Because this study is a very small project, such survey was impossible. It was also politically incorrect to find out problems of this national successful story. Through interviews with township leaders, and reading the official documents, some issues have emerged. Firstly, while the general living conditions improved substantially, villagers' economic situation does not change very much. If there are any agricultural land left for farming, it is now located at a far distance from the New Town. Farmers have to travel to the field to work. There are also problems of storing farming tools, equipment and animals. Traditional way of village living was not very hygienic, it however created and stored natural fertilizers (human and animal waste) for the field. All these became impossible and farming depends on chemical fertilizers. There were reports of creating modern agricultural management in the area, which could mean most farmers will become disengaged with farming. Secondly, there were reported employment opportunities in the area related to the airport and cargo facilities, but most farmers do not have the proper training and education to take up well paid urban jobs. Many of them can only be cleaners, gardeners, security personnel, manual labourers, etc. The New Town authority did organise many training activities to prepare farmers for the urban life, employment arrangement was one of the main challenges for the new town. Thirdly, it was easy to relocate people physically, but the change of life style, customs and habits need to take a very long time. It was reported that farmers have strong emotions about their original villages (*gutunanli*). This is especially among those who could not find jobs. The new flat in a high-rise building also imposed limitation on using the family home for other business or renting. The flat itself also requires a lot of money to run, such as various utility bills and estate management fees.

One of the key and fundamental problems of this project is the issue of rural land ownership. As a government led development project, one of the main aims was to free more land for development by moving farmers from their traditional courtyards to flats in high-rise buildings. The scheme was called ‘using traditional village residential land to exchange for new housing in the town’; in reality, for each individual family, the land occupied originally by the courtyard was not taken into the exchange calculation directly. It was the old housing floor spaces were measured and exchanged. Like in many other similar developments, villagers’ collective ownership of land was ambiguously dealt with. To these villages, the land freed from the old sites were said to be turned into agricultural use. This is difficult to verify. One thing is clear. The central government only allows certain size of land area for development by each local government every year; if local government want to develop more land, they will have to find other land to replace the loss of agricultural land use for the development. Huamingzhen Model Town concentrated 12 villages together and freed more than 3000 mu land quota for development, either on the original sites or as replacement for other sites. The project seems a win-win scheme for the government, the farmers, and the developers; the reality is these villagers’ permanent loss of long term benefits from their collectively owned residential land. The argument that farmers’ asset increased by 10 to 20 times was based on a false calculation. For most families, the flat they received could only be used for family live (the use value), as this is their only home. It could not be sold in the market, and the market value quoted in comparison is meaningless. What these farmers gained was quick improvement in their living conditions; what they have lost was huge, including informal economic activities, house/room rental potential, convenience and easy access to their cropland, and more importantly the practical ownership of the only piece of land occupied by their home and under their direct control.

The local official interviewed agreed that: ‘rural urbanisation (chengzhenhua) should not only be about farmers moving into towns and living in high-rise flats. It needs a long time for farmers to change ideas (sixiang and guangnian). Social justice, equality and unity should be the guiding principle for urbanisation. There should be equality in infrastructure and social and economic facilities between cities, towns and villages. Social supports and services should be equal between urban and rural areas. Local farmers’ income was still very low in the area. Rural family income a year was only about 30,000–40,000 yuan; while local urban residents could earn many times of that. Villagers are not used to urban life, personal quality differences, they need to change slowly. Farmers have no working experience and urban employment skills. They need to be trained, but training in the past was not enough. Training has to match the job requirements in the local industrial sector. We can’t change all farmers into cleaners and security personnel in towns and cities. ...’. He also believes that ‘the leader for urbanisation (chengzhenhua) should be the government, without the government, it will be impossible to achieve chengzhenhua. At Huaming, we only implement the plan when the policy is supported by more than 95% of household. Urbanisation needs to take farmers’ interest as the core concern (yiminweiben), for farmers’ happiness and welfare (weiminzaofu). ... Government should not compete with the people (rural people) for benefits and land. It is not good if the government is only interested in financial and land gains.’ (Interview with a Local Official)

Huamingzhen Model Town made some arrangement to ease these problems. It has used some of the financial gains from land to set up pension schemes for qualified farmers; it built warehouses in few places to store farmers’ tool and machineries; it intensified its training scheme to prepare

farmers for urban jobs and life; it reformed the rural production organisational arrangement and set up shareholders companies to handle the agricultural activities and land related profits; it provided 15 square metres of business property to each household; it replaced the old village administrative system with a urban based residents management structure. All these are definitely positive achievements of this innovative scheme. Will this fully compensate farmers' loss of residential land and create a prosperous and sustainable urban community requires time to test. A full scale independent evaluation of this scheme in the future will be an excellent study.

Village Led Urbanisation in the North

Different from the approach adopted at Huamingzhen Model Town, many villages in Tianjin and Beijing areas have organised redevelopment at the village level, either on the original sites or at nearby new sites. These villages did not go through the process of large scale concentration to a town. Apart from housing improvement, many other activities and organisations retained many traditional and rural characteristics. In Tianjin, Daqiuzhuang was an early successful village development model of this sort in the 1980s. Its leader was arrested in the 1990s on corruption and the fame of the village declined ever since. A visit to the village identified some cottage houses and high-rise flatted properties and very active industrial and commercial activities (the initial driving force for the development of this village). The village has since been upgraded into a Township (Daqiuzhuang Zhen). The local natural and built environments are now very similar to that in other typical suburban areas of large cities (Figure 5). Due to these reasons, Daqiuzhuang is not selected for detailed discussion in this paper. Nearby to Daqiuzhuang, Xishuangtang emerged as another successful village development model. The whole village was redeveloped according to a plan into modern detached housing area, each with a courtyard. The village also built a very fancy historical theme street which won it a National Model Village status (quan guo wen ming cun) (Figure 6). In Beijing area, the most famous village is Hancunhe. Similar to Xishuangtang, the original village were entirely redeveloped into planned detached houses in courtyard (Figure 7). Hancunhe, among the top ten rich villages in China, has been around for some time. A more recent and current example of village redevelopment in Beijing is Nanzhai Cun in Pinggu County. This section focuses on Nanzhai as it is undergoing the redevelopment process right now and reveals many interesting issues which had been faced and dealt by Xishuangtang and Hancunhe. Where necessary, some comparison with Hancunhe will be made.

Figure 5: Main types of houses in Daqiuzhuang Zhen in Tianjin



Notes: From top left to right, traditional housing areas collectively built in the 1980s, cottages for the leaders and rich built in the early 1990s, current gated community, and tenement flats.

Figure 6: Changes in Xishuangtang Village in Tianjin



Note: From top left to right, Dongshuangtang Cun just across the canal, village side street in Xishuangtang Cun, new houses in Xishuangtang Cun, and main gate and historic theme street in Xishuangtang Cun

Figure 7: Changes in Hancunhe Village in Beijing (upgraded to Township now)



Note: From top left to right, model of old village, plan of new village, different types of cottage houses in the new village.

Nanzhai Village in Beijing

Nanzhai village located in one of the Beijing's Suburban Districts—Pinggu, about one hour drive from central Beijing to the northwest, and just south of the Beijing-Pinggu highway. The village is administrated by the Donggaocun Township. It has 1320 permanent residents in 460 households, of which 853 people are agricultural *hukou* holders and 380 households are agricultural households. The village collectively owned 2800 mu of land area, of which 1890 mu could be used for agriculture. Crop land was distributed among households early under the rural responsibility system, but if any household has no one work on land, land is then passed back to the village. Currently, only a few hundred mu of cropland are in private hands; others have been taking over by the state for green field or forestry use (as a strategy to improve the general environment in Beijing). (Figure 8) Land returned to the village was mainly used as forest land or waste treatment factory land. The area is the so-called 'wan mu sheng lin gong yuan'—10,000 mu Forest Park (planned by Beijing City). Similar to every village in Beijing, farming became a very unattractive business; the amount of agricultural land got less and less year by year. Cultivating one mu of land only earns about 1000 yuan a year; costs are often more than benefits. If families returned their crop land to the village, the village can arrange jobs for labours in the family. Therefore, change cropland into forest land for green space to improve the environment in the city meets no major objections from the local farmers. People in their 50s and 60s are

engaged in agricultural activities. In the whole village, there are only about 30 households working in the agricultural sector.

The government has taken over some village land and converted about 600 working age people's rural hukou registration into urban hukou, and assigned jobs to these people. Majority younger working age people have jobs and work outside of the village. About 400 people work in various enterprises (e.g. taxi drivers, 4S shop and Yuyang Hotel) owned by a businessman originated from the village (who is still the Communist Party Secretary for the village).

Figure 8: Old (left) and new (right) housing areas in Nanzhai Village in Pinggu, Beijing



Source: Google map on 25 October 2013 (scale: roughly 1.2 x 1 km)

Nanzhai village is surrounded by the Jue River. Flooding was reported as a constant threat to the village. The old village suffered many land sunk problems due to the underground defence cave dug during the 1960s. Because of recent economic and social changes in the village and the relatively poor living conditions, the Village Committee decided to rebuild the whole village. A new site was planned just beside the old village (see Figure 8), and land released from the old site will be recovered for agricultural or green space uses. This village redevelopment project was approved as one of the examples village urbanisation by the District Government. The building started in 2005. There was a three stage plan to build 400 new houses with different design and relocate all families from the old village.

- First stage: started in March 2005 and completed in October 2007; 81 houses designed by China Academy of Urban Planning and Design were built. Each with a total floor space of 218 square metres.
- Second stage: started in March 2008 and completed in June 2009; 123 houses of 170 square metres were built.
- Third stage: started in August 2009 and completed in October 2010; 191 houses of 150 square metres were built. (Nanzhai Village Residents Committee, 2009)

All new houses are two storey detached/semi-detached buildings as the core house with a small yard front and back. Village Committee organised the planning and construction. Each household has to pay a fee for a distribution for relocation. The fee levels reflect the size of these houses and the time of the market value of materials and costs.

- For a large house in the first group, family contribution was 115,000 yuan;
- Second stage houses, family contribution 168,000 yuan
- For the final stage and smaller houses, family contribution was 100,000 yuan. (Nanzhai Village Residents Committee, 2009. There were slightly differences between the figures given at the interview and an internal documents provided after the interview. Figures quoted here were from the document)

Of the family contributions, a 50,000 yuan loan was give to all families. The total costs for each of these houses were more than 300,000. The difference between the family contribution and the total cost was covered by the village and government subsidies. Poor families (the so-called five protection group) were allowed to pay less, about 20 of them in total; the village pay these subsidies. The subsidies varied from family to family, but the least paid family contribution was 60,000 yuan (about half of that required for the small houses).

The construction of the new village was organised by the Village Committee and the construction company Yuyang Group. As mentioned early, Yuyang Group is a family owned successful business started from Nanzhai village. It has several profitable subsidiaries, including one of the largest Taxi Companies in Beijing and a property development company. All houses in the new village were built by Yuyang Group, which bought all construction materials and organised the construction. The redevelopment was also supported by the government through it energy saving, environmental improvement and demonstrative village model policies. Through subsidies for solar power system, energy saving bricks, village road surfacing, electricity and house air circulation, the government subsidies accounted to a total of around 60,000 yuan per household. Government support for villages varies from place to place. For villages in remote mountain areas, government give more than that in flat fertile areas. In terms of finance, Nanzhai village benefited substantially from the government support. (Figure 9) The rest of the construction costs were shared by family contribution and Yuyang Group. The basic finance model is household contribution plus government subsidies (through the village) and the rest

paid by Yuyang Group. Yuyang Group as a private (family based) business (this is different from the model in Hancunhe, where the Hanjian Group is a collective enterprise owned by the village) played a key role in the village life and the redevelopment initiatives and implementation. The Head of the Yuyang Group is still the Party Secretary for the village. As he is always busy with the business, his deputy (interviewee) was in charge of the day to day activities in the village.

For each traditional courtyard in the old village, in principle, one new house was allocated; but if a family has two sons, two new houses could be allocated, but the family had to pay an extra 30,000 yuan. There was no allocation to older generation; old parents should all go with their children (sons). For a male child to be allocated a new house, he had to be over 18 year old.

New houses allocated were of the basic structure. Families had to do the internal decoration and refurbishment themselves. The quality and style of decoration and refurbishment therefore depend on the family's wealth and incomes. New houses all have heating facilities: solar panels on roof supported by a coal burning stone. The heating sources are linked to a floor heating system for main rooms in the house. Each household was also allocated 3 tones of coal per year for heating, which was thought to be more than enough, but many families don't use the stone. The fire stone and the solar system are integrated into a very modern hot water tank system with automatic control. The stone is located in a small heating room isolated from other rooms in the house. (Figure 9)

Once allocated, the houses became private property of the family in the similar way to the traditional rural family home. There was no property right registration changes. The government did not register these properties for full urban property rights, as this was treated as rural to rural residential land exchange scheme. A property management company was set up to manage and repair any faults in the new houses. Water, sewage and electricity were managed by the Village Committee. In the new village, families were not allowed to raise animals, such as chickens, pigs or goats. There were collectively owned animal raising areas, for economic and production reasons.

There were resistance to this redevelopment among some villagers at the beginning. When the first stage new houses were completed in 2007, 'the Village Committee then encouraged Communist Party members, resident representatives of the Village Committee and other village leaders to move first and to set examples for others'. Most of them were in the first group who moved from the old village to the new and larger houses in the new site. 'House allocation was done through a lottery system controlled by the village resident representatives'².

At the time of our visit in March 2013, all new houses were completed; about 350 households have moved in. There were about 100 households not moved. Theoretically speaking the move was voluntary, a few families were however not willing to participate. 'They have very conservative and old ideas. They even went to the high court to refuse move'. The main reasons to the resistance 'related to the size of residential land. In the old village, the size of courtyard varied a lot, some older courtyards were inherited from older generations and were very bigger (could be 1.5 mu each), new ones approved by the government from the 1960s onward was only

² Quotes in this section were from interview with the Deputy Communist Party Secretary of the village.

0.26 mu each. Some households with bigger courtyard refused to move. They also do not think that the new houses are any better than their recently rebuilt houses.’ In the new village, each household occupies a smaller, but standardised piece of land and houses. ‘The village won the law suit. We are about to take compulsory measures to force these remaining households to move.’ On the day of our visit and interview, electricity supply to the old village was cut. ‘If households refuse to move, we can’t do much about them. We mainly need to stop new buildings in the old village. We intend to make the old village area into a public park.’ In comparing the number of new houses built and the original number of households in the village, there must be some households stayed outside the relocation scheme.

Old houses, large or small, once emptied were demolished without any compensation. This could be another reason for the resistance from some families, particularly if they had recently rebuilt their houses on the old courtyard land. Some families were still building in their courtyard in the old village. Village leaders found difficult to understand why these families still did so. ‘It needs at least 140,000–150,000 to rebuilt an old house, the space is only around 60–70 square metres. The new houses are heavily subsidised and it is much bigger with excellent facilities such as water, toilets, sewage, heating and hot water systems.’ There were still about 15 die hard families, ‘they can’t follow the changing trend in the area and are of very conservative in ideas.’ ‘In the new village, piped water is very convenience; in the old village, you need to dig a well for water, the underground water level is now deeper than 160 metres. Dig a well itself will cost more then 100,000 yuan.’ ‘We don’t charge for water in the new village, but there are some quotas for each person to save water resources. For sewage and waste water, there is a treatment system. All waste waters are collected underground at one place (beneath one of the village squares/open space), treated (huafengchi), then released to the nearby Juhe River.’ These sites were visited late which support the village leader’s claims.

Figure 9: Changes in Nanzhai Village in Pinggu District, Beijing



1	2
3	4
5	6

Notes: 1) House remaining in the old area. 2) Houses and street in the new area (Roof top shows the solar panels). 3) Public space used by residents as vegetable field. 4) Decoration inside one new house. 5) The heating room with coal fired stove and the integrated hotwater tank. 6) The village 'hotel'.

The administrative arrangement for the new village was the same as in the old village. It remains a rural organisation managed by the village Communist Party Branch Committee and the Village Resident Representative Committee. There is no Neighbourhood Committee in the village, though there were a proportion of no-agricultural residents (as results of state land acquisition

arrangement). There were 38 village resident representatives (about half are Communist Party members) in the village Committee. In the whole village, there are about 65 Communist Party members. The whole development process in Nanzhai has been heavily influenced by two men from one family, similar to many other successful villages in China, the old Party Secretary and his son. The old Secretary was in control of the village between 1980 and 2002, who led most of the business expansions in the village and in Beijing city and won a lot of respect among the village residents. When he retired in 2002, his son took over, and the village redevelopment process was mainly under his initiatives and control.³

Residents moved into the new housing gave very positive reactions to this project. One house we visited was from the first group of larger houses, slightly older. A lady in her 50s was at home (this was not a pre-arranged visit as several ladies were chatting in the street and one was happy to let us in). The house has 4 bedrooms, one seating hall/room, one dining room, a kitchen, and two bathrooms. The decoration was good throughout, with lots of furniture such as sofa, dining tables, and other electronic household goods (photos). The internal refurbishment cost about 80,000 yuan. Normally, only she and her husband live in the house. The couple has two daughters. Both work outside the village, and both of them were married and have their own children. They only come back for weekends and holidays. There are rooms for them in the house. Another house visited (again not pre-arranged) was in the new section of the village. The house is newer. Again a lady in her 50s was in (live with her husband only). The house was decorated to a much high standard, which is comparable to the style of rich middle class houses in Beijing city. The family spent about 200,000 on internal decoration (much more than the initial contribution to the construction of the house). Furniture was of better quality as well. Both families were very happy with their new houses and supported the idea of relocation. Both reported that children do not live here all the time. They have houses/accommodation in where they work.

Many new houses were under decoration. The core house allocated was of very basic structure. Apart from internal decoration, families were allowed to build the courtyard walls and front gates. Some families built a front gate house. After the additions, the new style was changed slightly and in some part, the changed courtyards look more like the old houses in the old village. In the central of the village, there were three houses in a row, the courtyard walls and gates were built, but there was no separation between each of these three houses. These belong to three brothers who 'made major contributions to the village development'. Exceptions were given as a reward to their contributions.

Roads and streets in the new village were well planned and paved. Between the streets and houses, there are private and public open spaces. The private open spaces were circled up as front gardens for the family. The public open space was planned for green areas or trees. Because the village was in the process of construction, there is less attention given to these areas. Many families turned these small public open spaces around their houses into vegetable pitches. There was no formal or official allocation for these activities, families just take action themselves.

³ The new house for the Party Secretary's family was located outside the old and the new housing areas. The 'House' was originally built by the business family as a village hotel. The initial agreement was after 15 years, the hotel will become private family home. More than 15 years have passed now.

Around the new village, there were walls in construction along the proposed major truck road to prevent the noise. In other sections, fence was put up to make the new village more like a gated community. Although the families were allowed to build the walls and front gates, they were not allowed to change the grey colour of the main houses painted by the developer. The village leaders felt the grey colour looks good and is cool (yazhi). The village built a small supermarket for them.

The old village saw many demolition activities. On the day of our visit, the Village Committee decided to cut electricity supply to those houses whose owners have moved to a new house but have not empty the old one to speed up the demolition. Families were allowed to demolition their old houses themselves and reuse some of the old construction materials, such as timber and bricks. Many families indeed used the materials to build the courtyard walls and front gate houses. If families did not carry out the demolition, the Village Committee could organise the demolition for them, but it would not protect the materials.

As this village is relatively far away from any major built up areas of the city, there is still land around for agricultural use, but due to low returns on agricultural production and the city's drive for environmental improvement, there is no incentive for crop growing activities. There is a land quota for each household to grow their own grain/food (kouliangtian—half mu per person), but if a family do not wish to use it, it can return the land to the village committee, in return, the village Committee will give each agricultural hukou resident (no matter age) 150 kilograms of wheat flour and 50 kilograms of rice. The Village Committee bought these from the market and then distributed to residents. In the whole village, there was only one family opted for growing their own food on the kouliangtian (ziliudi). For non-rural hukou residents, there is no food or kouliangtian allocation. They were however allowed to buy the new house same as the rural hukou holders. Apart from food allocation, the Village Committee also distributed other things or materials at festival seasons, e.g. for the Duanwu Festival, the village committee distributed Zongzi to the residents. On other festivals (like the Chinese New Year), fish, meat, vegetables and other items were distributed.

Land around the village has been continuously taking over by the government. Some were 'rented' by the government for forest parks or green field, and government gave the village some compensation (1000 yuan per mu). Some were 'sold' to the government for projects. A recent government project on the village land involves the building of a major waste treatment factory for the city, located to the southwest of the village. For this piece of land for the factory and associated road, the government allocated the village 70 urban residence status (70 village residents could be transferred from agricultural hukou to urban hukou). Because of the associated advantages of urban hukou is declining, especially in villages like this one, hukou transfer lost its attraction. Even those who have accepted the transfer still face the same challenge to find a job in the city. As a result, the village rejected the hukou offer and asked for cash compensation instead.

The location of the waste treatment and management factory on the village land may have played a role in the government approval and support for the village redevelopment plan. This was not confirmed by either the Township Government or the village leader. Under normal situations,

such large scheme whole village redevelopment on fresh agricultural land is very difficult to get the government backing.

All land generated incomes in the village were divided by the Village Committee between collective use and individual distributions. Normally, 30% was retained at the village level for collective affairs; and 70% was distributed to individual families according to the number of residents, disrespect of age, gender etc. Money distributions were always a difficult task in village works. The village has built up a 1 million yuan fund for welfare distributions. There was no pension arrangement in the village, but the residents were enrolled into the new village/rural social security system.

In term of housing the new area offers much better living conditions, but economic activities have not changed fundamentally between the old and new areas. There are very few young people in the village; only old people live the village. Most of the young live either in Beijing City or central area of Pinggu District. They only come back to the village over the weekend.

As mentioned at the beginning of this section, we also visited the redeveloped village Hancunhe, an early redevelopment with a national fame. There are many common features between Hancunhe and Nanzhai:

- Both have a very successful village based company to support
- Both have a capable, strong and continuous leadership of the Communist Party Secretary.
- Both were supported by the government in many way, money, technology and more importantly policy.
- Both were relatively poor villages in the area in the past.

Hancunhe however has more collective heritages. The Construction Company—Hanjian Group behind the whole development process is a village collectively owned company and the Chairman of the Group is also the Communist Party Secretary for the village (the township now). While Nanzhai shows more signs of private, individual and market influences. Yuyang Group in Nanzhai is a privately owned family business, though the owner is also the Communist Party Secretary for the village. This difference may reflect the time and changes in the country over recent years. Many of these features are unique to successful villages. Both cases will be very difficult for other villages to learn or to follow. (Table 3)

In Hancunhe, we visited a few families. Some houses were dedicated as a show case for visitors. These houses were much bigger than these in Nanzhai village. Internal decorations reflect the style of the 1990s; rooms were made more like hotel guest rooms, rather than home. A lot of wood panels were used to cover radiators, windows and door frames, etc. Corridors are rather narrow with rooms at both sides. As there so many rooms, it gave the feeling as in a Bed & Breakfast (B&B), rather than a proper home. The hygiene standard was lower than that in Nanzhai village.

Table 3: Comparison between Development Models in Hancunhe and Nanzhai

	Hancunhe	Nanzhai
Time	Early	New
Houses	Detached Cottages	Most Terraced
Heating	Collective heating provision, village has a stone with huge chimneys.	Family managed solar/stone system
Supporting company	Collective ownership	Private ownership
Other features	Village did all, highly standardised	Village built the Main houses, families did the rest, more flexible
	Young work outside in construction industry.	Young drive taxi and buy houses in city or invested in village to buy the new house
	A lot of presentational and propaganda materials for visitors to look and admire. Chess board street patterns, closed family/household.	For own use and benefit, at affordable standard, no extra, fancy decorations and presentations, street also allows some irregularities.
	Houses face the south, single side street rather than double-sided streets.	In the new village, there were a few houses were three storeys, constructed illegally by the builders for their own family. No approval from the village.

Village Led Urbanisation in the South

In the south, especially in the Pearl River Delta region, villages near major cities have all experienced dramatic changes over the last 30 years. From the late 1970s to the early 1990s, the flourish of township industries was a major driving force for changes in villages. Urban economic reform and the establishment of Special Economic Zones speed up the process of urbanisation; most suburban villages have been turned into the so-called ‘urban villages’. Agricultural and grain production lost its dominant place, replaced by land and property renting. Early township industries and workshops were also replaced by large industrial factories. The arrival of large number of rural migrants has changed the traditional social and economic profile of villages. Traditional village residents gradually became landlords whose life depending on land and property rent (either as collective distribution from the village or as direct income from their tenants). Over a short period of 20 to 30 years, they enlarged or rebuilt their family houses several times to create more rental rooms. Traditional courtyard houses were firstly changed into two storey houses in the 1980s; then rebuilt into high-rise buildings of 5 to 20 storeys from the 1990s onward. In Shenzhen for example, traditional resident households in many urban village on average offer accommodations to more than 100 migrant workers (Wang et al, 2009 and 2010). Obviously, these urban villages have experienced various degrees of urbanisation. Many of them indeed are located inside the extended urban built up areas.

During fieldworks for this project, we visited 4 villages in the Pearl River Delta region, one (Nanbu Cun) in Shenzhen and three (Lianjiao Cun, Chadong Cun, and Dongjiao Cun) in Guangzhou. There are differences between these villages in terms of stage of urbanisation in relation to the distance to the city, the process and nature of land development and marketing, and the way of the village housing its residents and migrant workers. There is however a lot of similarities among them, especially if we compare them to the village urbanisation process in the north as the example above. For this reason, we will focus on one of these villages in the following discussion. We use Nanbu Cun in Shenzhen as a case study. Nanbu is interesting also because it is an example in the new round of comprehensive land reform in Shenzhen sponsored by the Ministry for Land and Resources. With the help of the local government Nanbu prepared a redevelopment plan in 2013 which aimed to legalise the rural village property right (the so-called small property right).

Nanbu Village in Shenzhen⁴

Nanbu village (or Nanbu Neighbourhood in the urbanised administrative system) located in Pingshan Street Committee area of Longgang District, about 50 kilometres to the Northeast of Shenzhen city centre. From the late 1950s to the early 1980s, there were 6 Production Teams in the village. When township industrialisation began in the 1980s, it was organised at the village level (Production Brigade). The production teams gradually became irrelevant and were eventually abolished and all powers centralised at the village level. In 2004, as part of the Shenzhen Municipal's declaration that the whole city administration area was urbanised, the Village Committee was changed into a Neighbourhood Committee. (Officially, Nanbu is now referred as a Shequ—a Neighbourhood, for convenience and avoiding confusion with other proper urban neighbourhoods, we use the term 'village' in the following discussion).

Nanbu village has 156 households with about 500 people (There are also about 11500 migrant workers living in the village at the peak time of rental housing demand). The village was engaged in agricultural production in the past and covered a total land area of 2.44 square kilometres⁵. After the rural economic reform in the late 1970s, the crop land was contracted out to individual households under the rural responsibility system. In the 1980s, there was less demanding for farming, so the village developed some side line agricultural activities, and planted many fruit trees (*lizhi*, *longyang*) in the mountain slopes, and setting up chicken farms, etc. The products of these sideline activities were exported to Hong Kong to earn cash. These diversification of agricultural activities did not only brought some immediate income to farmers at the time; late on when the government taking over the village land for other development, the farming properties, fruit trees earned the villagers a lot extra cash as compensation.

From 1993 onward, industries gradually came into the workshops built by the Village Committee, at the same time the Shenzhen City Government set up a few large industrial districts nearby. Agricultural land owned by Nanbu village was taken over by the state very piece

⁴ This section is based on an interview with the Village Communist Party Committee Secretary on 27th June 2013; and a focus group discussion with 4 planning and land management officials from the Pingshan New District Administration Committee on 21st June 2013.

⁵ This is the official figure. The village committee believe they had about 3 to 4 square kilometres of land in the past.

by piece between 1993 and 1998. In 1993 compensation from the government for every mu of land was only about 2000 yuan; if it was good quality rice field land, it was 6000 yuan per mu. In 1998, it increased to 8000 yuan per mu. By 1998, most of agricultural land owned by Nanbu was taken away by the government.

The land and crop compensations were an important part of the late investment that villagers made into their housing development. Compensation for land was given to the Village Committee. But compensation for crops, trees, orchards and farming structures went to the families who were responsible to the piece of land. Villagers were not very happy with the state taking over their land cheaply. In a village official's words, the level of land compensation was 'simply rubbery'.

Although the city declared urbanisation of the whole area and all land are now owned by the government. In reality, every village in Shenzhen still control some land, mainly residential land and land occupied by early village owned industrial workshop. In Nanbu there was no more cropland left, and the total land under the village's direct control had declined to 284.4 thousand square metres in 2013 (about 12% of their original land). This includes mainly the areas of villagers' housing, village controlled workshop and commercial areas, village administrative area and some open space (see Table 4).

Table 4: Land use in Nanbu village in 2013

Land use	Land Area (m ²)	No. of buildings	Construction Floor Space (m ²)
Industry	223700	123	80854.4
Housing		324	176885.4
Commercial		2	842.5
Road and infrastructure		4	1930
Open space	61100		
Total	284400	453	260512.3

Source: Pingshan New District Bureau of Shenzhen Planning, Land and Resources Commission (2013).

Village controlled industrial workshops had about 80 thousands square metres of construction floor space. They were built in 1987 during the township industrialisation drive and before the arrival of state initiated large industrial districts in the area. They attracted some investors during the late 1980s and the 1990s, mainly in the metal processing sector (*wujing and diandu*). These early small investors (*xiao laoban*) were not well regulated; they were allowed to do whatever they would like to do. Their products were however low quality. They could not compete with the large and better equipped factories which introduced by the state late. All these early factories had left late and most workshops owned by the village became empty by 2013. This affected the collective income. The village was in effect in difficulty in terms of income generation. Village share dividend distribution became very limited; it was expected that, in three years time, the village will have problems in paying villagers' social security contributions.

Housing was now the largest land use in the village controlled area. For the 156 households, there were 324 housing buildings, on average two buildings per households (about 1100 square metres of floor space). Most of these houses were built over a period of 20 years after the land

and crop compensation became available. Some of them were built on old family courtyard, while others were on newly allocated land. In the 1990, there was a policy that every family should have one residential plot in the village. New housing plot requirements were met by using village owned crop land at the time. This was not allowed in theory, but when the government frequently took over large proportion of village land for its own use, it closed its eyes toward village housing plot allocation. For a new housing plot, family had to pay a fee to the government, ranging from 2000 to 3000 yuan each plot. At that time, 2000 yuan was a lot of money and not every family could afford it. This means that some richer families in the village had more than two housing plots ('bought' from other families). Once a plot was allocated, families found their own money and materials to build the houses (financed from land, crop and tree compensations and bank loans).

Due to large scale expansion of the city government controlled industrial districts in the area, rental housing became a major business in the village and rent became the main household income source. Average rent in the village was about 8 to 9 yuan per square metre of floor space in 2013 (about 100 yuan per room). This was much lower than rent for similar rooms in the city centre. At the peak time, there were over 11,500 migrant workers renting room in the village. In 2013, it had declined to less than 8000. This gives on average of 50 tenants in each traditional village household. (Figure 10)

Figure 10: Current housing and street landscape in Nanbu Village



1	2
3	4

Notes: 1) Village square surrounded by houses with shops on ground floor. 2) A main street in village. 3) Distance between neighbouring buildings. 4) Smaller street and house frontage.

During the transition from an agricultural village to a land and property rental village, and when a large proportion of crop land was taken over by the government, the village established a Shareholder Company in the middle of 1990s to manage its collective economy, similar to all other villages in the region. A total of 7000 shares were created and allocated to individuals living in the village (excluding migrant workers). Share distribution was according to the following rules:

- 20 shares for everyone who was born in Nanbu village before 1976 and still lived there at the time of allocation (the so-called large shares).
- Anyone born after 1976, share was reduced gradually, the smallest share was 9.
- People who had land allocated in 1976, but had since left for urban jobs, only received 3 shares (These people were not qualified for any village welfare distribution. Recently, some of these people had lost their job without proper social security provision. In these cases, the village Shareholders Company provided them some help.)

Initial shares were distributed in 1994 and adjustments were made in the following years to reflect population changes. From 2004 (after the official declaration of whole city urbanisation), share distribution became fixed; no more adjustments for birth or death were made. Shares could be inherited by family members.

In 2013, main income of village households came from three main sources: share dividend distribution, rental income from housing, wages if employed. The share dividend mainly came from the village's collectively owned properties. As the village owned workshops provide poor space and could not compete with the government organised industrial districts, income of these declined year by year. In 2012, only about 6,000 yuan per person (with full shares) was distributed. In other successful villages, it was reported that each villager could receive 10 to 20,000 yuan distribution from their village shares. Rental income therefore became the main source of income for most households. Due to the reduction of number of migrants in the area and the declining demand for low quality accommodation, rental income also became unstable. Wage income depended on the demographic characteristics of each household. Families with young and educated persons had more income from work. The majority families had become rent dependent gradually. Employment required good skills and many residents did not have a good education. Employment based income was limited. The Village/Neighbourhood Committee itself only employed a small number of people as administrators or cleaners, etc.

Although the village had come a long way from a relatively remote traditional agricultural village to become an urban village with most families own one or more very large houses, life in the village was relative poor in comparison with many other villages near to the main urban centre in the city. 'We are the forgotten corner of the modern city; after 30 years of industrialisation and development in the surrounding areas, some on our land, we are still poor; the life of our people has not changed much. We are nothing (a *sibuxiang*), not urban not rural. The life seems similar to urban, since we have lost all our agricultural land and activities; we need money to buy everything. But we are not proper urban residents; our income is very low and our housing is poor quality and not well planned and built. If you believe that we have been

urbanised, then we are at the very bottom of urban society. Rent is our main income now, but it is declining. In the past, we could grow our own food and raise chickens and ducks for a living. Few thousands yuan would keep us going. Now everything needs money; without money you can do nothing.’ (Interview with village Party Secretary). It was with this feeling that the village Committee is in discussion with the Pingshan New District Administration Committee for redevelopment. ‘We need to progress to a higher level; we need to find a way forward; we want the government to help us. The government should give more benefits to the ordinary people for all the land they have taken in the past.’

For village leaders and residents, the reasons for redevelopment seem clear:

- Village owned old industrial workshops (the collective income generator) were unusable any more, and it was also too expensive to rebuild;
- Of the 500 residents, not everyone was capable and tenanted to do business or secure a well paid job in the city; most of them relied on the village Shareholders Company for jobs or income distribution;
- Village leaders didn’t want the ‘next generation in the village to follow the old road’. Many young persons went university or college with village scholarship in the past, and due to high competition in the job market, many came back to the village and asked the Shareholders Company for jobs.
- The Shareholders Company had to change and adapt to the new environment; it had to develop new businesses and activities to replace the income from old industrial workshop properties.

For many relatively remote villages in the region, the situation may continue for sometimes. For Nanbu village, there is an opportunity. Shenzhen Municipal Government recent decided to establish the Pingshan New District to coordinate the large industrial areas and develop this relatively remote region. Nanbu village locates in the centre of this Pingshan New District. Its unplanned residential landscape, running down industrial workshops, poor unconnected local infrastructure and especially its blockage of several planned main roads and streets made its redevelopment necessary for the government as well. At the same time, Shenzhen City was selected by the Ministry of Land and Resources for another round of comprehensive land reform experiment. The City Government needed an example village to take the lead. The strong desire for changes from Nanbu’s village leaders brought the village and the local government together for discussion of a comprehensive redevelopment model. Local officials outlined three main reasons for the support of redevelopment:

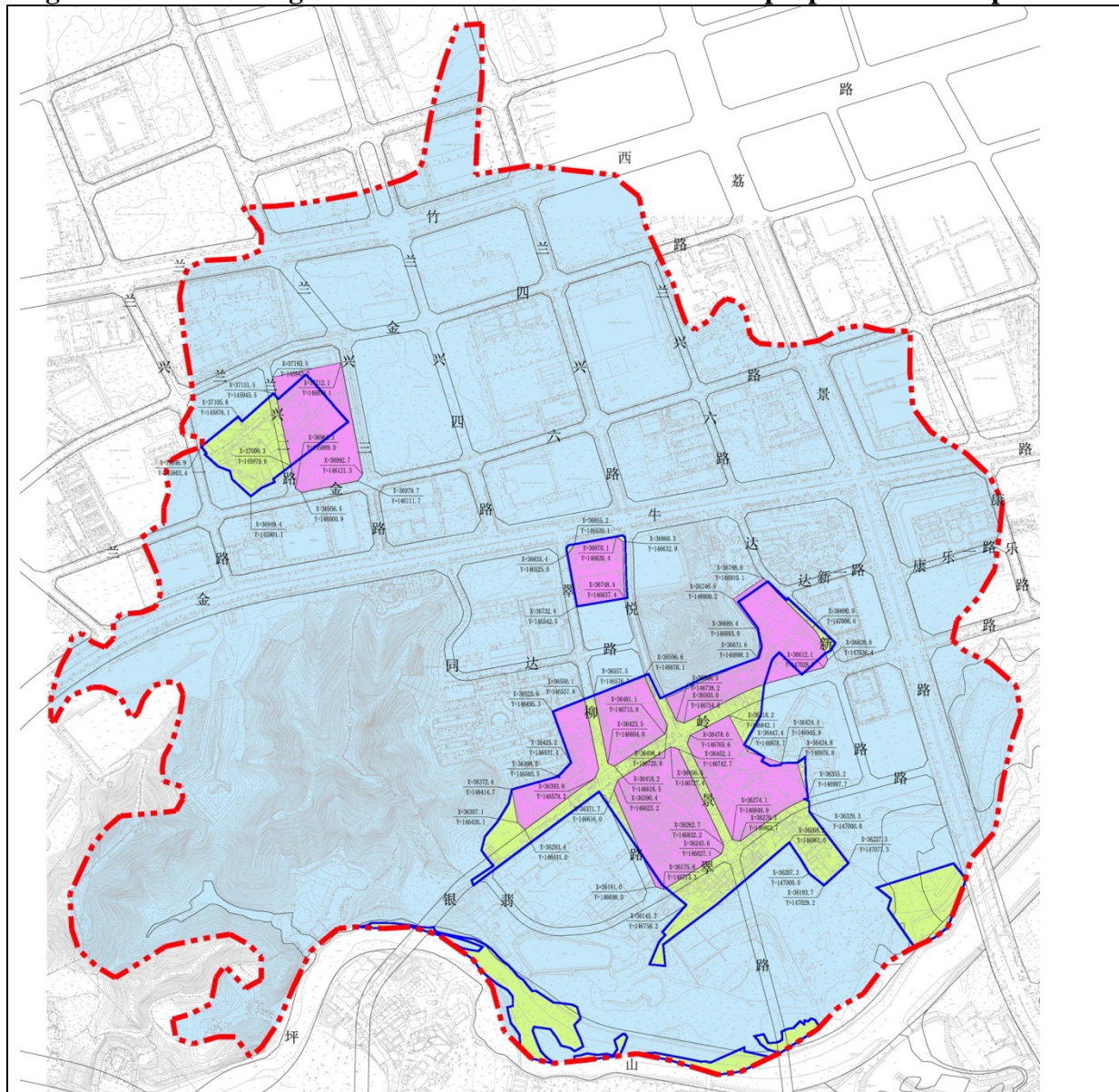
- It would solve the land ownership confusion problem once for all and nationalise all the land currently under the village control.
- It would transfer a further 107.5 thousand square metres of land from the village’s direct control to the government for roads, infrastructure, school and new industrial development.

- It would improve the overall image of the whole area and remove the striking differences between urban and rural communities.

The main parts of the proposed redevelopment include:

- The state takes over all land currently controlled by the village (284 thousand m²), and allocate 187.4 thousands m² back to the village for comprehensive redevelopment, with the remaining land retained by the government for other development.
- The government makes a one off cash compensation of 60 million yuan to the village.
- The village demolishes all existing buildings (including the houses show in Figure 10) and rebuild new high-rise housing estate as relocation housing in selected locations.
- The village redevelops other land in collaboration with a commercial developer as housing and commercial properties for the benefits of Village Shareholder Company and residents.
- The village Shareholder Company will be responsible to all the detailed redevelopment, within the land allocated to it, including demolishing and household compensation and new property distribution, etc. (Table 5, Figure 11 and 12).

Figure 11: Nanbu Neighbourhood Administrative Area and proposed redevelopment areas

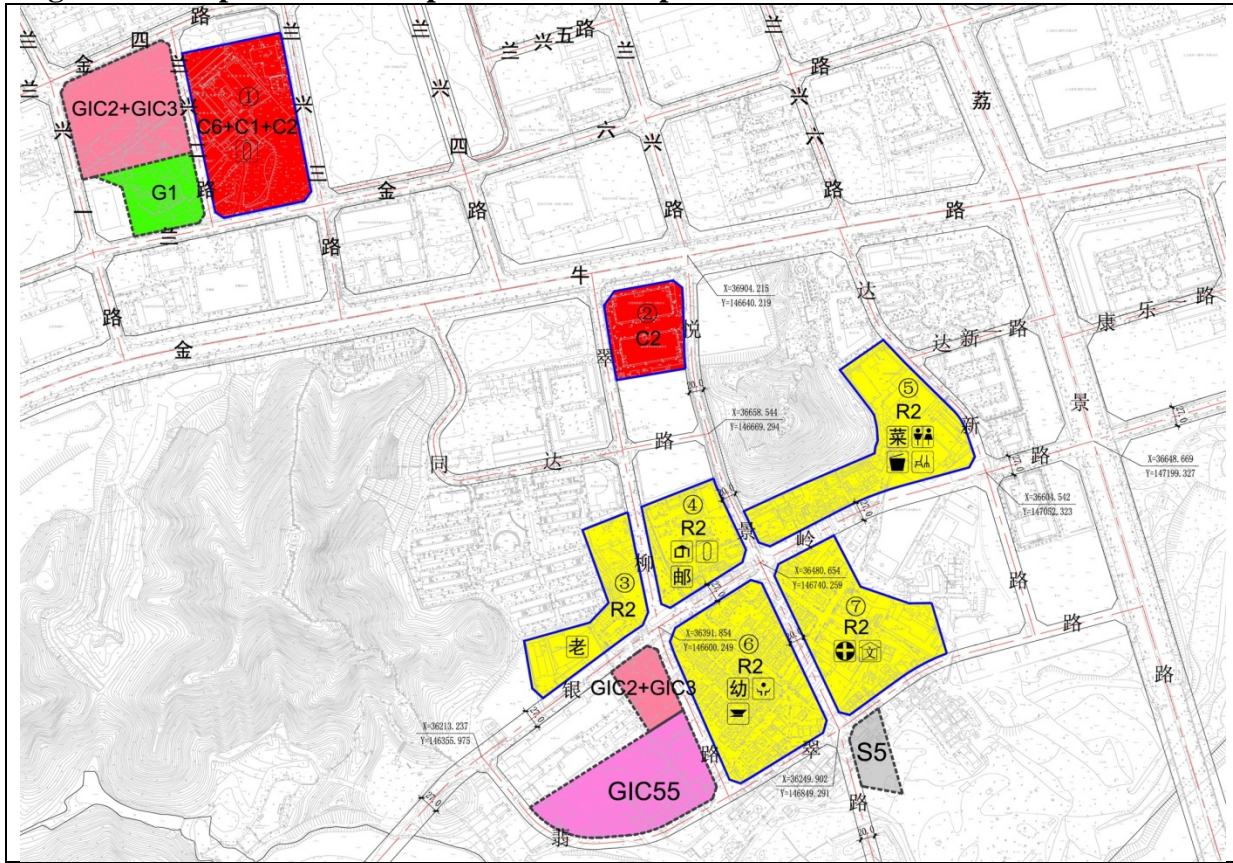


- Nanbu Village/Neighbourhood Area
- Planned redevelopment area
- Land has been taken over by state
- Land to be passed over to state
- Land used for village redevelopment

Source: Adopted from Pingshan New District Bureau of Shenzhen Planning, Land and Resources Commission (2013).

Note: The two pieces of the village controlled land located on top half of the diagram are village controlled industrial workshop areas, the rest are the current residential areas. In the proposed redevelopment (see below), the top two pieces will be firstly developed as relocation housing for the village to free the main area for commercial housing development.

Figure 12: Proposed land use plan for redevelopment in Nanbu



Source: Adopted from Pingshan New District Bureau of Shenzhen Planning, Land and Resources Commission (2013).

Notes: GIC2: Government use for cultural and sport; G1: Government run public open space; GIC55: New School for 54 classes (year 1 to 9); S5: Bus and public transport exchange; C1, C2 and C6: Village administration, commercial and apartment districts; R2: Residential land for housing under the control of the village.

Village leader indicated that residents will be relocated to C6+C1+C2; R2 will be freed and used for commercial housing with land controlled by the village, but developed jointly with a commercial developer (The developer will pay the village shareholder company for the land, and both share the profit).

Area (1) to (5) could build to 100 metre in height (around 33 storeys), area (6) and (7) is controlled at 80 metre high.

Table 5: Planned development (all by the village)

Purpose/Use	Quantity/Floor Space
Total land area for development (m ²)	172964
Development plot ratio	4.34
Total construction floor space area (m ²)	751600
Housing (m ²)	470100
Business/Shopping (m ²)	105270
Office (m ²)	81200
Office and commercial apartment (m ²)	86400
Infrastructure and services (m ²)	8630
Height Control (metres)	100
Open/Green Space Ratio (%)	35

Total planned area population (Persons)	15000
Parking spaces	7060
Residents and business associated parking spaces	6900
Public parking spaces	160

Source: Adopted from Pingshan New District Bureau of Shenzhen Planning, Land and Resources Commission (2013).

Notes: Infrastructure and service space includes: nursery for 18 classes, neighbourhood health centre, cultural activity rooms, elder activity and care rooms, neighbourhood committee, neighbourhood service centre, neighbourhood police station, post office, rubbish collection stations, environmental and sanitation workers rest rooms, and public toilets.

This planned redevelopment project indeed involves new way of land management and development in the region. The comprehensive village redevelopment plan and land redistribution (between the village and the government) was displayed for public consultation at different locations including the city, the district planning offices and at the internet between 30th of September to 28 October 2013 (Pingshan New District Administration Committee 2013). The Nanbu village leaders were every positive about the proposal. ‘This is a good opportunity and great hope for our village. With the help and support from the government, we can solve all our problems by redeveloping the whole village and also redevelop our old industrial workshop areas into a commercial district. The Shareholders Company can only become rich if it involves in more commercial activities, e.g. setting up new firms, run nurseries (several are planned in the new housing estates), etc. If the project is approved by the government and implemented, you can come again to see the changes in our village in 3 to 4 years. Nanbu Village will become rich and this is the only way forward. In my opinion all villages in this region have to go through this redevelopment process.’ (Interview with a village official) The following conversations (Table 6) with the village leader are interesting, and caught more local sentiment about the project..

Table 6: Selected questions and answers with Nanbu village leader

Questions	Answers
Why do you want a comprehensive village redevelopment?	There are a lot of confusions between land owned by the government and by the village, land with different ownerships mingled together in some places; it is not easy to use by either side. The overall tidying up and redevelopment approach will solve this problem. The Village Collective economy is important for the village. Without the Collective, some families will run into problems. There are people in the village using drugs and gamble; some people sold their houses to pay back the huge debt from gamble. The redevelopment and enhanced Collective economy will help to solve some social problems too; it will create more job opportunities for the young in the village.
Whose initial idea was this?	The overall redevelopment idea was from the Government – the Pingshan New District Administrative Committee; but it is supported by the village (Neighbourhood Committee) and most village residents. Who don’t want to become rich? The only way is to make long term development commitment.

<p>Are you worried that once you have lost all the land under the village control, you will have nothing more to bargain with the government in the future?</p>	<p>No, only a few very conservative people in the village think in that way. The land always belongs to the state anyway; it is not the village's private property. We villagers only have the use rights.</p> <p>In the redevelopment plan, each household will be given very high compensations for their current housing, which could be equivalent to 40 years of total rent at the current level. If people want housing, we can also give them new housing in properly built housing estate, which could earn much higher rent in the future.</p>
<p>Do you feel pity that so many good and recently built houses will be demolished? Some of them are relatively new and in good conditions.</p>	<p>The houses might be in good condition, but they were not planned, very irregular, not supported by good facilities. We do not have full property rights. At the same time, if you are not prepared to sacrifice your child, how could you catch the wolf?</p> <p>No household will make a loss; household assets could increase several times. We have calculated various scenarios, the future could only be better, the project can't fail. ... We explained the future plans to our people and we have their understanding and support.</p>

It is clear that the village leadership was very important and had played a very crucial role in the development of the village in the past and the future. The current Communist Party Secretary was one of the Team Leaders in the 1980s. He led the villagers to plant fruit trees and set up side-line rural industries such as the chicken and duck farmers. The fruit trees and animal farmers won the villagers' good compensation late. That won him the trust among villagers and was late elected the village Communist Party Secretary, a position he held since 1998. His strong believe in village collective economic activities and the penitential benefits from the redevelopment process were important factors for Nanbu being selected by the Municipality as a new land reform experiment case study. This whole sale approach to village redevelopment, if successful, could approve once again that he is correct and the project bring many benefits to the villager for generations; if fails, it will be a disaster for himself and the villagers.

As a government supported experiment, the total failure of the project is unlikely. The running down village owned industrial workshops and the older villagers' residential area will be demolished and rebuilt into high-rise properties for business and housing. The project, however, does face many challenges and risks. Firstly, like all urban redevelopment project, the success relies essentially on the increased building density so more floor spaces could be built on the limited land surface (either as commercial housing for sale or as relocation housing). It also relies on the property market situation at the time of the redevelopment. Nanbu village needs a commercial property developer to join the project, which will build all new buildings. The village had decided to contract the whole rebuilding project out to a commercial developer. This is a very risky business. There is a potential developer in the discussion, 'it is an ordinary company, if it is too big, it might be difficult for us to handle'. There will be parts of the development bellows to the developer which could be sold in the open market. This is the incentive for the developer. If the property market is good, and the new extra houses could bring a reasonable profit for the developer, it will be OK. If the property market is slow or housing price is declining, the villagers will then need to make sacrifices if they would like to see the project finished. Residential representatives and shareholders representatives will monitor the redevelopment process.

Secondly, one of the reasons for the municipal government to have this whole village redevelopment approach is to avoid direct confrontations with individual villagers and households in its road and infrastructure development. To clear village houses along the main planned road will cause a lot of troubles for the government and a lot of compensation money. To provide help to the village for a comprehensive redevelopment will solve the difficulties of road construction, at the same time will improve the images and environment in the area. This will, at the same time, hand over all the difficulties in demolition and compensation to the village Committee. At this planning stage, the overall financial balance seems in favour of the villagers. Once the detailed household by household calculation on relocation and compensation begin, there will be very tense negotiations between the individual households, the villager leaders and the developer. Experiences everywhere else show that village residents may not object the redevelopment project, but everyone would like to get more out of it. An open and fair division of the redevelopment benefits (either as replacement housing, compensation money, business opportunities, employment opportunities for villagers, etc) will be a big test to the village leadership. There were already different opinions reported in the local media.

Thirdly, the redevelopment process and the arrangement with the government over land means that the village will lose all of its claims to land. Once redeveloped, even land under the replacement housing will be owned by the state. Currently, in theory all land in Shenzhen Municipality area is already state ownership made by a decree in 2004, but there was no formal compensation to villages. Land occupied by villagers' housing was still in practice controlled by the village. Village could use this as bargaining leverage for other things. After the redevelopment, this advantage will be lost forever and the village community become a normal urban community, the only difference is that most of its residents do not have urban based jobs or working experiences. If the compensation (on top of the housing replacement) takes the forms of property, they can use it for rental income or business space. Their long term life will have some protection. If the compensation takes the form of cash, it could be easily run out due to increased living costs, inflation, and poor financial management (e.g. drugs and gamble as mentioned before). With the national policy more and more toward the protection of rural property and land rights, a traditional village community without any land resources could feel the lose when time goes on.

Finally, Chinese villagers are currently attracted by the modern images of flats and high-rise buildings used by other urban residents. Once they have moved into these buildings, they will very soon find out many practical problems, such as poor construction quality, very high running and estate management costs, noise from neighbours, difficult to access open spaces, etc. Because of the changed life style, many of them, especially the elderly, developed various illnesses, and begin to miss the traditional way of living. Will Nanbu's whole sale redevelopment solve/avoid these problems? We can only wait to see.

This case study of Nanbu, however, reveals a general trend of rural changes and an interesting stage model of rural urbanisation in the Pearl River Delta region, which is also followed by many other regions. (Table 7)

Table 7: Stages of rural urbanisation in Pearl River Delta region

	Village residents and economic activities	Village Organisation – Village Committee	Roles played by the Municipal Government
Stage one	Farming became less important; villagers began to work in township enterprises and other income generation activities including cash crops.	Make land available to built workshops and accept processing and manufacturing industries; create rental income and jobs for residents.	Encourage rural township industrial development; began small scale land acquisition from villages to set up larger industrial districts.
Stage two	Widening sources of income to include rent from land and property, and wages; began to improvement of family houses.	More crop land turned into village run industrial districts; rent from factory workshop replaced farming to become main business of the villages.	Taking more land from villages for further industrial, infrastructural and commercial development.
Stage three	Enlarge home or construct new housing to meet the huge rental demand from incoming migrant workers; create the high-rise and high density urban village land scape.	Expend village industrial zones and secure more rental income; organise old village redevelopment to create more building plots; allocate more crop land for housing development (often as new villages)	Began to control and regulate land use by villages, including the residential land.
Stage four	Reduced demand for low quality rental housing due to the reduction in the relatively low paid industrial workers; face competition from other newly emerged urban villages in the region.	Industrial restructuring and reduced the appeal of the relatively poor and old industrial workshops run by villages; environmental concerns from villagers and municipal government.	More strict control on village land; need more land for commercial and public projects; integrate infrastructure between the village and outside areas; improve general living environment in the city.
Stage five	Comprehensive village renewal/redevelopment: new partnership approach between village, government and developer working together; rationalise the overall land use in the area and district; create new streams of income generation opportunities for the village collectives; free more land from the village housing areas for infrastructural and commercial development.		

Comparative Evaluation

The three case studies discussed above have all shed some lights on China’s urbanisation from bellow, and at the same time they allow us to look into the complex urbanisation from different

perspectives and angles. In this section we will provide some comparative evaluations. Firstly, although the development was carried out at the village level, the approaches taken were very different between them. Huamingzhen in Tianjin is a government led approach with the demolition of twelve traditional villages and the concentration of all farmers into one location to form a new town over a very short period. This approach avoided all the middle steps of rural to urban transition. In only a couple of years, traditional villages were removed from the map and thousands of farmers moved into high-rise and high-density housing estate. This approach, with its large scale and sudden changes, requires decisive and strong powers from the local government. It can only be carried out in two types of areas: poor and remote areas far away from a city centre, or suburban areas which are experiencing substantial changes through, for example, the designation as an economic or high-tech zone, or a major infrastructure development such as a new airport. In the former cases, local farmers are poor, less well organised and easy to be pushed around; land values have not increased very much and with small amount compensation, the government and developers can get most of farmers to agree to give up their traditional houses (and land) and being attracted into the modern flats in new towns. If there are small scale resistance, they can be easily pressurised, intimidated or bribed to give up. In the late cases, large pieces of land are required by the city for major projects; even the land value and compensation are high, village concentration has to be organised for what ever costs by the local government. Although this government led approach is preferred by policy makers and some academic researchers, it is not a very popular practice in the whole country so far; but there is a tendency recently, more places might follow this route under the so-called new urbanisation strategy.

Most rural changes actually happened at the village level as the other two case studies demonstrated. Nanzhai village in Beijing and Nanbu village in Shenzhen provide good examples of village led urban development and the contrast between the North and the South. Nanzhai village is a typical successful village in the North. It is based on the popular rural development model under which young and supplement village labours 'go out to work and earn money in cities, and then return to the village and build a new house'. The differences in these successful villages, such as Nanzhai, Hancunhe and Xishuangtang, are that some young villagers who went out to work from the early 1980s became very successful entrepreneurs; initial small working groups expanded into large and rich companies (like the Taxi company and Yuyang Group in Nanzhai, and Hanjian Group in Hancunhe). These successful entrepreneurs then returned to the village; they organised the rebuilding of the entire village according to their vision and ideas and turned the village into new cottage settlement. These successful individuals played an important role in the village, often as the Communist Part Secretary and the Chair of the Village Committee.

In the South, e.g. Shenzhen and Guangzhou areas, urbanisation of villages relied essentially on village owned land resources. The process initially involved setting up village/township enterprises in the 1980s and early 1990s, which was followed by full scale industrialisation on village owned land, organised either by the municipal government or the village itself. As a consequence, villagers become disengaged from cropland and agricultural activities, and became property owners and landlords who relied on rental incomes. The North and South differences are summarised in Table 8. The differences between the North and the South also reflect the different development stages in Guangdong and other parts of the country. Guangdong was the

first area in China which went through industrialisation in its rural areas and was the main receiver for migrant labour from other parts of the country, while other rural areas were the main labour exporters.

Table 8: Comparison of rural urbanisation in Guangdong and Beijing/Tianjin

	Nanbu in Guangdong	Nanzhai in Beijing
Essential resources	Land and property rental income	Labour and wage/investment income.
Economic development	Township enterprises induced large scale industrialisation, which was followed by service sector expansion and property and real estate development.	Rural young people go out to find works in cities as individuals or as a group; successful groups expand into large resourceful companies; incomes earned outside were used for village redevelopment.
Agricultural production land and activities	Lost agricultural production land quickly; farming activities stopped gradually in most villages; some villages still retained some agricultural land, but cultivated by migrant workers.	No land loses or small scale loses in village; crop production continues by elderly or poor families; some agricultural land were turned into forestry, open spaces for the city, or special demonstration agricultural areas as tourism attraction.
Housing and landscape changes	Several waves of housing changes in villages toward the high-rise, multi storey, ‘kissing buildings’; poorly managed village infrastructure and streets; rental housing for migrant workers.	Successful villages built cottages, terraced houses for self use only; two storeys mainly; with improved road and street layout and infrastructure inside the village.
Effect on the original villagers	Huge, many become landlords, idle unemployed but rich with a lot of money from property rent and compensation.	Less change in comparison with villagers in the south; with reduced agricultural activities, and the young go out to work, elderly stay in the village.
Living conditions	Relatively poor in comparison with local urban areas and case study villages in the North.	Substantially improved or revolutionized; better housing than that in cities.
Housing market and area in the local position	Poor areas, informal, no full property rights, meeting the demand from low end of the local housing market.	Formal, but also not recognised as full property rights by the city, high-standard housing, located far away from the city, no market value.
Representativeness in the region	Very common, most villages go through the similar process.	Very special, it is almost impossible for other villages to follow.

Nanbu village in Shenzhen is a relatively poor village in the area, but in comparison with villages in the North, it went through several stages of urbanisation. The proposed redevelopment will be the final step, in terms of physical changes, to achieve full urbanisation with full urban residence rights for villagers, full property rights of new replacement housing, and become a normal urban neighbourhood. Development process in Nanbu is also a typical example of rural urbanisation in the South. Nanzhai and Hancunhe in Beijing represent special cases of rural urbanisation in the north. Their particular historical background, financial resources and the unique development characteristics are difficult for other villages to follow. Most villages, including urban villages in the north have not gone through any major industrialisation process; some became urban villages mainly because they had been absorbed into the expanding urban system; the environment in them is much poorer than the urban villages in the South.

In the North, few villages followed the similar development route of the South. Daqiuzhuang in Tianjin is one of such examples. The development model of Daqiuzhuang is very different from its neighbor—Xishuangtang and the two cases in Beijing. Its development approach was more in line to the Guangdong one. Industrialisation and land based development was the main driving forces initially. However, Daqiuzhuang was one of the very few cases in the North. This type of development model is more complicated and market driving. It requires quick responses to fast changing conditions of the local economic situation. Under this type of model, village leaders are more involved in economic decision making, and maybe more easily involve in irregular activities and corruptions. In the South, this development model is the norm and one could say that all village leaders are one way or another corrupted. Therefore, corruptions among village leaders are seen less as a problem in the South. In Tianjin and the north, Daqiuzhuang was a very rare early case, if there were any corruptions among village leaders, it became very obvious. The early start of Daqiuzhuang in the 1980s and early 1990s also made the village a prime target for dealing with village corruptions. The village and its leader became the victims of its own early success.

Conclusion

Much academic and media attention on China's urbanisation were on the large scale government led, big project dominated development based in large cities. These biases also resulted in the close association of China's urbanisation to the developmental state thesis and theories. China's urbanisation, however as this paper demonstrates, is a very complex process and phenomenon with many faces. Apart from the government and plan led development, much of the country is undergoing a process of bottom up urbanisation, which is not planned by professionals. Many villages initiated and organised redevelopment which have affected a significant proportion of rural residents and contributed enormously to the social and economic changes in China. Different from the often homogenous official urban planning and development approach, village led urbanisation follows very different, sometime very innovative models in different areas and regions. Table 9 summarises the differences between village led bottom up urbanisation and the government planned top down urbanisation.

Table 9: Top down and bottom up approaches to urbanisation

	Top down approach	Bottom up approach
Location	In built up and suburban areas of cities.	In rural areas, villages and small towns.
Planning	Professionally planned and designed.	No formal and professional planning; only simple and unprofessional sketches.
Economic sectors	Tertiary, service, finance, administration, headquarters of TNCs, high-tech firms and companies; in large scale; and supported by infrastructural dependent.	Township enterprises; industrial workshops for manufacturing, processing; and relatively small in scale, but with a large number of firms.
Time	Relatively recent.	Early, but declining recently in the coastal zone and areas became the target for renewal.
Driving forces and controllers	Municipal and District Governments.	Villages and townships
Standard	Modern, high-quality, Standardised.	Traditional, poor quality and often informal (as defined by the authority).

These two processes should not be seen in isolation. The bottom up approach to urbanisation has actually accompanied the top down approach all the time. In all peri-urban areas, villages found various ways to improve their living conditions and created many so-called urban villages. In the Pearl River Delta Region, it was the bottom up approach kicked start the urbanisation and industrialisation process. Only when the local municipal governments have gained enough resources and investments and when the city increased its integration with the national and international urban system, the top down urbanisation process became more important. For some time, because of available land and labour resources, the two processes were able to progress and function in parallel and one support the other peacefully. The top down approach occupied the large and fresh agricultural land areas, while the bottom up approach concentrated in the village residential areas. When land resources and cheap local labour become scarce, the competition between these two processes become intensified and unavoidable. Understandably, the top down approach led by the government and professional planners emerged as the winner. Village controlled fresh land for development became smaller and smaller; eventually, the villages themselves face the challenge of being redeveloped, to free more land for the government. In some sense, the bottom up approach is an informal first stage of urbanisation.

Urbanisation is/should be a long dynamic process and create many different types of urban forms and communities at different times and locations. The current urbanisation trends promoted officially in China is a bit too simple and too unidirectional. Urbanisation seems mean the end of traditional villages and communities, replacing them with standardised and commercially developed high-rise housing estates. In term of physical changes, it moves toward residential estaterisation (*xiaoquhua*) and formalisation; in terms of people and communities, it moves toward standard neighbourhood organisation (*shequhua*), and citizenisation (*shiminhua*); in

terms of economic activities, it moves toward commercialisation and marketization (*shichanghua*). Other forms or stages of urbanisation, such as these demonstrated by Nanbu and Nanzhai are not recognised and promoted.

The lack of support to village led urbanisation, seems because these unplanned development offer poor living environment with many health and safety hazards. Self built houses and structures have to be demolished and replaced with formally planned and regulated properties and estates (such as the planned process at Nanbu village in Shenzhen). The deep rooted reasons are that villagers, through self organised development, became landlords and many kept their courtyard (and the land it occupies); and villages remained as integrated communities, which sometime become political and social obstacles to formal urban development. More importantly, some of the urbanised/semi-urbanised village families are richer than the local formal urban residents and officials (who see themselves as more superior social groups and farmers as an inferior social class). Village redevelopment or formalisation will effectively remove these land and property ownership privileges from villagers and turn them into landless citizens, socially and economically more or less similar to other main stream urban residents. The same analysis could be applied to changes in village administration from village committees to urban neighbourhood committees. Village committees are self governing administrative bodies with very strong economical, land and property/asset ownerships. Urban neighbourhood committees are weaker social and economic administrative organisations, tightly controlled by the municipal government and the Communist Party.

Unplanned and village led redevelopment is also not supported by the hierarchical and centralised urban dominated administrative culture in China. State organised urbanisation automatically nationalised rural land into municipal/state ownership. The traditional family occupation and village collective ownership on land will be eliminated. New urban private ownership of houses does not include any element of land on which the house/flats are built. In this sense, the urban legal property right ownership is actually less worthwhile to hold in comparison to the so-called small property rights in villages. The 'small property rights' in villages are small because the definition of property rights are determined by urban based society. In reality, the values of the village small property rights, especially its long term values associated with the land, are higher than these assigned to the individual flats in high-rise residential buildings in cities. This is also the main reasons for the strong interest from commercial property developers and municipal governments, which can turn the potential values of village land and houses into profits for themselves.

Under the hierarchical and centralised culture, regularity is an important norm in urbanisation. In European cities, districts and their names often reflect the original villages and communities living in the area before large scale urbanisation. There were late changes and renewal, and weaken in social and family/generation linkages, traditional houses, building styles and street patterns were reserved in many places. This seems impossible in China. Roads and streets have to be straight and at right angle crosses. When planned street meet traditional houses and communities, old and traditional structures have to be demolished and give way to the modern and new. This urban development approach has been abandoned in most developed countries long time ago.

To Chinese rural population, urbanisation on one hand brings a modern way of life. They don't need to work hard on land to produce the food for their families; they can move into new flatted houses in which they could enjoy modern comfort and amenities such as running water, gas, electricity, toilets and kitchen. At the same time, they have to give up all the privileges associated with the traditional village. The most important ones include: land and property ownership (which are essential resources to generate income for generations); the village community and associated social and cultural relationship; the collective spirits and ethos; the self-elected autonomous village representative committee with strong powers in administrative, social, and economic political affairs. Village self organised urbanisation and development allow them to benefit from modern way of life at the same time to retain the privileges they used to have. Government initiated/organised urbanisation or village renewal programmes are to address these issues. One may argue that there is no place for the poor images of self-controlled villages in modern Chinese cities; in reality, strong, self-governing traditional communities of villages do not fit the new social, economic and political order of the modern Chinese society. The municipal government and existing urban residents will not allow such independent communities with many privileges to exist. In some sense, the problem of the self-organised and redeveloped villages are not cause by the physical and socio-economic characteristics of these village themselves, but because of the prejudice of the existing urban society and unfair treatment of the rural collective ownership of land and communities.

Despite the lack of recognition of village led urban development, many villages do experience some sort of urbanisation. Some like Hancunhe, Nanzhai and Xishuangtang are fully rebuilt; others like Nanbu are undergoing another round of redevelopment; many other are at different stages of urbanisation. Many villages in hinterland of major cities are experiencing housing improvement; gradually they become near to cities due to the expansion of cities; and eventually, they become part of the city. This process of rural urbanisation reveals a very different trend to urbanisation and suburbanisation. Because of the Chinese urban and rural division system, rural areas of the suburban region of large cities firstly become semi-urbanised, then gradually become fully urbanised. These changes in villages directly contribute to the large scale suburbanisation process, which is closely related to industrialisation. Late industrial upgrading and the development of service sectors changed the suburbanised areas into cities (a formalisation process). This is different from the suburbanisation and urban sprawl process observed in western (e.g. USA) countries. In the West, suburbanisation was driving by forces from inside the city, dominated by the decline of manufacturing and the demand for good quality suburban houses by the middle class. In China, suburbanisation and part of urban sprawl has been driving by rural communities traditionally living in these areas and industrialisation and investment originated from outside of the city and meeting the demand for a much large international or global market. The formalisation process is an expansion of municipal powers toward the suburban areas and the exercise the control of suburban resources.

References

- Administrative Commission of Huaming Model Town (2009) *Documents Collection of Huaming Model New Town Development*, unpublished internal document produced by Administrative Commission of Huaming Model Town in Tianjin.
- Administrative Commission of Huaming Model Town (no date) *Huaming Town, same land different life*, Publicity Leaflet.
- Cartier, C. (2001) Zone fever, the arable land debate, and real estate speculation: China's evolving land use regime and its geographical contradictions. *Journal of Contemporary China*, 10 (28), 445–469.
- Deng, F.F. and Huang, Y. (2004) Uneven land reform and urban sprawl in China: the case of Beijing, *Progress in Planning*, Vol. 61, 211–236.
- Ding, C. (2003) Land policy reform in China: assessment and prospects, *Land Use Policy*, Lov. 20, 109–120.
- Fan, C. C. (2001) 'Migration and labour market returns in urban China: results from a recent survey in Guangzhou', *Environment and Planning A*, 33: 479–508.
- Friedmann, J. (2005) *China's Urban Transition*. Minneapolis: University of Minnesota Press.
- Ge R.J., Pan, H.P. and Wang X.Y. (2003) Study of Landless Farmers: A new weak social group created by urbanisation. http://news.xinhuanet.com/newscenter/2003-05/08/content_862395.htm.
- Gu, C.L., Yu, F.T. and Li, W.M. (2008) *Urbanisation in China*, Beijing: Science Publishing House.
- Ho, S. P. S. and Lin, G. C. S. (2003) Emerging land markets in rural and urban China: policies and practices. *The China Quarterly* 175, pp. 681–707.
- Ho, S. P. S. and Lin, G. C. S. (2004) Non-agricultural land use in post-reform China. *The China Quarterly* 179, pp. 758–781.
- Kirkby, R. (1985) *Urbanization in China*, Columbia University Press.
- Knight, J. and Song, L. (1999) *The Rural-Urban Divide. Economic Disparities and Interactions in China*, Oxford: Oxford University Press.
- Li, S.M. (2005) China's Changing Urban Geography: a review of major forces at work. *Issues and Studies*, 41(4): 67–106.
- Logan, J.R. (ed.) (2008) *Urban China in Transition*. Oxford: Blackwell.
- Ma, L.J.C. and Wu, F.L. (eds) (2005) *Restructuring the Chinese City: Changing Society, Economy and Space*. London: Routledge.
- Nanzhai Village Resident Committee (2009) *Implementation and Construction Plan for Nanzhai New Village*, Internal Document produced by the Village Committee (3 pages).
- NSB (National Statistics Bureau of China) (2011) *Population Census Reports*, published at <http://www.stats.gov.cn/tjgb/rkpcgb/> (accessed in April 2012)

- NSB (National Statistics Bureau of China) (2011) *Report of Main Statistics of the National Sixth Population Census* (Report No. 1). Online at: www.stats.gov.cn/tjgb/rkpcgb/qgrkpcgb/t20110428_402722232.htm.
- NSB, (1994, 2001, 2011) *China Statistical Year Book*, (<http://www.stats.gov.cn/tjsj/ndsj/>)
- Pingshan New District Administration Committee, Shenzhen (2013) *Pingshan New District Whole Village Land Management and Development: ideas and implementation methods*. Unpublished internal discussion document.
- Pingshan New District Bureau of Shenzhen Planning, Land and Resources Commission (2013). *Consultation Display of Nanbu Neighbourhood Whole Village Comprehensive Land Management, and Development Plan*, Unpublished internal document (http://www.sz.gov.cn/cn/xxgk/szgg/tzgg/201309/t20130929_2218784.htm, accessed on 5 January 2013).
- Shen, J. (1995) 'Rural development and rural to urban migration in China 1978–1990', *Geoforum*, 26.4, (November) 395–409.
- UN-Habitat (2004) *The State of the World's Cities: Globalization and Urban Culture*, London: Earthscan.
- Wang Y.P., Wang Y.L. & Wu, J. (2009) "Urbanisation and Informal Development in China: Urban Villages in Shenzhen". *International Journal of Urban and Regional Research*. 33.4: 957–973.
- Wang Y.P., Wang Y.L. & Wu, J. (2010) "Housing Migrant Workers in Rapidly Urbanizing Regions: A Study of the Chinese Model in Shenzhen". *Housing Studies*. 25.1: 83–100.
- Wang, Y.P. (2012) Urbanisation in China. *Real Estate Research Quarterly*, Vol. 11, No. 4, 30–38 (Netherlands).
- Wang, Y.P. (2004) *Urban Poverty, Housing and Social Change in China*, London: Routledge.
- Wu, F. (1999) The 'game' landed-property production and capital circulation in China's transitional economy, with reference to Shanghai. *Environment and Planning, A*, 31, 1757–1771.
- Wu, F. (2002) China's changing urban governance in the transition towards a more market-oriented economy. *Urban Studies* 39.7, 1071–1093.
- Wu, F.L. (2010) *China's Emerging Cities: The Making of New Urbanism*. London: Routledge
- Wu, F.L., Xu, J. and Yeh, A.G.O. (2007) *Urban Development in Post-Reform China: State, Market, and Space*. London: Routledge
- Wu, W. (2006) 'Migrant Intra-urban Residential Mobility in Urban China', *Housing Studies*, 21(5): 745–765.
- Xie, Q., Parsa, A.R.G. and Redding, B. (2002) The emergence of the Urban Land Market in China: evolution, structure, constraints and perspectives, *Urban Studies*, Vol. 39.8, 1375–1389.
- Yeh, A. J. and Li, X. (1999) Economic Development and Agricultural Land Loss in the Pearl River Delta, China, *Habitat International*, Vol. 22.3, 373–390.

- Yusuf, S. and Saich, T. (eds) (2008) *China Urbanizes, Consequences, Strategies, and Policies*. Washington DC: The World Bank
- Zhu, J. (2004) From land use right to land development right: institutional change in China's urban development. *Urban Studies* 41:7, 1249–1267.
- Zhu, J. (2005) A transitional institution for the emerging land market in urban China. *Urban Studies* 42:8, 1369–1390.