

Real Estate Developers and the Urban Renewal of Shenzhen's Urban Village

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*Over the past two decades, the ultimate social buzzword of urban China is *chaiqian*, the physical representation of urban renewal in China, often known for its forceful actions and social grievances. *Chai* means to demolish, and *qian* means to move or relocate something. Together, *chaiqian* is used both as a noun and sometimes a verb in Chinese. Across China, great stadiums, "new towns" and new CBDs were mostly built on *chaiqian* land under various slogans of urban renewal. Shenzhen's urban renewal placed particular emphasis on the urban villages. This paper provides an overview of the urban renewal processes in Shenzhen's urban villages. It will analyze the strategies and perspectives of the urban villagers and the real-estate developers during the urban renewal process and its *chaiqian* phases. In Shenzhen, the real estate developers have essentially become the vanguards of the urban renewal process with local government backing. On the *chaiqian* ground of the urban villages, fierce struggles are being waged between urban villagers and the real estate developers both as partners and as competitors.*

Keywords: Urban renewal; *Chaiqian*; Shenzhen; Real estate developer; Urban village

In the context of China urban renewal and its very violent physical manifestation *chaiqian* is in its essence a process of continuous spatial-value creation in an urban setting. In present day China and in the West, this process is largely a market driven one that serves the sole purpose of capital creation. Hence new space is created and produced on a vast scale out of the ruins of torn down old districts, slums, *barrios*, *kampung*s or urban villages. China's urban renewal is particularly interesting because of its "freshness" and unparalleled scale. In Shenzhen, the urban renewal and demolition were concentrated in the urban villages, zones of self-built housing of once rural villagers. According to the latest Shenzhen city government proclamation, 'Methods of Urban Renewal in Shenzhen City' (*Shenzhenshi Chengshi Gengxin Banfa*) (Shenzhen Municipal Government, 2009), the entire city will need to conduct urban renewal over an area of two hundred square kilometers, the equivalent of one tenth of Shenzhen's total area. The urban villages will be one of the top priorities for renewal consideration.

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This paper provides a general overview of the urban renewal processes in Shenzhen. It will analyze the strategies and perspectives of the urban villagers and real-estate developers during the urban renewal process and its *chaiqian* phases. Through interviews and other secondary sources, we shall discuss the urban renewal process from the angles of the real estate developers, whose operations in the urban villages are rarely studied. The real estate developers have essentially become the vanguards of the urban renewal process with the local governments' political backing. This paper argues that the real estate developers and the urban villagers are both partners and competitors in the *chaiqian* process. The urban villagers despite the frequent media portrayal of being hapless victims were rational and aggressive pursuer of self-interest who had played very well controlled games against the real estate developers.

LITERATURE REVIEW

The term *chaiqian* has appeared frequently in the Chinese media since the early 2000s as one of the most controversial social key words in China. Between 2000 and 2012, there were more than 8,342 newspaper articles with *chaiqian* in their title in the CNKI (China National Knowledge Infrastructure) database. In 2012 alone, there were 432 articles. *Chaiqian* is a powerful and controversial symbol because of its potentially violent nature between the parties involved in the process: the *chaiqianhu* (inhabitants of soon to be demolished buildings) and the forces that stands for potential gains from the process. The Beijing Olympics of 2008 and the Shanghai World Expo 2010 were all built on *chaiqian* land under various slogans of urban renewal (Hsing, 2010).

Within China, there are few scholarly works purely on *chaiqian*. One of the better ones is Duan Jin's *Space, Power and Resistance: The Spatial Politics of Illegal Construction in Urban Villages* (2009). Duan's masterly produced volume in collaboration with his PHD student Li Zhiming from South Eastern University goes into great detail analyzing *chaiqian* process nationwide from social, political, as well legal angles. Duan is likely one of the first Chinese scholar to analyze *chaiqian* along the lines of spatial tactic and popular resistance by urban villagers. Some of the most recent publications related to *chaiqian* were *Chaiqian Buchang Jiusen* (Wang, 2013) and *Fang Dichan Fazhi Zhuanti Yanjiu* (Liu & Liu, 2013). They were published both by Legal Publishing China (*Fazhi Chubanshe*). In fact, most books on topics of *chaiqian* are published by the Legal Publishing China and great many of them were published in 2013. Hence, writings on *chaiqian* are greatly disproportional to its overwhelming social effect and influence.

In western academia, there is a long tradition of urban studies and urban sociologies focusing on the urban renewal process. Urban studies and the studies of social changes in the city have been one of the oldest branches of sociology in the West, from Friedrich Engel's *The Condition of the Working Class in England* (1844/1971) to

Charles' Booth's *Maps Descriptive of London Poverty* (1891/ 2013) to Max Weber's *The City* (1921/1986) to Ebenezer Howard's *Garden City of Tomorrow* (1898/2007) to Le Corbusier's *The Radiant City* (1964) to Jane Jacobs' *The Death and Life of Great American Cities* (1961/2011), James C Scott's *Seeing like a State* (1998) and to David Harvey's *Social Justice and the City* (2009). The topics on city and its renewal have generated heated debates among the ideological planners and the social conscious scholars whose dreams of efficient cities and humane urban society are constantly clashing. Jane Jacobs, in her pointed attack of Le Corbusier and Ebenezer Howard, had this said about the once vibrant American tradition of *chaiqian* in a nutshell:

The rebuilding technique variously known as “selective removal” or “spot renewal” or “renewal planning” or “planned conservation” –meaning that total clearance of a run-down area is avoided –is largely the trick of seeing how many old buildings can be left standing and the area still converted into a passable version of Radiant Garden City (Jacobs, 2011, p.32)

In 2008, David Harvey wrote his famous essay *Right to the City* protesting the increasing spatial domination by the reigning financial capitalist order over city. Harvey's point hasn't been more relevant to China, a great power in transition. The domination over “the right to the city” is very apparent in China without the slightest disguise. China is increasingly becoming the great experiment ground, the dreamscape of “high modernist” urban transforming vision which was defined by its ideological founder Le Corbusier as: an ‘organized, serene, forceful, airy, orderly entity’ (cited in Scott, 1998, p. 107). In China, the triumphant transforming vision of high modernism is still the dominating voice and acting power; however there are increasingly dissenting voices from academia, media, and the public that questions the vertical expansion of the city filled with ever unaffordable spaces for average urban residents.

TRADITIONAL MECHANISM OF URBAN RENEWAL AND CHAIQIAN

In China, urban renewal generally falls under the Chinese urban terminology of restructuring of old urban sectors (*jincheng gaizao*). The term refers mainly to existing neighborhoods with outdated construction standards and zoning rules. Almost every major Chinese city has a district-level office specifically devoted to the Chinese version of urban renewal. They are called *jinguban*, an abbreviation for ‘old city restructuring office.’ Shenzhen's urban renewal happened frequently in the urban villages that involve local government, local villagers, and, more recently, real-estate developers. The city government is the regulator and administrator of zoning and urban planning around the city. It is the ultimate decider on where and when buildings need to be renewed in the city where land is mostly owned by the state, except those urban village's own collective holdings. After the urban villagers' informal building construction booms of the 1980s and 1990s, the urban villagers in Shenzhen City built large numbers of substandard buildings, with confusing

zoning. Many of the self-constructed informal buildings were deemed dangerous and overcrowded. Worrying about the potential obstacles in urban governance and negative effect on city image by the urban villages, the Shenzhen city government, as local governments did elsewhere in China, tried to reduce or outright eradicate the urban villages and urban renewal is one of the main methods. Symbolically, this is the conquest of the once rural village by the city. However, the actual urban renewal procedures surrounding the urban village are very complex. In general, city governments everywhere in China are supposed to be the sole owners of all urban land. When those cities expand into rural communities, urban village are created by villager themselves on largely rural land (as with Shenzhen). In such rapid expanding and transition process, there are inevitable administrating and legal ambiguities regarding lands that are collectively owned by the once rural villagers now urban villagers. Their once rural collective holdings are protected by Chinese Land Administration Law Article 8. In order to carry out urban renewal in urban village areas, the government must first persuade the villagers to sell their land back to the urban domain. This is when the real estate developers as the market arms of the city government enter the picture. They were encouraged to buy land from the urban villagers and build new buildings on top of them.

Since the 1990s, there emerged China's first domestic real estate developers in Shenzhen. The developers, large and small, private and state owned, are keen to buy up land from the government for development projects which in turn created land sales revenue and other sales related taxes, a general boon for local economy. The city government of Shenzhen, as with other local governments, has gained a great deal of revenue from land sales at seemingly ever skyrocketing prices. However, soon Shenzhen started to run out of state own lands. In fact, the situation became so serious that the Shenzhen city government developed China's first land management bureau (*tudi zhengbeiju*) to oversee the few remaining valuable undeveloped lands comprising 58 square kilometers, just 2.9 per cent of the original 2000 square kilometer (Hu, 2012). New land resources must be created to fulfil the need for further developments of Shenzhen's greatly expanded real estate sector. Subsequently, the urban villages' collective holding of land has become very attractive to all types of real estate developers, who see the collective land holdings of the urban villages as a kind of lifeline for their company's future development. Developers, big and small, wanted to get into the "urban village game." They are able to negotiate with the village company directly, for collective land holdings that are often cheaper than the openly auctioned and listed prices of state owned land. In addition, some of the prime locations of land held by the urban village companies are in the centre of cities, in the CBD area, and offer a great profit potential.

The city government has encouraged real estate developers to engage in the urban renewal of the urban villages largely because they bring ready investment funds to be injected into urban renewal scene. The urban renewal in Shenzhen and in other Chinese cities has quickly become privatized and commercialized by real estate de-

velopers. Symbolically, the real estate developers have become the shock troops of the city government to acquire the urban villages, the strategy being that their money will lure the villagers into selling their legally guaranteed collective land holdings. According to the Land Administration Law of PRC, Article two; “rural collective holding of land can be sold to a third party only for other non-agricultural purposes, with the approval of the Chinese state council.” In a simultaneous process, once the villagers and the developers reached an agreement, they will arrange through the local government to have land ownership transferred. The villagers must first willingly sell their land to the state which then simultaneously transfers the once collective deeds to the real estate developers chosen by the villagers. By the end of this process, the once collective rural land holding of the villagers enters the urban domain. It becomes a win-win situation for both the local government and the real estate developers. The real estate developers gained land and the local government gained administrative rights over the once rural collective lands.

SHENZHEN’S NATIVE SONS: THE RISE OF CHINA’S FIRST REAL ESTATE DEVELOPERS

Real estate development is an entirely new industry in the People’s Republic of China beginning in 1979. Before the People’s Republic founded in 1949, China indeed had a system of urban property deed and rural land deed which was well managed by a two-form “hong-bai” (red-white) registration system with the official recognition in red. This system existed all throughout the Qing Dynasty (1644-1911 CE) and Republic of China (1911-1949 CE). Then there came the revolution in 1949 and the complete restructuring of land ownership system. Being a landlord is no longer an option, as all urban land belongs to the state, and all rural land collectively owned by agrarian villages.

Despite its current scale and economic importance, real estate development is a young industry in the People’s Republic. After the chaotic decades of the Cultural Revolution that ended with Chairman Mao Zedong’s death in 1976, Deng Xiaoping embarked on a program of economic reform that culminated in the formation of several coastal Special Economic Zones (SEZ) in late 1978. Quite objectively, Shenzhen is the earliest and most successful SEZ out of all. It is in this city founded in 1979 that the brand new industry of real estate development was born for the first time in P.R. China. In 1980, Shenzhen SEZ Real Estate Development Group (*Shenfang*) was founded. In 1981, Shenzhen Development Group (*Tefa*) was founded. In 1982, China Merchant Property was founded. These are all state own multi-industrial conglomerates with large real estate developing sectors founded in the first three years of Shenzhen special economic zone. In 1987, China’s first land auction happened in Shenzhen with *Shenfang* being the first buyer. Then some of the joint stock real estate companies were spin off from the large state own companies. Some

of them have become behemoths in their own right. For example, Vanke was once a spin off branch of *Tefa* Company (Shenzhen Development Company, state-owned). Vanke was founded in 1984 as an importer of precision and electronic measurement instruments, but it soon became a full-fledged real estate development company in 1988. Vanke has become the second IPO (initial public offering) company to be traded at Shenzhen Stock Exchange in 1991. Now Vanke is not only the largest real estate company in China but also one of the largest in the world with holdings expanding internationally even to the US market. In 2012, Vanke's total yearly sale was 141.2 billion Yuan, the first real estate developing company in the world to exceed 20 billion US dollars in annual sale (Vanke Group, 2013). Slightly smaller than Vanke, there is the Gemdale Group founded in 1988 by the Futian district government as state owned company. In roughly a decade, it became a joint stock company after its IPO (Initial Public Offering) process in Shanghai stock exchange in 2001. It is now one of the largest real estate companies in China with a project in every major Chinese city (Gemdale Group, 2013). Vanke, Gemdale, and other current and former state owned companies all had substantial dealings in urban villages. During the initial urbanization process, they were the first ones to take advantage of the state acquisitions of village lands. And later they also got their shares in the urban village renewal process.

Then there are the full private real estate companies. The Kingkey Group founded in 1994 is a real estate developing company privately owned by Chen Hua, now a self-made billionaire and one time migrant construction worker in Shenzhen's urban villages. The rise of Chen captures perfectly the partnering yet competing relationship between the urban villages and real estate developers. During my interview in 2011, Chen spoke frankly about his peasant background and his involvement in Shenzhen's urban villages. Apparently, Chen owed his success to the urban village and urban renewal projects. Chen came to Shenzhen in 1985 at the age of nineteen and became one of the city's first generation of migrant laborers. Like many unskilled migrant laborers, he sought a job in the migrant-dominated small construction teams working small jobs in urban villages, but Chen's innate organizational ability and work ethic soon proved himself a leader among peers. He became what Shenzhen locals call a '*baogongtou*', which literally means 'contract labor head'. As a migrant with no formal education or state financial support, Chen literally worked his way out of the urban villages with small construction jobs (Zhao, 2010; Chen 6/12/2011, my own interview).

Step by step, he worked his way up and founded his own real-estate company in December 1994. While speaking to reporters in 2010, Chen commented that his original strategy of expansion was according to the old red-army strategy of Chairman Mao 'to use the villages to surround the city' (Zhao, 2010). In this case, the villages are urban villages. Chen's many early projects all involved urban renewal in the urban villages. The first major project for his newly-established real-estate company was in the village of Meilin in Shenzhen's north on the border that used

to physically separate the much urbanized CBD districts and the more industry orient northern districts (Zhao, 2010; Chen 6/12/2011). This was the Jin Mei Garden project where Chen effectively used his previously established urban village *guanxi* network to ensure the project ran smoothly. Chen knew the villagers well. Since then, at every major stage of Chen's company's development, there have always been projects in the urban villages. Bi Li Hua Yuan in Meilin village and Yu Jin Hua Cheng are just two of his better-known projects. Chen's involvement in Meilin village and many other urban villages helped him accumulate capital for larger and later projects (Chen 6/12/2011).



Photo 1: Chen's company headquarters (photo by author 2011)



Photo 2: An example of “rushed construction” (qiangjian) (photo by author 2009)

“FRIENEMY” OF URBAN VILLAGE AND THE INDIVIDUALIZATION OF CHAIQIAN STRUGGLE

It is now commonplace for the urban village to enter into partnership with real-estate developers. In fact, according to the Shenzhen’s ‘Method of Urban Renewal in Shenzhen City’ (Shenzhen Municipal Government, 2009), the city government has encouraged real-estate companies to become involved in property development in urban villages. The developers, big and small, state-owned or private, fight for a

piece of the urban-village pie, and they can only do it by partnering with urban-village companies, a form of villager self-organized joint stock economic collective. The urban villagers view the developers' entries to the urban village renewal scene with both caution and opportunistic excitement. On one hand, the urban renewal represents a great change to their lifestyle. For years, the urban villagers relied on the rent generated by their informal, self-built housing. The real estate developers often brought with them a one-time large sum to pay off the villagers to leave their land and buildings, which present a once-in-a-lifetime financial opportunity for the villagers. For example, on 1 February 2010, Hong Kong's *Tsingdao Daily* ran the sensational story of 'Shenzhen's Urban Villages Creating Communities of Barons' (*Shenzhen Chengzhongcun Zaojin Fuwongqun*). According to the article, out of the total investment of twenty billion yuan by the mega state-owned China Resource Group¹ in their Dachong Village urban renewal project, villagers were paid six billion yuan for compensation (Shu, 2010). Such large compensation packages were not always produced through civilized negotiations. The villagers certainly had their own strategies angling to achieve maximum financial return.

In the sometimes-vicious game between the villagers and developers, the village building owners sometimes resort to the strategy of *qiangjian*, a phenomenon with high frequency in Shenzhen's urban villages. '*Qiangjian*' basically means to rush through construction. In Shenzhen, when villagers use the *qiangjian* strategy it usually means to build on top of existing buildings, done with the sole purpose of inducing developers to pay higher compensation. Alternatively, they could 'rush' previously non-existing buildings into existence, to cheat compensation. *Qiangjian* has been a headache for many developers and it is not exactly legal. It is technically a kind of *weijian* (illegal construction). It is also clearly at odds with the interests of real estate developers. Aside from legal issues, the action of *qiangjian* also raises serious safety concerns. The mostly small migrant construction teams are not comprised of professional builders. They often lack proper protection and safety equipment. During one of my visits to a village undergoing the *qiangjian* process, it was common to witness makeshift elevators made of rope and wood to carry building materials up and down the buildings. Migrant construction workers, who sometimes did not bother wearing safety helmets, or erect safety nets, operated the elevators. It seemed that they were using the same method of construction as they had back in their home villages, for two-story farmhouses. Many, if not most, *qiangjian* buildings do not meet safety and construction standards, and show frequent cracks and water leaks. There are no fixed working hours, either. Construction may proceed day and night. Residents of buildings under *qiangjian* often complain about the noise and poor safety standards. Still, some *qiangjian* processes by the villagers succeed in forcing the real-estate developers to compromise, and pay higher sums of compensation. Individual villagers who participate in *qiangjian* will eventually wish to enter into a deal with the real estate developers. Hence their "hard work" of creating more space for compensation will be paid off.



Photo 3: A migrant worker doing “Rushed Construction” (qiangjian)
(photo by author 2009)



Photo 4: A slogan at one of the main street entrances to Gangxia's chiqian grounds (photo by author 2009)



Photo 5: “Chai!” character graffiti in Gangxia (photo by author 2009)



Photo 6: The actual chaiqian ground of Gangxia (photo by author 2009)

If the *qiangjian* is just ambushes prior to the arrival of the real estate developers and their full *chaiqian* program, then the *dingzihu* are people participating in trench warfare. In the urban renewal *chaiqian* process, the residents who refuse to enter a deal and drag-out negotiations are commonly called *dingzihu* ('nail households'), now a well-known term in China. On the subject of *dingzihu*, Hsing Youtien once described the Chinese mainstream perception of them as 'uncooperative and opportunistic negotiators for higher compensation and are accused of sacrificing the public interest for personal gain, and even causing housing price hikes' (Hsing, 2010, p.78). The *dingzihu* nail households are a recent phenomenon in modern urban China. In Shenzhen, the *dingzihu* have taken passive individualistic resistance to a new level, partially due to their urban-villager identity. When they have been successful in their individual or collective resistance, they have been able to extract more compensation than their fellow-residents and villagers.

The individualized struggle by urban villagers in Shenzhen always proved to be the most difficult obstacle to any real estate developer involved in the urban renewal process. In 2004, Chen Hua, an expert developer with great experience in the urban villages, began to embark on his most ambitious project, an urban renewal project involving Caiwuwei Village. Chen's eventual plan was to build the tallest building in Shenzhen in this strategically-located urban village at the heart of Shenzhen CBD. Chen's Caiwuwei Financial Centre project was completed seven years later in 2011, and renamed Kingkey 100, the tallest commercial/residential building in the Pearl River Delta. Kingkey is 439 meters high, has one hundred floors and 450,000 square meters of floor space. Despite the extraordinary tasks involved in its construction, Chen encountered his greatest challenges in dealing with the *chaiqian* process. There were quite a number of *dingzihu* nail households who refused to negotiate the demolition and relocation of their homes. The struggle to remove the *dingzihu* delayed Chen's project almost three years. Eventually, Chen agreed to the demands of the *dingzihu*. One of the last remaining nail households, a certain Cai couple from Caiwuwei Village, received a payout of more than ten million yuan (US\$1.63 million), certainly one of the highest property payments in Shenzhen and China in the early 2000s (Zhang, 2009). The irony was that the urban villagers who made Chen the tycoon he became were the very people who almost bankrupted him. Chen holds no grudge toward the *dingzihus*, preferring to explain their behavior as rational, one based on personal financial gain. He had great respects for the urban villagers of Shenzhen (Chen 12/6/2011). Despite all his achievements, Chen has a somewhat pessimistic outlook on the urban renewal in the urban villages. *Dingzihu* nail households will be the norm in future urban renewal projects all over China. Chen believes it will be increasingly difficult to carry out such projects and the profit margins are increasingly shrinking.

Chaiqian as War Zones

For years, the largest *chaiqian* ground in Shenzhen is with no doubt the Gangxia Village. Since 2009, I have made repeated visits back to this same village. It is an extraordinary example of urban renewal process in Shenzhen, which has experienced almost all the dramas, extremes, and struggles that an urban renewal project could have. Located just slightly east of Shenzhen's central CBD in Futian District, there is Gangxia Village—or what is left of it. When I first visited Gangxia in 2009, the village just had its initial *chaiqian* process which technically started in late September 2008. By the time I visited the *chaiqian* site in January 2009, the dust had already settled. Just five minutes' walk from Futian Sheraton Hotel, Gangxia Village appeared on the horizon. Fu Hua Road cuts Gangxia Village into a big northern section and smaller southern section. From a distance, as one walks into the village, one is greeted by a large billboard that pictures doves soaring through blue sky. On the billboard, the large slogan in red reads: 'New *Gangxia*, a model of civilized urban renewal.' The billboard had an eerily Potemkin-Village-feel to it.



Photo 7: Chaiqian zone at Gangxia village (photo by author 2009)



Photo 8: Gangxia village as a construction zone in 2013 (photo by author 2013)

Walking a little further past the billboard into the village itself, the reason for the billboard became apparent. Holes of various sizes from machine drilling or sledge hammers covered the external walls of many buildings. All windows were gone. Some buildings were literally cut in half, yet amazingly left standing with the internal structures exposed. The ruin of Gangxia is covered with the Chinese character ‘*chai*’ (to demolish), indicated by a big red character with a circle around it. A little further inside the village, there is a landscape of seemingly endless rubble. Some buildings remained, and there was also a scattering of shops around the entrance. During my visit, many Uyghur migrants lived inside the village’s *chaiqian* zone. They were transporting dry goods, such as walnuts and raisins, on the back of their tri-cycles in and out of the village. They seemed to have settled into this demolition zone and made it their trade distribution centre for migrant hawkers mostly from Xinjiang. A little deeper into the village, there was a vast flat area of building rubble. Despite the ruined landscape, there is a clearly marked road. It takes about fifteen minutes to walk from one end of the village to the other. At the other end, there is the *chaiqian* office in charge of demolition.

Essentially, only the western half of the village is under the *chaiqian* process; the eastern half of the village remained untouched during my trips in 2009. There is a functional new subway station right next to the main gate of Gangxia Village, with a road leading to various communal buildings for the villagers and, of course, rental apartments for migrants. Life remained seemingly normal here, despite the war-zone-like destruction on the western side. In mid-2009, I visited the eastern side of village for the purpose of witnessing first-hand the special phenomenon of *qiangjian*, rushed-through construction. As already mentioned, this is one of the popular strat-

egies by villagers to claim more compensation from real-estate developers. The eastern part of Gangxia will also undergo the urban renewal process in the near future. Hence, many opportunistic villagers were building new floors on existing buildings, hoping to enlarge their compensation claim.

In November 2010, I returned again to Gangxia Village, surveying both the ruins and the remaining sectors. I was surprised at how little had changed. The *chaiqian* zone basically remained the same as it did one year previously. This is not normal, considering Shenzhen's rapid construction pace. In fact, I expected the removal of old buildings and the emergence of new ones. However, the reality is that the *chaiqian* process had stalled. Those stand-alone buildings from early 2009 were functioning normally in a sea of rubble. They are the remaining 'nail' households. One year since I visited the village, the relevant parties of Gangxia, the developers and the urban villagers, seemed to have very little patience left in their prolonged struggle. On 24 November 2010, the *Southern Metropolitan Daily* ran a long investigative report on the *chaiqian* process in Gangxia, naming '*gangxia te ding*' (Gangxia super nails) (Ye, 2010). In the article, there was the story of Wen Tianyin, a female 'nail' resident of Gangxia (Ye, 2010). On 16 November 2010, she rushed outside her building with a machete to confront the demolition team because of an area-wide power and water outage. Wen is one of the *taogang* people who fled to Hong Kong for economic reasons in the 1970s. She returned to Gangxia village in 1993 when she was 32. With one million yuan she had earned in Hong Kong over fourteen years, she built a ten-floor red-colored building within two months. In the meanwhile, she continued to work in Hong Kong while her apartments generated rental income. In 2006, the Futian District Government, the Gangxia village company, and the Gemdale Group began negotiations for the urban renewal of Gangxia. Wen quit her job in Hong Kong and returned to Gangxia to defend her building. Wen claimed that she 'no longer feels fear after all the surrounding buildings fell' (Ye, 2010). Every morning she goes to work on the first floor of her building's managerial office. One of her fellow *dingzihu* neighbors had his apartment suites' leasing price reduced from 1,000 Yuan to 300 Yuan by far the cheapest rate in Shenzhen. Hence, the struggle between the developers and the "nails" often takes the form of attrition in time and resources that also greatly burden the *dingzihu* financially and psychologically. As witnessed in Gangxia, the "nails" have to live for years among those torn down buildings and demolition zones waiting for their pay-day.

The *chaiqian* process of Gangxia was for years the biggest headache and obstacle for Gemdale, now one of the rising stars of Chinese real estate scene. Gemdale's Gangxia nightmare officially started in 2006. Gemdale is in charge of roughly half of Gangxia village's urban renewal area—about 1.56 square kilometers. In 2006, Gemdale signed the first round of agreements with the village company. In late 2008, there was another round of formal agreements signed with the village company. At the time, 90 percent of demolition was completed, but several *dingzihu* remained in the area. During my interview, the head of the company Lin admitted

that the *chaiqian* process in Gangxia had been extremely difficult. Originally, the compensation scheme for Gangxia villagers was strictly cash, about 12,800 yuan per square meter. Now the compensation options include cash, new property space, or a mix of both. Lin commented that the urban renewal phase should have been finished by 2010 (Lin 12/12/2010). The project has run on two years beyond initial planning, largely due to the individual villagers' resistance (Lin 12/12/2010). In 2013, I again returned to Gangxia village. It was totally demolished. Gemdale and several lesser partners could finally put an end to their Gangxia campaign. Now Gangxia is a big hole in the ground with several new buildings with green safety net rising rapidly. On the peripheral of the great *chaiqian*/construction zone is covered with new billboard that depict the high modernist dreamscape to come, the future of Shenzhen with shopping malls, high-end apartments and subway stations and corridors connecting all buildings.

CONCLUSION

David Harvey once brilliantly summarized the nature of capitalist geography globally as: 'the inner contradictions of capitalism are expressed through the restless formation and re-formation of geographical landscapes' (Harvey, 1985, p.150). New space and new value have to be created. In New York and Boston, there were the old immigrant ghettos that served as the experiment sites for the modernist urban renewals (Jacobs, 2011). The urban renewal project and its often brutally efficient *chaiqian* process are a physical manifestation of the "cleaning of the slate" moment in high modernist urban vision. Only with the shabby and crowded urban villages demolished, can new, grandiose, high value space be created on the grounds of urban villages. During this process, the *chaiqianhu* as in the case of Shenzhen's urban villages, are mostly original villagers, the owner of the crammed self-build apartment buildings on personal lots (*zhuajidi*) who are also waiting for their big pay-day, meaning the great compensation package that come with the urban renewal. *Chaiqian* cannot be simply summarized and hyped as a one way process with protagonist and antagonist, with bully and victim. However, it is definitely a process between opposing forces both maneuvering for the highest possible financial gain. The urban villagers, *chaiqianhu* and *dingzihu* are not exactly hapless victims as portrayed so popularly in media and popular sources. They are players too. They are experts in passive resistance, and they understand the game and play it to their advantage. Ultimately their resistance is of individualist nature. The nail households are highly individualistic units who pursue personal gain. They will follow the developers' lead, but only at the right price. Shenzhen's urban renewal *chaiqian* scene is a mini but concentrated version of the great urbanization trend in China. What happened in Shenzhen in the late 2000s is repeated nationwide with similar actors and patterns now and in the coming decades. The only thing unique about

the urban renewal scene in Shenzhen is the fierce resistance by the urban villagers and their high success rate in getting what they wanted during the relentless *chaiqian* urban renewal process.

NOTES

- 1 China Resource Group is a multi-region developer and retailer that run some of Shenzhen's and Hong Kong's prominent shopping malls, department stores, and supermarkets.

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